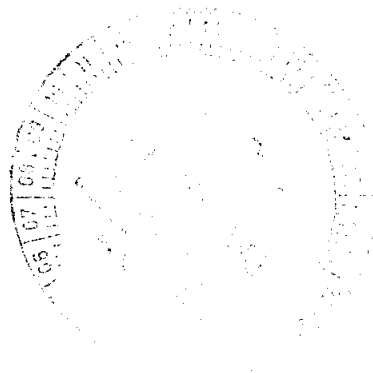


RACV Group Legal ServicesRACV Group Services Pty Ltd
ACN 005 362 989

16 December, 2003

Tim Grimwade
Adjudication Branch
Australian Competition and Consumer Commission
Level 35
The Tower
360 Elizabeth Street
MELBOURNE VIC 3000



Dear Sir,

NOTIFICATION OF EXCLUSIVE DEALING CONDUCT

Please find attached:

1. 2 notifications of exclusive dealing conduct in accordance with Section 93(1) of the Trade Practices Act 1974;
2. 2 supporting submissions supporting the above notifications;
3. 2 cheques for \$100 each payable to the Australian Competition and Consumer Commission as the fee for lodgement of the above notifications.

If you have any queries, please contact me on 9627 3867 (direct line).

Sincerely



MICHAEL ANTHONISZ
Corporate Solicitor

J03/47231

COMMONWEALTH OF AUSTRALIA
Trade Practices Act 1974 - Subsection 93(1)

N 40667

Exclusive Dealing: - Notification

Form G

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in subsection 47(2), (3), (4), (5), (6) or (7) or paragraph 47(8)(a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) Name of person giving notice: **605 258 702**
RACV SALES AND MARKETING PTY LTD (ACN 004 060 833) ("RACV")

(b) Short description of business carried on by that person:
RACV provides a range of products and services such as motor vehicle inspections, home security systems and services, driver training, attraction and event ticketing and tourism products and services.

(c) Address in Australia for service of documents on that person:
550 Princes Highway Noble Park Victoria 3174
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:
Home security systems and services provided under the business name of RACV Home Security.

(b) Description of the conduct or proposed conduct:
RACV will offer 12 months of home security monitoring services free of charge to persons in Victoria who purchase a house built by Devine Limited (ACN-010 769 365) trading as Devine Homes that is sold with a built-in home security system from RACV Home Security.
3. (a) Class or classes of persons to which the conduct relates:
Purchasers of houses built and sold by Devine Limited.

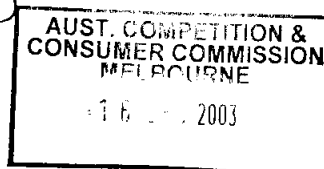
(b) Number of those persons -- 800 to 1,500 annually
(i) At present time: conduct has not commenced
(ii) Estimated within the next year:

(c) Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:
Not applicable
4. Name and address of person authorised by the person giving this notice to provide additional information:
Peter Brindley, General Manager Home Security, RACV, 550 Princes Highway Noble Park Victoria 3174

Dated: 15 December 2003

Signed on behalf of the person giving this notice


.....
General Manager Home Security



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 subsection 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 notice is in respect of conduct of a kind referred to in subsection 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 subsection 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 subsection 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.

NOTIFICATION APPLICATION - SUPPORTING SUBMISSION

Submission in support of a notification of exclusive dealing in accordance with section 93(1) of the Trade Practices Act 1974.

This submission supports a notification of exclusive dealing lodged by RACV Sales and Marketing Pty Ltd ("RACV") with the Australian Competition and Consumer Commission ("the Commission") on 15 December 2003.

In accordance with the Commission's *Guide to authorisation and notification for third line forcing conduct* (February 1998), this submission provides information on relevant products and identifies the public benefits and detriment likely to result from the notified conduct.

1. THE NOTIFIED CONDUCT

RACV under the business name of RACV Home Security will offer 12 months of home security monitoring services free of charge to persons in Victoria who purchase a house built by Devine Limited (ACN-010 769 365) trading as Devine Homes that is sold with a built-in home security system from RACV Home Security.

2. RELEVANT PRODUCTS

The notified conduct involves the following products and services:

- home security systems and services from RACV Home Security; and
- houses built and sold by Devine Limited.

The way that these services are linked is through the provision by RACV of 12 months of home security monitoring services free of charge to persons on the condition that:

- they purchase a house built by Devine Limited in Victoria; and
- the house comes with a built-in home security system from RACV Home Security.

RACV Home Security

RACV under the business name RACV Home Security provides a range of home security systems and services such as alarm response services (monitoring). The provision of home security systems and services in Victoria is a competitive activity. RACV has no significant share of this activity.

Devine Homes

Devine Limited trading as Devine Homes is a builder of houses and other dwellings. Devine Homes offer new house and land packages for sale to consumers wishing to purchase new residential premises. The home building industry is a competitive one.

3. PUBLIC BENEFITS

The proposed conduct has a number of public benefits. In particular, the conduct is likely to:

- provide a consumer benefit for purchasers of new homes;
- enhance consumer choice in relation to home security systems and services and new homes;

- promote competition in relation to home security systems and services and new homes; and
- promote and improve the security of dwellings in Victoria.

4. DETRIMENT

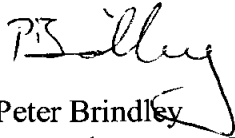
No public detriment is likely to occur as a result of the proposed conduct. There is unlikely to be any anti-competitive effect because of the number of suppliers and highly competitive nature of the home security and home building industries.

Consumers can purchase or access any of the products and services identified in section 2 separately albeit without the offer of 12 months of home security monitoring services free of charge as described in section 1. Consumers are not compelled to purchase all of the products and services to obtain a particular one.

Further, the proposed conduct has no adverse impact on the transparency of pricing for each of the products and services. Consumers will continue to have the ability to make a genuine and informed purchasing decision.

5. ASSESSMENT

It is, therefore, submitted that the public benefits of the proposed conduct outweighs the public detriment. The proposed third line forcing is pro-competitive and beneficial to consumers.



Peter Brindley
General Manager Home Security

15 December 2003

Exclusive Dealing: - Notification

Form G

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in subsection 47(2), (3), (4), (5), (6) or (7) or paragraph 47(8)(a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) Name of person giving notice: **005 258 762**
RACV SALES AND MARKETING PTY LTD (ACN ~~004 060 833~~) ("RACV")

(b) Short description of business carried on by that person:
RACV provides a range of products and services such as motor vehicle inspections, home security systems and services, driver training, attraction and event ticketing and tourism products and services.

(c) Address in Australia for service of documents on that person:
550 Princes Highway Noble Park Victoria 3174
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:
Home security systems and services provided under the business name of RACV Home Security.

(b) Description of the conduct or proposed conduct:
RACV will offer at no extra cost to members of Royal Automobile Club of Victoria (RACV) Limited (ACN 004 060 833) a longer warranty period on home security detection devices from RACV Home Security than it will offer to persons who are not members of Royal Automobile Club of Victoria (RACV) Limited (eg. members of Royal Automobile Club of Victoria (RACV) Limited will receive a 3 year warranty as compared to non-members who will receive a 1 year warranty).
3. (a) Class or classes of persons to which the conduct relates:
Consumers of home security systems and services.

(b) Number of those persons – 1,500 to 2,500 annually
(i) At present time: conduct has not commenced
(ii) Estimated within the next year:

(c) Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:
Not applicable
4. Name and address of person authorised by the person giving this notice to provide additional information:
Peter Brindley, General Manager Home Security, RACV, 550 Princes Highway Noble Park Victoria 3174

Dated: 15 December 2003

Signed on behalf of the person giving this notice


.....
General Manager Home Security

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 subsection 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 notice is in respect of conduct of a kind referred to in subsection 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 subsection 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 subsection 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.

NOTIFICATION APPLICATION - SUPPORTING SUBMISSION

Submission in support of a notification of exclusive dealing in accordance with section 93(1) of the Trade Practices Act 1974.

This submission supports a notification of exclusive dealing lodged by RACV Sales and Marketing Pty Ltd ("RACV") with the Australian Competition and Consumer Commission ("the Commission") on 15 December 2003.

In accordance with the Commission's *Guide to authorisation and notification for third line forcing conduct* (February 1998), this submission provides information on relevant products and identifies the public benefits and detriment likely to result from the notified conduct.

1. THE NOTIFIED CONDUCT

RACV under the business name of RACV Home Security will offer at no extra cost to members of Royal Automobile Club of Victoria (RACV) Limited (ACN 004 060 833) a longer warranty period on home security detection devices from RACV Home Security than it will offer to persons who are not members of Royal Automobile Club of Victoria (RACV) Limited (eg. members of Royal Automobile Club of Victoria (RACV) Limited will receive a 3 year warranty as compared to non-members who will receive a 1 year warranty).

2. RELEVANT PRODUCTS

The notified conduct involves the following products and services:

- home security detection devices from RACV Home Security;
- membership of Royal Automobile Club of Victoria (RACV) Limited.

The way that these products and services are linked is through the provision of a longer warranty period to consumers of home security detection devices from RACV Home Security who are also members of Royal Automobile Club of Victoria (RACV) Limited.

RACV Home Security

RACV under the business name RACV Home Security provides a range of home security systems, detection devices (eg. motion detectors) and services such as alarm response services (monitoring). The provision of home security systems and services in Victoria is a competitive activity. RACV has no significant share of this activity.

RACV Membership

Royal Automobile Club of Victoria (RACV) Ltd offers several kinds of membership, from social club membership to road service membership to personal membership. The biggest category of membership is road service membership, which entitles the member to roadside assistance should their vehicle break down. The number of road service members currently stands at around 1.3 million. The number of social club members currently stands at around 20,000.

3. PUBLIC BENEFITS

The proposed conduct has a number of public benefits. In particular, the conduct is likely to:

- provide a consumer benefit to consumers of home security detection devices and members of Royal Automobile Club of Victoria (RACV) Limited;
- enhance consumer choice in relation home security systems and services;
- promote competition in relation to home security systems and services; and
- promote and improve the security of dwellings in Victoria.

4. DETRIMENT

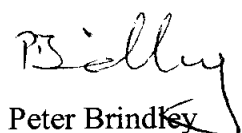
No public detriment is likely to occur as a result of the proposed conduct. The proposed conduct is a competitive response by RACV Home Security in the highly competitive industry. There is unlikely to be any anti-competitive effect from the proposed conduct.

Consumers can purchase or access all the products and services identified in section 2 separately albeit without the offer of an extended warranty period as described in section 1. Customers are not compelled to purchase all of the products and services to obtain a particular one.

Further, the proposed conduct has no adverse impact on the transparency of pricing for each of the products and services. Consumers will continue to have the ability to make a genuine and informed purchasing decision.

5. ASSESSMENT

It is, therefore, submitted that the public benefits of the proposed conduct outweighs the public detriment. The proposed third line forcing is pro-competitive and beneficial to consumers.



Peter Brindley
General Manager Home Security

15 December 2003