

COMPETITION  
CONSUMER COMMISSION  
PERTH  
17 JUN 2003

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# FlexiPlan

FlexiPlan Australia Limited  
ABN 15 056 678 427

Level 17  
216 St Georges Terrace  
Perth WA 6000  
Australia

PO Box 7657  
Cloisters Square  
Perth WA 6850  
Australia

Tel 08 9215 5200  
Fax 08 9481 8197

16 June 2003

Australian Competition and Consumer Commission  
PO Box 6381  
East Perth WA 6892

Dear Sir or Madam:

## EXCLUSIVE DEALING NOTICE

I enclose with this letter three notices pursuant to s93 Trade Practices Act relating to proposed conduct to which sub-sections 47(6) and (7) Trade Practices Act might apply.

The notifications are as follows:

1. notification for FlexiPlan Australia Limited (\$1000 fee payable);
2. additional notice relating to the same conduct for MLC Investments Ltd (\$200); and
3. notification for Heritage Management Limited (\$1000).

I also enclose a cheque for the fee in the sum of \$2,200 made out to the ACCC.

In summary, the notices relate to a proposed fee rebate proposal where a person can obtain a partial rebate of the administration fees charged on products and services presently provided by FlexiPlan Australia Limited ("FAL") or its related company Heritage Management Limited ("HML") if the person ceases to invest through FAL or HML and switches their investment to any of the MasterKey products offered by the MLC Group. Each of FAL, HML and MLC Investments are in the MLC and National Australia Bank group of companies.

### Public benefit issues

The investment products and services offered by FAL and HML are generally aimed at higher net-worth retail investors and are priced accordingly. The MasterKey products are more appropriate for retail investors with smaller amounts to invest and are generally lower-priced. The rebate proposal will give FAL and HML investors with smaller accounts time to make a fully-informed decision whether or not to switch to investment products which may be more appropriate, ie the MasterKey products, without being concerned about the impact of increased FAL and HML fees. This is in the interests of consumers.

The offer of such a rebate will also contribute to competition between offerors of products similar to the MasterKey range of products. The MasterKey products are public offer unit trusts and superannuation funds. There are substantial competitors in the same market offering products which are similar to the MasterKey products. These kinds of products are referred to by various names eg "wrap accounts", "master funds", and "master trusts". Such products are offered by, amongst others, the Commonwealth Bank/ Colonial First State Group, ING/ANZ, Navigator, BT/Westpac, Macquarie Bank, AMP and AXA.

ASSIRT Pty Ltd has published information about the level of investment as at March 2003 in the various master funds and wraps available in Australia. ASSIRT Pty Ltd is a well-known provider of ratings and other comparative information about the financial services industry. Although not all of the "master funds and wraps" will have the same structure and features as those offered by the MasterKey products, the common element is that each is an investment platform which allows a retail investor to have some level of individually-tailored choice about the underlying investments made on their behalf.

The ASSIRT information shows the MasterKey range of products as having a total of approximately \$21,832 million of investor funds under administration out of a total of \$155,425 million of investor funds in all "master funds and wraps". This equates to a market share of 14.04%. FAL and HML submit that this information indicates that the MasterKey products do not have any kind of control or dominance in the market for master funds and wraps.

**Public detriment issues**

We submit that there will be no public detriment in the proposed discount scheme.

As referred to above, there are other similar products and services which are readily available to the public.

Further, no person would be forced to acquire any HML, FAL or MasterKey product or service as a condition of acquiring any other product or service. The rebate proposal will only apply if someone ceases to have a FAL or HML product or service (although they will have to acquire a MasterKey product).

The rebate proposal would not inhibit in any way the transparency of the pricing of any HML, FAL or MasterKey products or services. Fee disclosure of all of the products and services is regulated by the Australian Securities and Investments Commission ("ASIC") pursuant to the *Corporations Act, Superannuation Industry (Supervision) Act* and various instruments issued by ASIC or its regulatory predecessors. This legislation requires that fees for each separate product and service be disclosed in either an "IDPS Guide", "Key Features Statement" or "Product Disclosure Statement" for that particular product or service. All of the FAL, HML and MasterKey products and services are disclosed in accordance with these requirements and this will continue. Hence there is no risk of a person not being able to determine the price of a FAL or HML product or service if it is "acquired" in isolation rather than with another product or service.

Further, the nature of the rebate does not relate to or affect the pricing of the MasterKey products at all, these being the products to be acquired as a condition of receiving the FAL/HML rebate. Hence, the ability to determine the fees applicable to the MasterKey products is not affected.

If you require any further information about the notice please contact Andrew Taylor, Legal Counsel FlexiPlan Australia Limited/Heritage Management Limited, on 08 9215 5711 or [andrew.taylor@flexiplan.com](mailto:andrew.taylor@flexiplan.com)

Yours faithfully



Bill Wawn  
General Manager  
FlexiPlan Australia Limited  
Heritage Management Limited  
MLC Investments Limited

# Form G

*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(6) and (7) of that Act in which the person giving notice engages or proposes to engage.

**1. (a) Name of person giving notice.**

FlexiPlan Australia Limited ABN 15 056 678 427 (FAL”).

**(b) Short description of business carried on by that person**

Financial services and products. In particular, FAL acts as APRA-approved trustee of a public offer superannuation fund to be known from 1 July 2003 as “MasterKey Custom Super” (“the Fund”), and as ASIC-licensed operator of an investor-directed portfolio service to be operated under the names of “The MasterKey Custom Investment Service” and “MasterKey Custom Self Managed Super” (“the Services”). The investor-directed portfolio service is a master trust service through which retail clients can acquire, hold, and dispose of investments and receive reports on those investments. MasterKey Custom Self Managed Super offers the additional services of fund administration for trustees of self managed superannuation funds.

**(c) Address in Australia for service of documents on that person**

Level 17, 216 St Georges Terrace  
Perth Western Australia 6000 (street address)

or

PO Box 7657  
Cloisters Square WA 6850 (postal address)

**2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates**

The services are membership of the Fund and the Services and the provision of services and benefits arising from such membership.

**(b) Description of the conduct or proposed conduct**

The person giving this notice (applicant) proposes to offer a partial refund or rebate of administration fees charged to any member of the Fund and Services who:

- (a) ceases to be a member between 1 July and 31 October 2003; and

- (b) switches the member's investment from the Fund or Service to an investment in one of the MasterKey investment products offered by the MLC/National Australia Bank Limited Group of companies .

The applicant is a member of the MLC/National Australia Bank Limited Group of companies.

The rebate amount will be calculated by reference to the difference between the fees charged to the member between 1 July and 31 October under proposed new fee scales coming into effect on 1 July 2003, and the fees which would have been charged in the same period if the old fee scales still applied.

Conduct falling within the above proposal may include the applicant:

- giving or allowing, or offering to give or allow, a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply or proposed supply of the said services, on the conditions described above;
- refusing to give or allow a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply of the said services, for the reason that other services (namely, those described above) have not been acquired, or have not been agreed to be acquired, in accordance with the conditions described above.

**3. (a) Class or classes of persons to which the conduct relates**

Members of MasterKey Custom Super, The MasterKey Custom Investment Service and MasterKey Custom Self Managed Super. These members are primarily individual investors and small private companies.

**(b) Number of those persons--**

**(i) At present time**

None.

**(ii) Estimated within the next year**

Approximately 3,500.

**(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses**

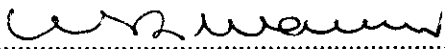
Not applicable.

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

Andrew Taylor  
Legal Counsel  
FlexiPlan Australia Limited  
PO Box 7657  
Cloisters Square WA 6850

Dated 16TH JUNE, 2003.....

Signed by/on behalf of the applicant giving notice

  
.....  
(Signature)

WILLIAM REGINALD WAWN  
GENERAL MANAGER  
FLEXIPLAN AUSTRALIA LIMITED

AUST. COMPETITION &  
CONSUMER COMMISSION  
17 JUN 2003

# Form G

*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(6) and (7) of that Act in which the person giving notice engages or proposes to engage.

### 1. (a) Name of person giving notice.

MLC Investments Limited ABN 30 002 641 661 (MLCI).

### (b) Short description of business carried on by that person

Financial services and products. In particular, it is proposed that from 1 October 2003 MLCI will succeed FlexiPlan Australia Limited and Heritage Management Limited as operator of an investor-directed portfolio service to be operated from 1 July under the names of "The MasterKey Custom Investment Service" and "MasterKey Custom Self Managed Super" and the OneSource Investment Trust ("the Services"). The investor-directed portfolio service is a master trust service through which retail clients can acquire, hold, and dispose of investments and receive reports on those investments. MasterKey Custom Self Managed Super offers the additional services of fund administration for trustees of self managed superannuation funds.

### (c) Address in Australia for service of documents on that person

Level 17, 216 St Georges Terrace  
Perth Western Australia 6000 (street address)

or

PO Box 7657  
Cloisters Square WA 6850 (postal address)

### 2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates

The services are membership of the Fund and the Services and the provision of services and benefits arising from such membership.

### (b) Description of the conduct or proposed conduct

The person giving this notice (applicant) proposes to offer a partial refund or rebate of administration fees charged to any member of the Services who:

- (a) ceases to be a member between 1 July and 31 October 2003; and

- (b) switches the member's investment from the Service to an investment in one of the MasterKey investment products offered by the MLC/National Australia Bank Limited Group of companies .

The applicant is a member of the MLC/National Australia Bank Limited Group of companies.

The rebate amount will be calculated by reference to the difference between the fees charged to the member between 1 July and 31 October under proposed new fee scales coming into effect on 1 July 2003, and the fees which would have been charged in the same period if the old fee scales still applied.

Conduct falling within the above proposal may include the applicant:

- giving or allowing, or offering to give or allow, a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply or proposed supply of the said services, on the conditions described above;
- refusing to give or allow a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply of the said services, for the reason that other services (namely, those described above) have not been acquired, or have not been agreed to be acquired, in accordance with the conditions described above.

**3. (a) Class or classes of persons to which the conduct relates**

Members of The MasterKey Custom Investment Service and MasterKey Custom Self Managed Super. These members are primarily individual investors and small private companies.

**(b) Number of those persons--**

**(i) At present time**

None.

**(ii) Estimated within the next year**

1,000

**(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses**

Not applicable.

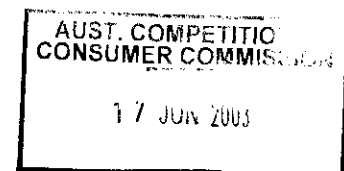
**4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice**

Andrew Taylor  
Legal Counsel  
PO Box 7657  
Cloisters Square WA 6850

Dated 16TH JUNE, 2003.....

Signed by/on behalf of the applicant giving notice





(Signature)

WILLIAM REGINALD WAWN

GENERAL MANAGER  
MLC INVESTMENTS LIMITED



# Form G

*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(6) and (7) of that Act in which the person giving notice engages or proposes to engage.

### 1. (a) Name of person giving notice.

Heritage Management Limited ABN 98 057 647 533 (HML”).

### (b) Short description of business carried on by that person

Financial services and products. In particular, HML acts as APRA-approved trustee of a public offer superannuation fund, the HML Superannuation Fund (“the Fund”) and as ASIC-licensed operator of an investor-directed portfolio service, the OneSource Investment Trust (“the Service”). The Service is a master trust service through which retail clients can acquire, hold, and dispose of investments and receive reports on those investments.

### (c) Address in Australia for service of documents on that person

Level 17, 216 St Georges Terrace  
Perth Western Australia 6000 (street address)

or

PO Box 7657  
Cloisters Square WA 6850 (postal address)

### 2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates

The services are membership of the Fund and the Service and the provision of services and benefits arising from such membership.

### (b) Description of the conduct or proposed conduct

The person giving this notice (applicant) proposes to offer a partial refund or rebate of administration fees charged to any member of the Fund or Service who:

- (a) ceases to be a member between 1 July and 31 October 2003; and
- (b) switches the member's investment from the Fund or Service to an investment in one of the MasterKey investment products offered by the MLC/National Australia Bank Limited Group of companies .

The applicant is a member of the MLC/National Australia Bank Limited Group of companies.

The rebate amount will be calculated by reference to the difference between the fees charged to the member between 1 July and 31 October under proposed new fee scales coming into effect on 1 July 2003, and the fees which would have been charged in the same period if the old fee scales still applied.

Conduct falling within the above proposal may include the applicant:

- giving or allowing, or offering to give or allow, a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply or proposed supply of the said services, on the conditions described above;
- refusing to give or allow a discount, allowance, rebate or credit (i.e. the partial rebate of administration fees) in relation to the supply of the said services, for the reason that other services (namely, those described above) have not been acquired, or have not been agreed to be acquired, in accordance with the conditions described above.

**3. (a) Class or classes of persons to which the conduct relates**

Members of the HML Superannuation Fund and the OneSource Investment Trust. These members are primarily individual investors and small private companies.

**(b) Number of those persons--**

**(i) At present time**

None.

**(ii) Estimated within the next year**

Approximately 300

**(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses**

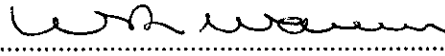
Not applicable.

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

Andrew Taylor  
Legal Counsel  
Heritage Management Limited  
PO Box 7657  
Cloisters Square WA 6850

Dated 16<sup>TH</sup> JUNE, 2003.....

Signed by/on behalf of the applicant giving notice

  
.....

(Signature)

WILLIAM REGINALD WAWN

GENERAL MANAGER  
HERITAGE MANAGEMENT LIMITED

