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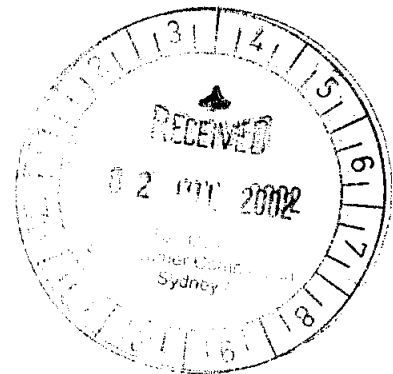
Our Ref PKM:344919
Your Ref

Private and Confidential

Australian Competition and Consumer Commission
Level 7, Angel Place
123 Pitt Street
(between Hunter Street and Martin Place)
Sydney NSW 2000

By Hand

2 July 2002



Exclusive Dealing Notification

Dear Sir

Please find enclosed Form G for an Exclusive Dealing Notification under section 93(1) of the Trade Practices Act 1974 together with a cheque for the filing fee of \$1,000.00.

Yours faithfully

A handwritten signature in black ink, appearing to read "Peta Maloney".

Peta Maloney
Partner
peta.maloney@pwclegal.com.au
Direct phone 8266 6723

Form G

Commonwealth of Australia
Trade Practices Act 1974 --- Sub-section 93(1)

EXCLUSIVE DEALING NOTIFICATION

To the Australian Competition and 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(2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b) or (c) or (9) (a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice... Australian Partnership of PricewaterhouseCoopers
.....
(See Direction 2 on the back of this form)
(b) Short description of business carried on by that person
.....
See attached submissions.....
(c) Address in Australia for service of documents on that person
.....
GPO Box 2650 SYDNEY NSW 1171.....


2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates
.....
See attached submissions.....
(b) Description of the conduct or proposed conduct
.....
See attached submissions.....
(See Direction 4 on the back of this Form)

3. (a) Class or classes of persons to which the conduct relates
.....
corporate entities.....
(b) Number of those persons--
(i) At present time 69.....
(ii) Estimated within the next year 180.....
(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses
.....
not applicable.....

4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice.....
Peta Maloney... Partner, PricewaterhouseCoopers Legal.....
GPO Box 427 SYDNEY NSW 1041.....

Dated 2 July 2002

Signed on behalf of the applicant giving notice


.....
(Signature)
PETA MALONEY
.....
(Full Name)
SOLICITOR
.....
(Description)

DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice
2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in sub-section 47(2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. In item 3 (a), describe the nature of the business carried on by the persons referred to in that item.
6. In item 3(b) (ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

NOTICE

If this notification is in respect of conduct of a kind referred to in sub-section 47(6) or (7) or paragraph 47(8)(c) or (9) (d) of the *Trade Practices Act 1974* ("the Act"), it comes into force at the end of the period prescribed for the purposes of subsection 93(7a) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93(3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47(2), (3), (4) or (5), or paragraph 47(8)(a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.

Australian Partnership of PricewaterhouseCoopers Confidential Submissions

In support of the Notification contained in the Form G Exclusive Dealing Notification to the Australian Competition and Consumer Commission submitted by the Australian partnership of PricewaterhouseCoopers ("PwC"), PwC makes the following submissions. Due to the sensitive commercial nature of the matters disclosed in these submissions, PwC requests that these submissions be kept confidential.

A. BACKGROUND

1. PwC is one of the member firms of the worldwide PricewaterhouseCoopers organisation. PwC provides a full range of business advisory services to leading global, national and local companies and public entities.
2. Between October 1998 and June 2002 PwC engaged in research and development of a financial accounts preparation tool to market to large corporate entities. This product has now been developed and is known as 'PwC eValue Accounts'.
3. PwC eValue Accounts is a financial reporting solution enabling users to prepare audited and unaudited statutory financial statements, related working papers and supporting documents in a format required by Australian regulators and meeting relevant Australian standards.
4. PwC conducted extensive research in Australia and overseas to identify an appropriate underlying software platform on which the PwC eValue Accounts templates could run.
5. PwC found that in its view, the only product suitable for running PwC eValue Accounts was the software program owned and developed by CaseWare International Inc ("CaseWare International") known as 'CaseWare Working Papers Software' ("CaseWare").
6. While other products were considered by PwC, these products were discounted because they would have delivered a substantially inferior end product to the customer. This is because, without limitation, these other products:
 - (a) use old technology;
 - (b) are cumbersome to use;
 - (c) lack knowledge management in that they do support the concept of templates and knowledge libraries; and
 - (d) are network based rather than stand alone products.
7. CaseWare International is a foreign company based in Toronto, Canada. PwC understands that CaseWare International is not carrying on business in Australia other than by use of its distributor referred to in paragraph 23.

8. It is necessary for users of PwC eValue Accounts to install and/or use the CaseWare software product as the platform for using the PwC eValue Accounts templates.
9. It was the intention of PwC to obtain sub-licensing rights from CaseWare International so as to 'bundle' the two products (PwC eValue Accounts and CaseWare software licence) together enabling the client to obtain an end product solely from PwC.
10. Negotiations between PwC and CaseWare International regarding a grant of sub-licensing rights of CaseWare to PwC were undertaken over an extensive period from about August 2001 and June 2002, but were unsuccessful due to the corporate policy of CaseWare International, made known to PwC at the relevant time, not to grant sub-licensing rights of their products to other entities or otherwise vary their standard end user licence agreement.
11. The licence agreement takes the form of a clickwrap licence provided on a CD together with the CaseWare product. CaseWare International advised PwC that the CaseWare product and licence agreement are supplied in this same form in all other countries where CaseWare is licensed and accordingly CaseWare International was not prepared to change the format for Australia.
12. Based on the outcome of these negotiations with CaseWare International, PwC is of the view that in order to offer the product in Australia it must accede to the requirements of CaseWare International.
13. PwC is of the view that there is a strong demand in Australia for the PwC eValue Accounts template run using CaseWare as, in PwC's knowledge, when operating together, same will be one of the first commercially available products that use eXtensible Business Reporting Language ("XBRL"), which PwC understands will shortly be a requirement of the Australian Prudential Regulation Authority ("APRA") in the preparation of financial accounts.
14. For the reasons referred to above, in order for PwC to supply PwC eValue Accounts, customers need to obtain CaseWare directly from CaseWare International.
15. PwC has negotiated with CaseWare International a discount on the cost of the CaseWare software licence required to be obtained by users of PwC eValue Accounts.
16. PwC submits that the benefits of allowing the conduct referred to in paragraph 13 above, that may otherwise be prohibited by s47(6) of the Trade Practices Act 1974, outweigh any associated detriment arising out of such conduct.

B. PUBLIC BENEFITS ARISING OUT OF THE CONDUCT

PwC submits that the supply of the PwC eValue Accounts template with the requirement on a customer to also obtain CaseWare from CaseWare International has the following benefits to the public:

17. PwC eValue Accounts is the only commercially available tool known to PwC, other than products currently in development, that enables customers to prepare financial statements using XBRL. PwC understands that XBRL is soon to be mandated by APRA in the preparation of financial statements. The PwC eValue Accounts product, when run with CaseWare, saves entities time, cost and money in re-writing their own financial statements using XBRL.
18. The PwC eValue Accounts helps to achieve the broader public policy objectives in creating better and more efficient business reporting in the Australian market. PwC eValue Accounts, when run with CaseWare, is distinct from any product currently in the market in that it provides users with all of the following:
 - (a) a single reporting template that can be adapted to meet a wide range of reporting needs;
 - (b) the ability to import data directly from the general ledger;
 - (c) the ability to capture information external to the general ledger for disclosure;
 - (d) a simple tool for the preparation of consolidated financial statements from a series of individual entities;
 - (e) the ability to create working papers to support the financial statements;
 - (f) a simple mechanism for updating the financial statements for changes in accounting and presentation standards, thus reducing the amount of rework formally performed by the user; and
 - (g) a high level of quality control, including:
 - (i) an audit trail of adjustments and underlying data;
 - (ii) automatic roll-forward of comparative figures;
 - (iii) automatic rounding and cross-referencing;
 - (iv) the ability to control over-ride of formulae and text to ensure integrity is maintained; and
 - (v) security features to control changes to the financial statements and underlying data.


19. Given that PwC's research concluded that CaseWare is the only commercially available product that has the required functionality to support the PwC eValue Accounts template, the requirement on PwC eValue Accounts users to install and/or use CaseWare causes little or no detriment to the user or the public.
20. PwC is of the view that the only way PwC eValue Accounts can be supplied to the Australian market place is in compliance with the requirements of CaseWare International that software licences for CaseWare be obtained by the customer directly from CaseWare International.
21. In discussing the product with potential customers, PwC discloses the requirements of CaseWare International and provides the potential customer with the CaseWare end user licence to enable them to undertake a review of the licence before committing to a purchase of PwC eValue Accounts.
22. PwC currently employs 6 full time staff and 40 part time staff for the sale, development and support of PwC eValue Accounts.

C. IMPACT ON COMPETITION

PwC submits, for the following reasons, that its conduct does not detrimentally affect competition.

23. PwC is not seeking any exclusivity for the supply of CaseWare in the Australian market. PwC is only seeking the ability to offer its product PwC eValue Accounts to end users in the most effective form. PwC understands that Audit Software Systems Pty Ltd ("ASS"), the Australian distributor of CaseWare International, undertakes sales of CaseWare to other entities in Australia. PwC also understands that ASS may be supplying CaseWare to other entities who are developing a product competitive to PwC eValue Accounts in the Australian market.
24. Given that PwC's research concludes that CaseWare is the only satisfactory commercially available product of its type, the requirement on PwC eValue Account users to install and/or use CaseWare does not detrimentally affect competition in the market place.

In accordance with section 93(1) of the *Trade Practices Act 1974*, PwC hereby gives notice to the ACCC of conduct in relation to the provision of the PwC eValue Accounts product that may amount to an exclusive dealing. PwC submits that the ACCC should allow PwC to receive immunity in relation to this conduct.

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Peta Maloney
Solicitor for PricewaterhouseCoopers

Dated 2 July 2002