

Australian Competition & Consumer Commission

PO Box 1199 Dickson ACT 2602 470 Northbourne Ave Dickson ACT 2602 Australia

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Our Ref:

N50128

Your Ref:

Contact Officer: Jewel Gilbert

Ms Theresa Thurlow Corporate Solicitor The Royal Automobile Club of Queensland Limited GPO Box 1403 BRISBANE QLD 4001

7 September 2001

Dear Ms Thurlow,

Notification of Exclusive Dealing - Third Line Forcing - N50128 The Royal Automobile Club of Queensland Limited

I refer to a notification of exclusive dealing lodged by The Royal Automobile Club of Queensland Limited ("RACQ") on 21 August 2001 and your letter of 6 September 2001. The notification has been placed on the Commission's public register. You have described the notified conduct as involving RACQ Security Services offering discounts and other benefits, from time to time, to RACQ members. There is no reimbursement arrangement between RACQ and RACQ Security Services.

On the basis of the information you have provided, I do not intend to make further inquiries in relation to the notified conduct at this time. Legal immunity provided by the third line forcing provisions of the Trade Practices Act came into force on 4 September 2001.

As you are aware, notification has the effect of affording immunity to the person notifying (the Trade Practices Act does not enable a person to notify on others' behalf). Clearly RACQ Limited has the benefit of the immunity afforded by the notification. There appears to be some misunderstanding if you thought our position to be otherwise. Having said that, as you acknowledge, RACQ Security Services appears to be the person actually engaging in third line forcing conduct rather than RACQ. Please be advised that any immunity afforded as a result of your notification does not appear to



extend to RACQ Security Services, which provides discounted home security systems and monitoring services at a discount to persons who are members of RACQ.

Whilst I would not expect the Commission to take action in respect of the conduct notified, on the basis of the information you have provided, it may be open for third parties to take action against third line forcing. You may therefore wish to consider advising Signature Security Systems Pty Ltd, which I understand to be the operator of RACO Security Services, to notify such conduct.

If you have any queries relating to this matter, please do not hesitate to contact Jewel Gilbert on (02) 6243 1225.

Yours sincerely

Tim Grimwade A/g General Manager Adjudication Branch