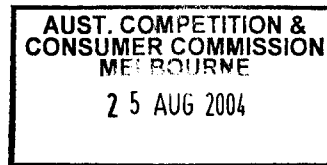


MALLESONS STEPHEN JAQUES

Regional Director
Australian Competition and
Consumer Commission
Level 35
The Tower
360 Elizabeth St
MELBOURNE VIC 3000

24 August 2004



A Bodger
Partner

Direct line
(+61 3) 9643 4069

FILE No:	
DOC:	D04/41093
MARS/PRISM:	20292

Dear Sir/Madam

National Australia Bank Limited - Notification of Third Line Forcing Exclusive Dealing

We act for National Australia Bank Limited (“National”).

We enclose for lodgement an exclusive dealing notification on behalf of the National under section 47 of the *Trade Practices Act 1974* (Cth). We also enclose a cheque for the applicable lodgement fee of \$1,000.00.

This covering letter sets out a short description of the transaction that gives rise to the relevant third line forcing conduct.

The National provides, amongst other things, wealth management and financial planning services to retail customers. Those customers are serviced by employees of the National on its behalf. One of the National’s employees has been successful in developing the National’s wealth management and financial planning services. This employee, Bradley Speering (“**Speering**”), intends to resign from employment by the National in order to set up as a self-employed financial adviser employed by a corporate entity Alan Hall Financial Services Pty Ltd.

The National wishes to enter into arrangements with Speering so that it can continue to provide wealth management and financial planning services to those retail customers whom it has serviced to date and who wish to continue to be serviced by him.

As you would know, to provide financial services, or advice in relation to financial products, advisers must operate under the licensing regime of the *Financial Services Reform Act 2001* (Cth) (“**FSRA**”). A subsidiary of the National, GWM Adviser Services Limited (trading as Garvan Financial Planning) (“**Garvan**”) is licensed as a provider of financial services and financial product advice. Garvan obtained its Australian Financial Services Licence (“**AFSL**”) under the FSRA on 1 December 2003. Garvan will engage Alan Hall Financial Services Pty Ltd and Speering as Authorised Representatives so as to allow Speering to operate under its AFSL.

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In order to enable Speering (or Alan Hall Financial Services Pty Ltd) to continue to service certain National customers, if the customers so choose, the National proposes to provide certain client information and records on condition that Speering (or Alan Hall Financial Services Pty Ltd) acquire licence-related services from Garvan. This will make the transfer as seamless as possible for the retail customers of the National who to date have been serviced by Speering and who wish to continue to be serviced by Speering (or Alan Hall Financial Services Pty Ltd) after the transfer. The National intends to refuse to supply the client information and records unless Speering or Alan Hall Financial Services Pty Ltd acquires licence related services from Garvan.

Please contact Amanda Bodger of this office should you have any queries or comments.

Yours faithfully

Mallesons Stephen Jaques

Encl 1

FORM G**Regulation 9**

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 proposed conduct of a kind referred to in sub-section 47(6) or (7) of that Act in which the person giving notice engaged or proposes to engage.

1. (a) Name of person giving notice:

National Australia Bank Limited (ABN 12 004 044 937) of Level 24, 500 Bourke Street, Melbourne, Victoria ("**National**").

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

The National provides banking services, products and systems, and specifically provides wealth management advisory services and financial planning services to retail customers.

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

C/- Amanda Bodger
Mallesons Stephen Jaques
Level 28, Rialto
525 Collins Street
Melbourne VIC 3000

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

Products and services supplied by the National being provision of certain information and records and client service rights related to its wealth management and financial planning business ("**National Services**").

(b) Description of the conduct or proposed conduct:

National wishes to enter into an agreement with a current employee, Bradley Speering ("**Speering**") and his proposed new employer Alan Hall Financial Services Pty Ltd. Following a consensual termination of Speering's employment, the National will:

- (i) supply or offer to supply National Services to Alan Hall Financial Services Pty Ltd on the condition that Alan Hall Financial Services Pty Ltd agrees to acquire Garvan Services (as defined below) from GWM Adviser Services Limited (ABN 96 002 017 749) of Level 1, 105-153 Miller St, North Sydney, NSW, a wholly-owned subsidiary of the National ("**Garvan Financial Planning**");

- (ii) refuse to supply or refuse to offer to supply National Services to Alan Hall Financial Services Pty Ltd if it does not agree to acquire Garvan Services (as defined below) from Garvan Financial Planning.

Garvan Financial Planning provides financial services and financial product advice related services including sales, marketing, training and other advisory services and professional support services (“**Garvan Services**”).

The proposed conduct will be of benefit to the public as it will:

- allow greater competition in the markets for wealth management and financial planning services by enabling Speering to operate in a broader capacity as a financial planner through Alan Hall Financial Services Pty Ltd; and
- assist those clients of the National who choose to be serviced by Speering to continue to receive high quality financial advice from the financial planner of their choice;

The proposed conduct will not lessen competition in the markets for the relevant products and services as:

- competition in the relevant markets is vigorous and there are many competitors;
- the number of financial planners potentially affected by the proposed conduct is insignificant compared to the total number of financial planners in the market; and
- Garvan and the National are related bodies corporate. The proposed conduct is a very technical type of third line forcing conduct which will be engaged in by two related companies. If National and Garvan were not related companies but different business units within the same company, and they engaged in the conduct described in this notification, they would not be engaging in third line forcing conduct. By including the Dawson Committee’s recommendation to amend the third line forcing provisions to exempt related companies in the *Trade Practices Legislation Amendment Bill 2004*, the Commonwealth Government has recognised the lack of detriment associated with the type of third line forcing conduct described in this notification.

The applicant believes that the benefits from the proposed conduct outlined above will outweigh any possible detriment considered to arise from the conduct.

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

A financial planner currently employed by National.

(b) Number of those persons: One

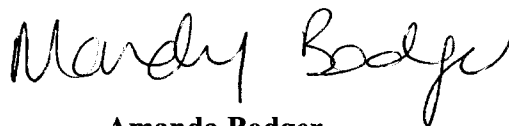
(c) Where number of persons stated in item 3(b) is less than 50, their names and addresses: Bradley Speering, Alan Hall Financial Services Pty Ltd, Level 3, 685 Pittwater Road, Dee Why NSW 2099

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

Amanda Bodger
Mallesons Stephen Jaques
Level 28, Rialto
525 Collins Street
Melbourne VIC 3000
Tel: 9643 4069

Dated 24 August 2004

Signed by the person giving this notice



Amanda Bodger

Partner, Mallesons Stephen Jaques

