

Form G

Commonwealth of Australia
Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

FILE No:
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1. Applicant

- (a) *Name of person giving notice:*
(Refer to direction 2)

This notification is made on behalf of the following corporations:

- (i) Woolworths Limited ABN 88 000 014 675; N93531
- (ii) Australian Independent Retailers Pty Ltd ABN 66 004 678 N93532
675;
- (iii) Dick Smith Electronics Pty Ltd ABN 34 000 908 716; and N93533
- (iv) ALH Group Pty Ltd ABN 68 098 212 134. N93534

The corporations referred to in paragraph 1(a)(ii)-(iv) are subsidiaries of Woolworths Limited. Woolworths Limited and its subsidiaries are referred to in this notification as **Woolworths**.

- (b) *Short description of business carried on by that person:*
(Refer to direction 3)

Woolworths Limited is an Australian retail company listed on the ASX. Woolworths conducts a number of businesses including the operation of retail outlets for food and grocery, liquor, petrol, general merchandise and consumer electronics, the operation of online businesses and the provision of financial services.

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

Woolworths Limited
1 Woolworths Way
Bella Vista NSW 2153.

2. Notified arrangement

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

It is proposed that HSBC as credit provider will issue a general purpose credit card branded with a Woolworths-owned brand (**Card**).

The proposed arrangement relates to:

- (i) consumer credit services provided by HSBC; and
- (ii) consumer goods and services purchased using the Card.

- (b) *Description of the conduct or proposed conduct:*
(Refer to direction 4)

Customers who obtain and use the Card will be entitled to receive benefits (such as accrual of points redeemable for certain goods/services, vouchers and/or entitlements to discounts and special or gift offers with purchases at Woolworths group businesses) to be redeemed at businesses operated by Woolworths (**Benefits**).

The notified conduct is as follows:

- (a) Woolworths will offer to supply, and supply, goods or services, or goods or services at a particular price or free of charge (ie Benefits) to persons on condition that such persons acquire services from HSBC being the acquisition and use of the Card.
- (b) Woolworths will not offer goods or services, or goods or services at a particular price or free of charge (ie Benefits) to persons who have not acquired services from HSBC, being the acquisition and use of the Card.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) *Class or classes of persons to which the conduct relates:*
(Refer to direction 5)

The conduct relates to:

- (i) Card holders;
- (ii) persons wishing to acquire a Card;
- (iii) persons seeking Benefits who have not acquired a Card.

- (b) *Number of those persons:*

- (i) *At present time:*

None

- (ii) *Estimated within the next year:*
(Refer to direction 6)

Unknown

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

N/A

4. Public benefit claims

- (a) *Arguments in support of notification:*
(Refer to direction 7)

The proposed conduct will provide the following benefits to the public:

- (i) the promotion of competition among credit card issuers, for example by prompting competitors of the proposed Card to provide value added benefits to the benefit of their credit card customers;
- (ii) the promotion of competition in the pricing for products and services provided by competitors of Woolworths by encouraging them to make value-added offers to their customers; and
- (iii) the availability of Benefits (such as discounted goods and services) to Card holders.

The significant public benefits outlined above outweigh any potential public detriment which may arise from the conduct.

- (b) *Facts and evidence relied upon in support of these claims:*

Benefits from Woolworths are valuable products to many retail customers and the ability to acquire them without additional charge may benefit the individual customer.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

The relevant markets are:

- (a) national or more localised retail market(s) for goods or services, including food, groceries, liquor, petrol, general merchandise, consumer electronics and financial services (**Goods Market(s)**); and
- (b) the national market for the provision of consumer credit card, charge card and other payment facility services (**Credit Market**).

6. Public detriments

- (a) *Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:*
(Refer to direction 9)

The proposed conduct will have little or no public detriment.

(b) *Facts and evidence relevant to these detriments:*

The proposed conduct will not substantially lessen competition in the relevant markets for the following reasons:

Goods Market(s)

- (i) the retail market(s) for goods and services is highly competitive and contains a large number of competitors;
- (ii) goods and services may be purchased with the Card at retail outlets other than the Woolworths group businesses;
- (iii) customers not holding or using a Card continue to have access to goods and services offered for sale by Woolworths group at regular competitive prices.

Credit Market

- (i) competition in the Credit Market is vigorous and competitive;
- (ii) consumers have a number of choices of consumer credit cards, credit services and loyalty programs;
- (iii) Woolworths group stores will continue to accept all major credit cards along with the Card.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Rod Bordignon
Group Legal Manager, Corporate and Commercial
Woolworths Limited
1 Woolworths Way
Bella Vista NSW 2153

Dated..... 30/7/08

Signed by on behalf of the applicant

.....
(Signature)

.....
(Full Name)

.....
(Organisation)

.....
(Position in Organisation)



DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

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. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 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. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.