

# Freehills

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

19 December 2006  
Matter 80979516

Dear Sir

FILE No.	1
CODE	
MARS/PR	

## Quickstop Pty Ltd - Third line forcing notification

Enclosed is a third line forcing notification ("**Notification**") lodged on behalf of Quickstop Pty Ltd (ACN 008 678 886) ("**Quickstop**") in relation to the sale of discount petrol. Also enclosed is a cheque for \$100 in payment of the lodgement fee.

IGA Distribution (WA) Pty Limited (ACN 008 667 650) proposes to introduce a promotion in Western Australia under which customers who spend a qualifying amount, shall receive a voucher which entitles them to a discount on petrol and other motor fuels at participating Quickstop service stations.

Quickstop believes the proposed conduct will result in a number of public benefits, including increased competition, price discounting and the promotion of non-price competition, as to which further submissions are made in the Notification.

If you have any queries relating to the Notification, please contact the writers.

Yours sincerely



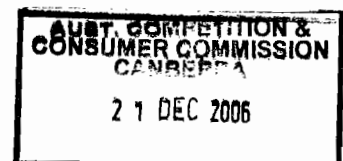
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# FORM G

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 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.

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1. (a) **Name of person giving notice**

N92741

Quickstop Pty Ltd (ACN 008 678 886) ("Quickstop")

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

Retailing of petroleum and related products.

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

c-/ Freehills  
Level 6, QV1 Building  
250 St Georges Terrace  
Perth, WA 6000  
Attention: Mr Paul Wilson

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 supply of petrol and other motor fuels by Quickstop.

(b) **Description of the conduct or proposed conduct**

The proposed conduct relates to the giving or offering to give a discount in relation to the supply or proposed supply of petrol and other motor fuels by Quickstop to consumers purchasing petrol or other motor fuels at participating service stations in Western Australia, on the condition that the consumer has purchased products of not less than a nominated value from participating supermarkets owned by IGA Distribution (WA) Pty Limited (ACN 008 667 650) ("IGA") in the Western Australia. The conduct is described in more detail in the attached submissions.

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

Quickstop, IGA and all retail and potential retail customers of Quickstop and IGA who wish to purchase products from IGA and/or petrol and other motor fuels from Quickstop.

(b) **Number of those persons-**

(i) **At present time**

Unknown, but more than 50.

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

Unknown, but more than 50.

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

n/a

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

Sherree Maclean  
Corporate Solicitor  
Metcash Trading Limited  
4 Newington Road  
Silverwater, NSW 2128

Dated.....19 December....., 2006.

Signed ~~by~~ on behalf of the applicant giving notice

  
.....  
(Signature)

Mr Justin Mannolini  
(Full Name)

Partner, Freehills  
for and on behalf of Quickstop Pty Ltd  
(Description)

## **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 in 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 sub-section 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 sub-section 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 sub-section 93(7A) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 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 sub-section 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 sub-section 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 sub-section 47(2), (3), (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**

### **1. Proposed Conduct**

The proposed conduct is stated above in section 2(b) of the Notification.

In effect, the proposed conduct relates to a promotion which allows customers of participating IGA supermarkets who spend a qualifying amount, to receive a voucher which entitles them to a fuel discount at participating Quickstop service stations.

### **2. Likely public benefit of the proposed conduct**

The proposed conduct is likely to be of public benefit for the following reasons:

- a) consumers will benefit from the availability of lower petrol prices;
- b) the proposed conduct is similar to conduct already engaged in by Woolworths and Caltex, Action and BP, and Coles and Shell. It will enhance the ability of IGA supermarkets and Quickstop service stations to compete with larger competitors, by making available a marketing strategy that is familiar to, and popular with, consumers. The likely result will be greater competition in both the supermarket and retail petrol markets; and
- c) the proposed conduct may further enhance competition by encouraging other competitors to devise alternative, non-price incentives in order to attract and retain customers.

### **3. No likely public detriment**

The proposed conduct is unlikely to cause any detriment to the public nor lessen competition for the following reasons:

- a) there are a large number of petrol service stations in Western Australia;
- b) there are a large number of supermarkets operating in competition with IGA in Western Australia;
- c) Woolworths and Coles have already implemented similar discount fuel promotions, under which their customers receive a voucher entitling them to receive a discount on petrol purchased at a number of service stations nationwide;
- d) consumers will retain their wide choice of service stations, as the relationship between the purchase of goods and the discount fuel offer does not require customers to only purchase fuel from participating Quickstop service stations; and
- e) the participating Quickstop service stations will continue to provide petrol and other motor fuels independently of the discount fuel offer.

### **4. Disclosure to customers**

The terms of the discount fuel offer (including all exclusions and conditions) will be clearly disclosed on the supermarket vouchers and on signs at participating IGA stores and participating Quickstop service stations. As such, consumers will be fully informed of their right not to

purchase petrol or other fuel from Quickstop service stations prior to purchasing the supermarket products and/or petrol or other motor fuels.

## **5. ACCC statements regarding shopper docket discounts**

The ACCC has noted the substantial benefits for consumers from shopper docket discounts and stated:

*“These offers are pro-competitive between supermarkets and petrol retailers. In addition to the effect on price, retailers must become more innovative in non-price factors such as additional services to gain or maintain market share.”* See ACCC Media Release 009/04 (6 February 2004).

Further, following their assessment of shopper docket petrol discounts in February 2004, the ACCC came to the conclusion that the impact of the shopper docket schemes was not likely to lead to a reduction in competition overall in the industry: ACCC, ‘Assessing shopper docket discounts and acquisitions in the petrol and grocery sectors’ February 2004 at 46.

## **6. Conclusion**

The proposed conduct is a competitive response to the actions of other supermarkets and service stations and merely allows IGA and Quickstop to compete with other discount fuel offers currently operating in the marketplace. It will promote competition between supermarkets and service stations, which will encourage price and non-price competition. Consumers will retain their ability to purchase products from other service stations and supermarkets, but will have the option of purchasing fuel at a discount.

It is submitted that there are clear public benefits to the proposed conduct, and no identifiable detriments to the public interest.