



**Australian
Competition &
Consumer
Commission**

GPO Box 520
Melbourne VIC 3001

Level 35 The Tower
360 Elizabeth Street
Melbourne VIC 3000

ph (03) 9290 1800
fax (03) 9663 3699

www.accc.gov.au

Our reference: N92379
Contact Officer: Jaime Norton
Contact Phone: (03) 9290 1477

3 March 2006

Ms Kelly Parker
McKays Solicitors
PO Box 37
Mackay QLD 4740

Dear Ms Kelly

**Exclusive Dealing Notification (N92379) lodged by Morvale Property
Development Pty Ltd.**

I refer to the above mentioned third line forcing notification received by the Australian Competition and Consumer Commission (ACCC) on 15 February 2006. The notification has been placed on the ACCC's public register.

You have described the notified conduct as involving Morvale Property Development Pty Ltd (Morvale) offering land in the Orchid Valley subdivision in Marian, Queensland, on condition that purchasers enter into a building contract with one of three nominated construction firms for the building of housing on the land.

The ACCC has received inquiries expressing concerns in relation to the notified conduct. As a result, the ACCC has invited those parties to provide a submission in relation to the likely public benefits and detriments generated by the notified conduct. The ACCC expects to receive any submissions by cob **Friday, 24 March 2006**. The parties invited to make submissions are the Master Builders Association and an individual resident in the region.

The ACCC will forward to you copies of any non-confidential submissions it receives and would welcome your response to any of the issues raised in those submissions.



In order to assist our assessment of the notification, the ACCC also seeks further information on the following issues.

Nominated builders

Paragraph 8 of the submission in support of the notification states that Morvale approached a majority, if not all, builders within the Marian region in relation to providing building services to potential purchasers in the Orchid Valley subdivision. Following this, three builders expressed an interest in participating in the notified conduct.

1. Could you please provide the names of the nominated builders participating in the proposal.
2. What was the total number of construction forms that Morvale invited to participate in the notified conduct?

Other subdivisions

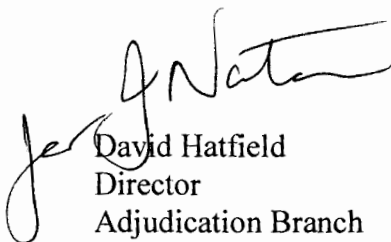
Paragraph 11 of the submission in support of the notification states that Orchid Valley is a small development project compared to other land in the region. In this regard, I note that the Orchid Valley development consists of 79 residential lots.

3. To the extent that you are in a position to do so, please outline the total number of lots that will be released for residential development in the Mackay region over the next three years, including any developments that Morvale has an interest in.

A copy of this letter will be placed on the public register.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Ms Jaime Norton on (03) 9290 1477.

Yours sincerely



David Hatfield
Director
Adjudication Branch