

NICOL ROBINSON HALLETTS

LAWYERS
ESTABLISHED 1890

Our ref: SMM:KLS:613559
Your ref:

23 June 2006

The Australian Competition & Consumer Commission
Level 3, AAMI Building
500 Queen Street
PO Box 10048
BRISBANE QLD 4001

AUST COMPETITION &
CONSUMER COMMISSION
BRISBANE

23 JUN 2006

Dear Sir

**Paint Australia Group Pty Ltd –preferred suppliers
Notification of exclusive dealing - third line forcing**

Please find attached an Exclusive Dealing Notification Form for Paint Australia Group Pty Ltd ('Paint Australia') relating to the requirement that its member stores ("Paint Place stores") purchase most of their decorative paints from preferred suppliers for the benefits of bulk purchasing.

Paint Place stores are specialist decorating product retailers, but also sell trade paint products and industrial coatings. The percentage of decorating paint products as a percentage of total paint products varies from store to store. The requirement to use preferred suppliers applies to decorative (and architectural) paint products only and Paint Place stores must purchase 85% of their decorative paint products from preferred suppliers. Paint Australia advise that altogether preferred suppliers comprise 90%-95% of paint product suppliers in Australia.

With reference to the test which must be satisfied pursuant to section 93(3)A, Paint Australia considers that there is no public detriment, but that there is a public benefit because Paint Australia negotiates with paint product suppliers on the basis of the estimated bulk purchasing of products by the combined Paint Place stores. Further, Paint Australia selects the supplier of its largest private label paints, the New Look range, by competitive tenders. Paint Australia, in dealing with paint suppliers on behalf of the Paint Place stores secures the best possible trading terms including lower prices and ensures a high quality product which is standardised across the Paint Place stores.

The terms on which Paint Place stores purchase paint products enables them to compete more effectively on the prices at which they sell these paint products and thereby increases competition in the paint market. Increased competition results in price savings to the consumer.

For your information, Paint Australia is proposing to change to a public company and also to change its name to Paint Place Group Ltd. It will retain ACN 057 014 927.

A cheque for the \$100.00 filing fee is attached.

Yours faithfully
NICOL ROBINSON HALLETTS
per:



STEPHANIE MANGER
Special Counsel

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ABN 30 103 974 335

Form G

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 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 engages or proposes to engage.

1. (a) Name of person giving notice:
Paint Australia Group Pty Ltd (ACN 057 014 927) ("Paint Australia")
- (b) Short description of business carried on by that person
Co-ordinating the marketing and bulk buying of paint products for Paint Place stores
- (c) Address in Australia for service of documents on that person
25 Argon Street, Sumner Park, Qld, 4074
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates
Decorative and architectural paint products, particularly Paint Place private labels, the largest of which is the "New Look" range.
- (b) Description of the conduct or proposed conduct
Paint Place stores are required by Paint Australia to obtain 85% of their decorating and architectural paint products from Preferred Suppliers and as part of that 85%, Paint Place stores must stock a minimum of 90% of Paint Australia's largest private label (the "New Look" range) paints and 50% of other private label paint products.
3. (a) Class or classes of persons to which the conduct relates
The Paint Place group of stores
- (b) Number of those persons:
 - (i) At present time:
Approximately 90
 - (ii) Estimated within the next year:
Approximately 90
- (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:

Stephanie Manger
Special Counsel
Nicol Robinson Halletts
GPO Box 380
Brisbane Qld 4001

Dated: 23 June 2006.

Signed by/on behalf of the applicant giving notice


.....
(Signature)

Stephanie Manger
(Full Name)

Special Counsel
(Description)

