



Our ref: IM-72674

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Dear Interested Party

Request for submissions: Compass's proposed acquisition of School Bytes

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of School Bytes Learning Pty Ltd (**School Bytes**) by Compass Education Pty Ltd (**Compass**) (the **Proposed Acquisition**).

Compass supplies school administration software nationally. School Bytes supplies school administration software in NSW. Further details are provided at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- the extent of direct and potential competition between Compass and School Bytes and the likely impact of the Proposed Acquisition on prices and/or service quality for school administration software
- the availability of alternative suppliers of school administration software in NSW and Victoria
- the likelihood of new entry and expansion for the supply of school administration software, including the likelihood of providers expanding interstate.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public, and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **9 October 2024** via email to mergers@acc.gov.au with the title: *Submission re: Compass/School Bytes*.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact mergers@acc.gov.au with your contact details and an ACCC officer will be in touch.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers

Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Aggie Marek
General Manager (A/g)
Merger Investigations

Attachment A

The Proposed Acquisition

Compass proposes to acquire School Bytes. Compass and School Bytes both supply school administration software to primary and secondary public schools.

The supply of school administration software to public schools in New South Wales and Victoria

New South Wales

In November 2022, the NSW Department of Education (the **NSW DoE**) established the Administration Marketplace Panel for Schools (the **Panel**). If a supplier is selected by the NSW DoE to be on the Panel, it can supply school administration software to NSW public schools.

Suppliers are approved for different categories of software depending on their offerings. These software categories are:

- Student Administration and School Management and Operations (together, Student Information Software or **SIS**)
- Timetabling
- Parent Communications and Consent
- Student Finance.

Victoria

Currently, public schools in Victoria can contract directly with a school administration software provider of their choosing without the Victorian Department of Education acting as an intermediary.

Compass

Compass is an Australian company that supplies school administration software in Australia, the UK and Ireland. In Australia, Compass supplies both public and independent schools and has customers in each State and Territory.

In Victoria, Compass is the largest provider of school administration software based on the number of schools it services.

In NSW, Compass is approved to supply on the Panel. It supplies SIS, Parent / Carer Communication and Consent, Timetabling, and Student Finance products.

School Bytes

School Bytes is a supplier of school administration software based in NSW. It only supplies public schools. School Bytes is approved to supply on the Panel. It supplies SIS, Parent Communications and Consent and Student Finance products.

Attachment B

1. Please describe your business or organisation and explain your interest in the Proposed Acquisition, including any commercial relationship(s) with Compass or School Bytes.

Questions for customers

2. Please outline which supplier/s you currently use for each category of school administration software.
3. Please identify alternative suppliers you could use for each category of school administration software. Are you more likely to consider suppliers that offer multiple categories of school administration software?
4. Describe your procurement process for school administration software, including your current pricing structure. For example, are you charged on a per school, student, or module basis?
5. Discuss how closely Compass and School Bytes compete in the supply of school administration software in your state. Consider factors such as price, quality, and product characteristics in your response.
6. Please outline the process of switching suppliers of school administration software. Consider the following questions in your response.
 - How regularly do you switch suppliers?
 - What factors influence your decision to switch?
 - Does your state education department allow for customers to switch suppliers?
 - How long would it take to transition from one school administration software product to another?

Questions for competitors

7. Identify which categories of school administration software products you provide. Please confirm which categories you provide in each of NSW and Victoria.
8. Identify and describe your competitors for the supply of school administration software in each of NSW and Victoria. Please also provide market shares (by state) where possible, and the basis for such shares.
9. If you supply to schools in NSW, please explain the Panel approval process, including any requirements your company or products must satisfy to be placed on the Panel.
10. What are some of the key requirements of customers looking for school administration software? Please comment on any differences in the requirements of primary and high schools.

Other questions

11. Have there been any significant new entrants supplying school administration software in the past 3 years? Please comment on the likelihood of new entry, in particular any hurdles for new entrants or existing suppliers looking to expand.
12. Please provide any additional information or comments that you consider relevant to the ACCC's consideration of the Proposed Acquisition.