



**Australian
Competition &
Consumer
Commission**

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Our Ref: 49885
Contact Officer: Jeremy Jose
(03) 9290 6940

26 October 2012

Dear interested party

Gallagher Group proposed acquisition of Country Electronics Pty Limited, trading as Thunderbird Agricultural Products

The Australian Competition and Consumer Commission (**ACCC**) is reviewing the proposed acquisition by Gallagher Group (**Gallagher**) of all of the assets of Country Electronics Pty Limited, trading as Thunderbird Agricultural Products (**Thunderbird**) (the **proposed acquisition**).

The ACCC is considering the proposed acquisition under section 50 of the *Competition and Consumer Act 2010* (the **Act**). Section 50 of the Act prohibits mergers and acquisitions that substantially lessen competition in a market, or are likely to do so. A background to the proposed acquisition is provided at **Attachment A** to this letter.

The ACCC is seeking comments from market participants and interested parties to enable it to assess the likely competitive effects of the proposed acquisition. Specific issues and questions that you may wish to address are contained in **Attachment B** to this letter.

Comments and submissions are requested by close of business on **Thursday 15 November 2012**.

Submissions should be sent electronically (preferably in PDF format) to mergers@accc.gov.au with the title "Submission re: *Gallagher proposed acquisition of Thunderbird* (Attn: Jeremy Jose)". Alternatively, submissions may be sent by facsimile to (03) 9663 3699.

While written comments are greatly appreciated, you are also welcome to discuss the matter by telephone if that is more suitable or convenient. Your primary contact in this matter is Jeremy Jose on (03) 9290 6940.

If the information provided is of a confidential nature, you can be assured the details provided by you will be treated confidentially. That is, the ACCC will not disclose the confidential information to the merger parties or other third parties, other than advisors or consultants engaged directly by the ACCC, without first providing you with notice of its intention to do so, such as where compelled to do so by law. Please note that any information provided by you that you believe to be of a confidential nature should be clearly marked or identified as such.

Details regarding the ACCC's indicative timetable for the assessment of this matter and ongoing information about the ACCC's consideration of the matter can be found on the Mergers public register available on the ACCC website (www.accc.gov.au/mergersregister).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Rami Greiss', written in a cursive style.

Rami Greiss
General Manager
Merger Investigations Branch

Gallagher Group

Gallagher is a privately owned New Zealand company involved in three key business areas with a primary focus on the design, manufacture, and marketing of the following products in New Zealand, and exported to various countries including Australia:

- Animal Management – electric fencing energisers and accessories, weigh scales, electronic identification readers, electric cattle prodders, animal handling equipment, and farm gate fittings. Gallagher Australia operates as a sales and distribution company for the Gallagher Group's animal management products in Australia;
- Security – access control products and perimeter electric fencing; and
- Fuel Systems – petrol pumps for the oil industry.

Country Electronics Pty Limited, trading as Thunderbird Agricultural Products

Thunderbird is a privately owned manufacturer and supplier of electric fencing energisers and accessories, weigh scales, and other animal management products in Australia.

Background

1. Describe your relationship with Gallagher and/or Thunderbird (customer, supplier, competitor etc).

Electric fences

2. What are the existing competitive alternatives to Gallagher and Thunderbird in the supply of electric fences?
3. To what extent you consider Thunderbird to be a vigorous and effective competitor in the supply of electric fences?
4. Do you consider that electric fence suppliers relying on imported products could provide effective supply and competition in Australia? Why or why not?
5. What barriers, if any, would exist for the following types of suppliers to commence supplying electric fences in Australia?
 - a. Existing suppliers of products to rural industries, including non-electric fence or gate suppliers.
 - b. International suppliers of electric fences.

Animal weigh scales

6. What are the existing competitive alternatives to Gallagher and Thunderbird in the supply of animal weigh scales?
7. To what extent you consider Thunderbird to be a vigorous and effective competitor in the supply of animal weigh scales?
8. Do you consider that animal weigh scale suppliers relying on imported products could provide effective supply and competition in Australia? Why or why not?
9. What barriers, if any, would exist for the following types of suppliers to commence supplying animal weigh scales in Australia?
 - a. Existing suppliers of products to rural industries.
 - b. International suppliers of animal weigh scales.

Other products

10. Are Gallagher and Thunderbird close competitors in the supply of products other than electric fences and animal weigh scales, including:
 - a. animal handling equipment,
 - b. cattle prodders,
 - c. electronic identification readers, or

d. any other products?

11. If so, please describe the existing competitive alternatives to Gallagher and Thunderbird in the supply of the relevant product or products, and outline any barriers to importation or entry that exist with regards to the supply of that product or products.

Other issues

12. Please provide any other information that you consider may be useful to the ACCC in its assessment of the competitive effects of the proposed acquisition.