

LAWYERS

The Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia
Tel 61 2 9230 4000
Fax 61 2 9230 5333

20 November 2000

Regional Director, New South Wales
Australian Competition & Consumer
Commission
Level 5
Skygarden
77 Castlereagh Street
Sydney NSW 2000

Correspondence
GPO Box 50
Sydney NSW 2001
Australia
DX 105 Sydney
www.allens.com.au

BY HAND

Dear Sir

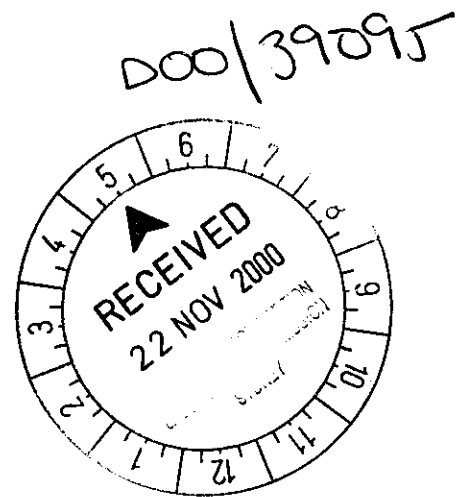
Third Line Forcing Notification

We enclose a notice under s93(1) of the Trade Practices Act together with a cheque for \$1,000. If you require any additional information in relation to the notice please contact me on 9230 4994.

Yours faithfully



Catherine Parr
Partner
catherine.parr@allens.com.au
Tel (02) 9230 4994



Our Ref CPPS.203280319

FORM G

Regulation 9

COMMONWEALTH OF AUSTRALIA

Trade Practices Act 1974 - Sub-section 93(1)

EXCLUSIVE DEALING:

NOTIFICATION

To the Australian Competition & Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974* of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(6) or (7), of that Act in which the person giving notice engages or proposed to engage.

-
1. (a) **Name of person giving notice:**
Westpac Banking Corporation (ABN 33 007 457 141)
 - (b) **Short description of business carried on by that person:**
Financial Services
 - (c) **Address in Australia for service of documents on that person:**
C/- Catherine Parr
Allen Allen & Hemsley,
Level 17, Chifley Tower,
2 Chifley Square
Sydney, NSW 2000
 2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**
Deposit accounts.
 - (b) **Description of the conduct or proposed conduct:**
See Attachment A.
 3. (a) **Class or classes of persons to which the conduct relates:**
Consumers of deposit products.
 - (b) **Number of those persons:**
Substantially greater than 50.
 - (c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**
Not applicable.

FORM G - continued

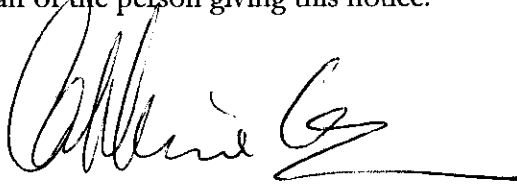
4. **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice:**

Catherine Parr
Allen Allen & Hemsley
Level 17, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Dated: 20 November 2000

Signed on behalf of the person giving this notice:

(Signature)



CATHERINE PARR

PARTNER, ALLEN ALLEN & HEMSLEY,

solicitors for the person giving

this notice



ATTACHMENT A

Description of Proposed Conduct for Exclusive Dealing Notification

Background

Westpac Banking Corporation (*the Bank*) provides a range of deposit and transaction accounts to its customers.

BNP Paribas Equities Private (Australia) Limited (*BNPPE*) is a share broker offering brokerage services to its customers including trading in securities listed on the Australian stock market.

Proposed Conduct

It is proposed that customers of BNPPE will be offered an account with the Bank in which they can deposit moneys which they intend to use to purchase securities through BNPPE. BNPPE has informed the Bank that it is not mandatory for customers to have one of these accounts as they may provide the funds for a trade by other means including cheque or telegraphic transfer.

The account will be opened in the name of the customer of BNPPE and will be held directly with the Bank. The account will be very similar in nature to other deposit accounts offered by the Bank and will be a fully functional transaction account able to be operated by the customer via cheque, phone banking, internet banking, BPay, bank branches and any other method of access made available by the Bank from time to time.

Withdrawals will be able to be made on the account for purposes other than making payments to BNPPE.

The customer will through a direct debit arrangement authorise BNPPE to debit the account for the purpose of making payments due to BNPPE for the purchase of securities or the payment of fees or other amounts due to BNPPE. BNPPE will have the capacity, once a customer has placed an order to purchase securities, to "reserve" an amount equal to the relevant purchase price to ensure that amount is not withdrawn from the account by the customer by other means before the date on which the relevant purchase of securities is required to take place.

The account will carry a right to interest. It will also be subject to fees. It is likely that the rate of interest received by the customer on the account will be higher than the rate of interest offered by the Bank on its equivalent accounts generally and that the fee structure for the account will be more advantageous to the account holder than the fee structure imposed on equivalent accounts made available by the Bank generally.

Pricing

The Bank is able to offer the advantageous pricing on these accounts because the arrangements it has reached with BNPPE are likely to mean a large number of new accounts and because BNPPE will be undertaking some of the administrative functions associated with opening and managing the account. For example, BNPPE

will receive account applications and will undertake to notify customers of changes in account pricing.

All promotion of the account will be done by BNPPE and it is likely that the account will be branded or co-branded with a BNPPE business name. However, any advertising and marketing material which makes reference to the account or to the Bank must be forwarded to the Bank for review prior to release.

Section 47(6) and (7)

It is possible that the proposed conduct described above might involve conduct of the kind in Sections 47(6) or (7) of the Trade Practices Act in that the Bank may not offer the same level of benefits on an equivalent deposit account to a customer who is not also a customer of BNPPE.

However the Bank does offer reduced transaction fees and/or higher deposit rates under other offers and to customers with particular profiles from time to time, so it is not the case that these or similar benefits can only ever be obtained if the customer is also a customer of BNPPE.

Public Benefit

The proposed conduct is not anti-competitive. Offering the package is intended to stimulate demand for BNPPE's services and for deposit accounts with the Bank. Some of the Bank's competitors have similar arrangements with other share brokers.

Deposit accounts are available independently of the proposed arrangements. Customers are free to choose, on the normal commercial basis of quality and price, whether to open a "standard" account with the Bank or to trade with BNPPE and obtain the benefit of the account with the Bank referred to above. Customers are also free to choose, if they do trade with BNPPE, whether they open an account with the Bank or not.

The proposal does not lead to any loss of transparency in the pricing of individual products or services. Customers are able to make an informed decision on the offer.

The proposal is of benefit to customers who have a need for a deposit account and who want to trade through BNPPE as it offers a genuine interest rate advantage and a genuine cost saving on what most customers could obtain if they open an equivalent account with the Bank separately. The proposal will result in higher deposit interest rates and lower transaction costs for the relevant customers and serve to increase competition.

Given that each of the Bank and BNPPE has numerous competitors offering numerous competing products there is no prospect the proposed conduct will lessen or substantially lessen competition.