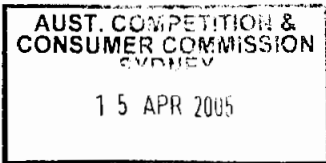


15 April 2005

AURORA PLACE 88 PHILLIP STREET SYDNEY
GPO BOX 521 SYDNEY NSW 2001 AUSTRALIA
DX 117 SYDNEY www.minterellison.com
TELEPHONE +61 2 9921 8888 FACSIMILE +61 2 9921 8123



FILE No:

DOC:

MARS/PRISM:

Mr Scott Gregson
General Manager, Adjudications Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Gregson

Bellevale Homes Pty Limited - third line forcing notification

We act for Bellevale Homes Pty Limited. Please find enclosed, a notification of conduct constituting third line forcing, lodged under section 93(1) of the *Trade Practices Act 1974*, and a cheque for the lodgement fee of \$100.

If you require any further information, please contact Claire Webb on (02) 9921 4149.

Yours faithfully

MINTER ELLISON

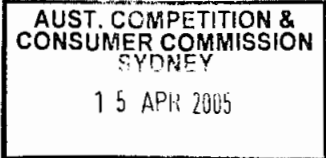
Ross Patterson
Partner

Contact: Claire Webb Direct phone: +61 2 9921 4149 Direct fax: +61 2 9921 8219
Email: claire.webb@minterellison.com
Partner responsible: Ross Patterson Direct phone: +61 2 9921 4482

Form G

Commonwealth of Australia

Trade Practices Act 1974 - Sub-section 93(1)



EXCLUSIVE DEALING:

NOTIFICATION

N. 31381

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 engaged or proposes to engage.

1. (a) Name of person giving notice:

Bellevale Homes Pty Limited ACN 057 547 350 ('Bellevale')

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

Bellevale is a subsidiary of CPG Australia Pty Limited ABN 92 002 937 206 and is engaged in the development of land, building of houses and the sale of these house and land packages to the public.

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

Tanya Gilbert, Bellevale Homes Pty Limited, Norwest Quay, Unit 2, First Floor, 21 Solent Circuit, Baulkham Hills, New South Wales, 2153.

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

This notice relates to the sale of completed or nearly completed homes (including land) by Bellevale in:

- Ridgemont Manor Estate at Kellyville, New South Wales;
- Newbury Estate at Stanhope Gardens, New South Wales; and
- Hamlyn Terrace at Wyong, New South Wales.

(b) Description of the conduct or proposed conduct:

Bellevale wishes to offer customers who purchase a completed or nearly completed home from Bellevale at either Ridgemont Manor Estate, Newbury Estate or Hamlyn Terrace, an interest rate for the finance of the home of 4.99% guaranteed for eighteen months.

In order to obtain this offer purchasers will be required to obtain the finance for the home from Carter Mayfair Financial Services Pty Ltd ACN 100 765 464 ('Carter Mayfair'). Purchasers will make loan repayments to Carter Mayfair and Bellevale Homes will reimburse Carter Mayfair for the shortfall between Carter Mayfair's usual interest rate and the rate of 4.99%.

(c) **Class or classes of persons to which the conduct relates:**

The conduct relates to actual and potential house and land purchasers, purchasing completed or nearly completed homes from Bellevale at either Ridgmont Manor Estate, Kellyville Estate or Hamlyn Terrace.

(d) **Number of those persons:**

(i) **At the present time:**

0

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

56

(e) **Where the number of persons stated in item 2(d)(i) is less than 50, their names and addresses:**

At this stage it is not possible to provide the requested details, as this is a general offer being made to the public.

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

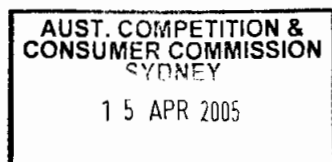
Tanya Gilbert, Bellevale Homes Pty Limited, Norwest Quay, Unit 2, First Floor, 21 Solent Circuit, Baulkham Hills, New South Wales, 2153.

DATED 15/4/05

SIGNED on behalf of the applicant



Tanya Gilbert
Group Legal Supervisor



**SUBMISSION BY BELLEVALE
IN SUPPORT OF A NOTIFICATION UNDER SECTION 93(1)
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1 Bellevale is the registered proprietor of housing estates in Western Sydney, the South Coast, the North Coast and the Central Coast. Bellevale offers house and land packages for sale in a number of estates and also offers for sale a selected number of completed or nearly completed homes in those estates.
- 1.2 Bellevale wishes to offer customers who purchase a completed or nearly completed home from Bellevale in either Kellyville Estate, Newbury Estate or Hamlyn Terrace, an interest rate of 4.99% guaranteed for eighteen months. In order to obtain this offer customers will be required to obtain finance for the home from Carter Mayfair.
- 1.3 Purchasers taking up the offer will make loan repayments to Carter Mayfair. Bellevale Homes will reimburse Carter Mayfair for the shortfall between Carter Mayfair's usual interest rate and the interest rate of 4.99%.
- 1.4 Purchasers who do not wish to obtain finance from Carter Mayfair may still purchase a completed or nearly completed home from Bellevale, but will not be entitled to receive the guaranteed interest rate of 4.99% for eighteen months.
- 1.5 The proposed conduct will affect 11 lots in the Kellyville Estate, 13 lots in the Newbury Estate and 32 lots in Hamlyn Terrace.

2. Market

The market to which the proposed conduct relates is the residential real estate market in the Western Sydney region and the Central Coast Region.

3. Analysis of the Conduct

- 3.1 The conduct described in **Form G** is exclusive dealing within sections 47(6) and 47(7) of the *Trade Practices Act 1974* (Cth). Bellevale submits that there is no likely detriment to the public resulting from that conduct.
- 3.2 The proposed conduct does not have the effect of substantially lessening competition in the relevant market in that:
 - (a) the Ridgemont Manor Estate in Kellyville, Newbury Estate in Stanhope Gardens and Hamlyn Terrace estate in Wyong represent a small proportion of residential real estate available for sale in the Western Sydney and Central Coast region;
 - (b) in addition to the existing housing stock, other developers have estates in the Western Sydney and Central Coast regions (for example Stockland, Landcom, Harrington Park (Narellan), Glenmore Park (Penrith), Boral, Allam Homes and AV Jennings. Bellevale's share of new residential land in these regions is less than 1%; and

- (c) the proposed conduct relates to services which are supplied by Carter Mayfair, a company which currently shares a common director and company secretary with Bellevalle

3.3 The proposed conduct offers significant benefits to purchasers in that:

- (a) purchasers will obtain an interest rate of 4.99% guaranteed for eighteen months on the purchase of their home. Carter Mayfair offers fixed interest rates starting from approximately 7.3%.
- (b) Based on the purchase of a \$410,000 to \$560,000 house with a deposit of 5 or 10%, and with an interest rate which would otherwise be 7.3% over the initial eighteen months, the total saving to a purchaser taking up this offer will be approximately \$12,000.

4. **Conclusion**

For the reasons stated above, Bellevalle submits that the proposed conduct provides benefits to the public and will have no anti-competitive effect and therefore no public detriment.