

24th January, 2006

Attn: Regional Director Australian Competition & Consumer Commission PO Box 1199 DICKSON ACT 2602

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Dear Sir or Madam

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Optus Internet Pty Limited ('Optus Internet'), Optus Networks Pty Limited ('Optus Networks') and Optus Mobile Pty Ltd ('Optus Mobile'), are undertaking a joint marketing initiative with Commonwealth Bank of Australia ('CBA') whereby certain CBA cardholders who sign up to an Optus Internet & Home Phone service and/or Mobile service for 24 months and who make payments by direct debit from their Commonwealth Awards credit card will receive 3,000 Commonwealth Awards Bonus Points (for broadband & telephony), 3,000 Commonwealth Awards Bonus Points (for mobile), or 7,000 Commonwealth Awards Bonus Points for both broadband/telephony and mobile.

Please find <u>enclosed</u> payment of \$300 and the Exclusive Dealing Notification Form for Optus Internet, Optus Mobile & Optus Networks relating to the above promotion.

If you have any queries please contact me on (02) 9342 8439.

Yours faithfully,

Trudi Bean

Corporate Counsel

CONSUMER COMMISSION

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FORM G [Front of Form]

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 engaged or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) Name of person giving notice

Optus Mobile Pty Limited ABN 65 054 365 696 ("Optus Mobile"). N92352 Optus Internet Pty Limited ABN 14 083 164 532 ("Optus Internet"). N92353 Optus Networks Pty Limited ACN 92 008 570 330("Optus Networks"). N92354

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

Optus Mobile conducts the business of supplying mobile services.

Optus Internet conducts the business of supplying internet services.

Optus Networks conducts the business of supplying fixed line telephony services.

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

Trudi Bean, Corporate Counsel, Singtel Optus Pty Limited, Level 29, 101 Miller Street, North Sydney, NSW 2060.

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

Broadband internet access services, fixed line & mobile telephony services.

(b) Description of the conduct or proposed conduct:

Optus Mobile, Internet & Networks are suppliers of internet access, fixed line and mobile telephony services. Commonwealth Bank of Australia ("CBA") is a supplier of banking & credit card services. Optus Mobile/Internet/Networks and CBA are undertaking a joint marketing initiative whereby certain CBA cardholders will receive either 3,000 Commonwealth Awards Bonus Points (broadband & telephony), or 3000 Commonwealth Award Bonus Points (mobile) and an extra 1,000 Commonwealth Award Bonus Points (both broadband/telephony & mobile) when the cardholder:

• enters into a minimum 24 month contract with Optus Internet & Networks and/or Mobile, for the supply of either broadband internet & fixed line telephony services and/or mobile services;

- makes initial payment for these services using their Commonwealth Awards credit card.
- (a) Class or classes of persons to which the conduct relates:

Commonwealth Awards credit cardholders who are eligible to receive this offer.

(b) Number of those persons

Approximately 1.4 million

- (c) Where number of persons stated in item 3(b)(i) is less than 50, their names.

 Not applicable.
- 4. Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice is:

Trudi Bean Corporate Counsel Optus Internet Pty Ltd Level 29, 101 Miller Street North Sydney, NSW 2060.

Dated this 24th day of January 2006.

Signed by/on behalf of the applicant

Trudi Bean

Corporate Counsel

Optus Internet Pty Ltd

TRADE PRACTICES REGULATIONS

[Back of Form]

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 it 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 notification 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), (30, (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.

SUBMISSION BY OPTUS INTERNET IN SUPPORT OF NOTIFICATIONS UNDER SECTION 93 OF THE TRADE PRACTICES ACT 1974

1. Background

Optus Networks Pty Ltd ("Optus Networks"), Optus Internet Pty Limited ("Optus Internet") and Optus Mobile Pty Ltd ("Optus Mobile") are wholly owned subsidiaries of SingTel Optus Pty Ltd, and are suppliers of internet, fixed line and mobile products and services. Commonwealth Bank of Australia ("CBA") is a supplier of banking & credit card services.

Under a joint marketing initiative, Optus Mobile Internet & Networks and CBA will provide to consumers the opportunity to purchase certain Optus Internet broadband access services and fixed line telephony services, and/or mobile services and receive 3,000 Commonwealth Awards Bonus Points for broadband & telephony, 3,000 Commonwealth Awards Bonus Points for mobile, and an additional 1,000 Commonwealth Awards Bonus Points for both when payments for these services are made by direct debit using their Commonwealth Awards credit card.

2. Lack of anti-competitive effect

In broad terms the markets which the proposed offer is likely to affect are the markets for the provision of internet services and the market for the provision of mobiles services. Both Optus Internet and Optus Mobile wish to enhance their competitive position in their respective markets and have therefore developed initiatives to make their internet broadband access and mobile services attractive to consumers, one such initiative being the above joint marketing initiative with CBA.

Although the conduct described in Form G may be exclusive dealing within the meaning of section 47(6) of the Act, Optus Internet and Optus Mobile holds the view that the proposed conduct will have a negligible effect on competition in the market noted above.

In Australia there are a large number of companies which offer both broadband and mobile services, for example, Optus, Telstra, iPrimus and Vodafone. They all compete vigorously for customers. Consequently, there are a very large number of competitive offers available to the public in respect of internet services at any given time. The proposed conduct is one such example of a competitive offer.

The proposed conduct is pro-competitive. The reward points to be provided to customers will help to maintain or increase the level of competition in the already highly competitive market for internet services.

3. Public benefit

In addition, the proposed conduct offers public benefits to the class of consumers to which it relates. For the price of either a 24-month Optus broadband & home phone contract and/or Optus Mobile contract, a substantial number of Commonwealth Awards credit cardholders will receive either 3,000 (for either broadband & fixed telephony or mobile) or 7,000 (for both broadband, fixed telephony and mobile) Commonwealth Awards Bonus Points.