

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

1. Applicant

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

- N94780 • W.T.H. Pty Ltd (ABN 15 000 165 855) trading as Avis Australia;
N94781 • Budget Rent a Car Australia Pty Ltd (ABN 89 007 348 021);
N94782 • Budget Rent a Car Operations Pty Ltd (ABN 55 054 583 925); and
• the persons named in Annexure 1 (being franchisees and licensees of Avis Australia and Budget Rent a Car Australia Pty Ltd).

Collectively the applicants are referred to as '**Avis and Budget**'.

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

Avis and Budget provide vehicle rental services across Australia.

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

Freehills
MLC Centre
Martin Place
Sydney NSW 2000
Australia
Attention: Michael Gray
DX 361 Sydney
Facsimile: +61 2 9322 4000

2. Notified arrangement

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

This notice relates to:

- (a) vehicle rental services supplied by Avis and Budget; and
(b) e-toll payment services supplied by the Roads and Traffic Authority of NSW to persons who have rented a vehicle from Avis or Budget ('**RTA E-Toll Facility**').

(b) Description of the conduct or proposed conduct:

(Refer to direction 4)

Avis and Budget propose to offer to supply rental vehicles on the condition that the customer must enter into a contract with the Roads and Traffic Authority of NSW to acquire an E-Toll Facility.

The conduct includes:

- (a) supplying, or offering to supply, Avis and Budget rental vehicles;
- (b) supplying, or offering to supply, Avis and Budget rental vehicles at a particular price; or
- (c) giving or allowing, or offering to give or allow, a discount, allowance, rebate or credit in relation to the supply of Avis and Budget rental vehicles,

on condition that the person to whom Avis and Budget supplies or offers or proposes to supply rental vehicles ("customer") will acquire an RTA E-Toll Facility.

Avis and Budget may also refuse:

- (a) to supply Avis and Budget rental vehicles to a customer;
- (b) to supply Avis and Budget rental vehicles at a particular price to a customer; or
- (c) to give or allow a discount, allowance rebate or credit in relation to the supply of Avis and Budget rental vehicles to a customer,

for the reason that the customer has not acquired, or has not agreed to acquire, an RTA E-Toll Facility.

An RTA E-Toll Facility issued to a customer would operate for the duration of the hire period.

The customer can avoid acquiring an RTA E-Toll Facility by not renting from Avis or Budget. The customer can avoid paying fees to the Roads and Traffic Authority of NSW under an RTA E-Toll Facility by:

- (a) avoiding toll roads; or
- (b) paying cash at cash-only payment lanes of toll roads.

Please refer to the submission in support of the notice for further details.

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)

All customers of Avis and Budget.

(b) Number of those persons:

(i) At present time:

More than 1,000,000.

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

More than 1,000,000.

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

Not applicable

4. Public benefit claims

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

Please refer to the submission in support of the notice for further details.

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

Please refer to the submission in support of the notice for further details.

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)

Please refer to the submission in support of the notice for further details.

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)

Please refer to the submission in support of the notice for further details.

(b) Facts and evidence relevant to these detriments:

Please refer to the submission in support of the notice for further details.

7. Further information

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

Michael Gray
Freehills
MLC Centre
Martin Place
Sydney NSW 2000
Australia
DX 361 Sydney

Telephone: +61 2 9225 5000

Facsimile: +61 2 9322 4000

AUST. COMPETITION &
CONSUMER COMMISSION
SYDNEY

- 2 JUL 2010

Dated 2 July 2010

Signed by/on behalf of the applicant

(Signature)

Michael Gray
(Full Name)

Frehills
(Organisation)

Partner
(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.

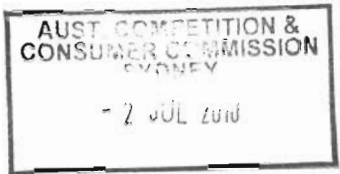
Annexure 1

Avis Australia franchisees

N94763	Airpark Pty Ltd (ABN 49 057 185 181)
N94784	Bagden Pty Ltd (ACN 008 975 442)
N94785	Bahar Pty Ltd (ABN 29 009 197 451)
N94786	Bell & Moir Corporation Pty Ltd (ABN 60 010 086 996)
N94787	Bryrod Pty Ltd (ABN 19 003 258 464)
N94788	Cars & Trucks Pty Ltd (ABN 39 007 952 963)
N94789	Felsoft Pty Ltd (ABN 76 009 087 923)
N94790	G&E Sawkins Pty Ltd (ABN 48 083 057 818)
N94791	GA & JL Charters Pty Ltd (ABN 25 002 179 571)
N94792	Glyndom Pty Ltd (ABN 54 080 194 047)
N94793	I & R Ramsey Pty Ltd (ABN 66 005 653 403)
N94794	Junction Lodge Pty Ltd (ABN 48 006 541 519)
N94795	Matcar Pty Ltd (ABN 84 097 956 780)
N94796	MCK Enterprises Pty Ltd (ACN 104 344 970)
N94797	McKails Investments Pty Ltd (ABN 13 865 841 900)
N94798	Murat Bay Investments Pty Ltd (ABN 20 073 131 067)
N94799	Nationwide Fleet Pty Ltd (ABN 43 072 912 924)
N94800	Norcoast Holdings Pty Ltd (ABN 66 129 474 139)
N94801	Numero Pty Ltd (ABN 20 009 251 227)
N94802	Paris Match Pty Ltd (ACN 007 235 707)
N94803	Parisdale Pty Ltd (ACN 075 417 257)
N94804	Planoak Pty Ltd (ACN 051 506 006)
N94805	Remberg Pty Ltd (ABN 11 010 780 088)
N94806	Ridgeking Pty Ltd (ACN 072 364 257)
N94807	Rix Nominees Pty Ltd (ACN 059 787 129)
N94808	Stanhope Holdings (WA) Pty Ltd (ABN 85 054 461 728)
N94809	Stromben Pty Ltd (ACN 010 258 563)
N94810	Suolow Holdings Pty Ltd (ABN 81 003 092 671)
N94811	Towers Packaging & Chemical Supplies NQ Pty Ltd (ABN 36 068 111 580)
N94812	Twinsilk Investments Pty Ltd (ACN 086 457 623)
N94813	Vividale Pty Ltd (ABN 77 007 371 084)
N94814	WHB Australia Pty Ltd (ACN 009 170 147) & Worldly Investments Pty Ltd (ACN 068 975 244) (trading as a company partnership ABN 69 231 875 044)

Budget Rent a Car Australia Pty Ltd licensees

N94815 Burns Auto Services Pty Ltd (ACN 009 988 452)
N94816 Busby Investments Pty Ltd (ABN 76 008 745 293)
N94817 Ceduna Budget Pty Ltd (ABN 29 110 638 152)
N94818 Chalkwest Pty Ltd (ABN 40 093 844 574)
N94819 Courtier Enterprises Pty Ltd (ABN 46 010 137 014)
N94820 Famasika Pty Ltd (ABN 20 009 958 454)
N94821 Foxhat Pty Ltd (ABN 36 074 325 527)
N94822 G & C Automotive Pty Ltd (ABN 51 079 689 080)
N94823 G J Van Der Ros and J Van Der Ros trading as G J & J Van Der Ros (ABN 99 051 337 966)
N94824 John Cully Pty Ltd (ABN 57 002 022 915)
N94825 John Nettlefold Nominees Pty Ltd (ABN 57 009 569 804)
N94826 Kam & Ko Pty Ltd (ABN 91 116 883 606)
N94827 Kartan Enterprises Pty Ltd (ABN 31 111 396 218)
N94828 Louang (NT) Pty Ltd (ABN 41 008 161 493)
N94829 Madills Motors Pty Ltd (ABN 64 009 897 081)
N94830 Mantavale Pty Ltd (ACN 010 753 867)
N94831 Moglonemby Trading Company Pty Ltd (ABN 49 006 535 486)
N94832 Mrac Pty Ltd (ABN 86 109 343 277)
N94833 Murphy Holdings SA Pty Ltd (ABN 28 008 144 867)
N94834 Payne Investments Pty Ltd (ABN 57 005 853 001)
N94835 Payne Investments (NSW) Pty Ltd (ABN 59 067 140 925)
N94836 Koeee Investments Pty Ltd (ABN 35 096 615 940)
N94837 Soltwin Pty Ltd (ABN 73 062 452 260)
N94838 Stoneymede Pty Ltd (ACN 074 884 790)
N94839 Usellus Pty Ltd (ABN 39 003 982 705)
N94840 Western Equipment Rentals Pty Ltd (ACN 131 269 184)
N94841 Wheelton Holdings Pty Ltd (ABN 91 073 123 449)
N94842 Wheelton Investments Pty Ltd (ABN 29 006 549 177)



Avis Australia,
Budget Rent a Car Australia Pty
Ltd and others.

Notification of exclusive dealing:
submission to the ACCC

2 July 2010

Freehills

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GPO Box 4227 Sydney NSW 2001 Australia
Sydney Melbourne Perth Brisbane Singapore

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www.freehills.com DX 361 Sydney
Correspondent offices in Hanoi Ho Chi Minh City Jakarta

1 Introduction

In this submission, the applicants W.T.H. Pty Ltd trading as Avis Australia, Budget Rent a Car Australia Pty Ltd, Budget Rent a Car Operations Pty Ltd and the persons named in Annexure 1 of Form G (being franchisees and licensees of Avis Australia and Budget Rent a Car Australia Pty Ltd) are collectively referred to as '**Avis and Budget**'.

2 Background

2.1 Electronic tolling

Many roads in Australia are subject to tolls. In New South Wales, only certain toll roads allow payment to be made by cash via cash booth lanes. All toll roads allow payment to be made by electronic tag (**e-tag**) or electronic pass (**e-pass**) via automated payment lanes. In Victoria and Queensland, all toll roads allow for payment only via an e-tag or e-pass. Cash payments are not allowed in these states. Most toll road operators offer (either directly or by referral to a service provider) e-tags and e-passes for automated payment. Toll roads that do not allow payment to be made by cash effectively require motorists using the toll road to have an e-tag or an e-pass.

If a person drives a vehicle through an automated payment lane without an e-tag or e-pass, the vehicle is photographed and the registered owner of the vehicle is issued with either a toll notice (which requires payment of the relevant toll plus an administration fee) or an infringement notice.

Australian toll roads and e-tags are interoperable. That is, a motorist can use any e-tag on any Australian toll road. For this reason, e-tags are typically used by Australian residents and frequent toll road users. In contrast, e-passes can be used to make payment only on certain toll roads, and are therefore typically used by visitors and infrequent toll road users.

2.2 Problems for suppliers and customers of vehicle rental services

Toll roads can be problematic for motorists using rental vehicles. While in some cases a motorist will be able to make cash payments for tolls, the majority of NSW toll roads and all Victorian and Queensland toll roads require payment by e-tag or e-pass. At present, a vehicle rental customer may have their own e-tag or may obtain an e-pass to use in their rental vehicle.

However, in many cases, interstate or international visitors using rental vehicles do not have an e-tag and do not make arrangements for an e-pass in advance. Such visitors are often unaware of the need for an e-tag or e-pass prior to renting the vehicle. Furthermore, such visitors may have little incentive to pay tolls if they are planning to leave the state or country after a short period.

As a consequence, suppliers of vehicle rental services are issued with a significant number of toll notices and infringement notices. Avis and Budget presently process approximately 15,000 statutory declarations per month, the majority of which are in response to toll notices or infringement notices for toll evasion. These toll notices and infringement notices are a large administrative burden on both toll road operators and vehicle rental companies. The toll road operator must pursue the registered owner of the vehicle (for example Avis and Budget), the registered owner must provide a statutory

declaration as to the identity of the driver of the vehicle, and the toll road operator must subsequently pursue the driver.

2.3 Avis and Budget's proposed solution

Avis and Budget propose to enter into arrangements with the Roads and Traffic Authority NSW (RTA), linking certain Avis and Budget services with the services of the RTA.

Avis and Budget propose to affix an e-tag to Avis and Budget rental vehicles based in the metropolitan areas of Melbourne, Sydney and Brisbane, the regional areas of Toowoomba, Nowra, Sale, and Ballarat, as well as in other vehicles likely to incur tolls. The licence plates of the rest of the Australian fleet will be added to the 'tag white list'. The 'tag white list' allows RTA to recognise a vehicle on the list as one under this scheme if there is no e-tag in the vehicle.

Avis and Budget propose to offer to supply rental vehicles on condition that the Avis and Budget customer (**Customer**) will be required to enter into a contract with the RTA whereby the Customer acquires an e-toll payment facility (**RTA E-Toll Facility**) for the rental period.

This conduct may be construed as exclusive dealing (third line forcing) within the meaning of section 47(6) or 47(7) of the *Trade Practices Act 1974 (the Act)*. Therefore, Avis and Budget notify the Commission of the conduct under section 93 of the Act.

Avis and Budget commenced a trial program in July 2009 in which Customers were given the option of trialling vehicles with an RTA provided e-toll payment facility. From July 2009 to February 2010 the trial included 668 trial vehicles which were hired 21,504 times during the period. For these vehicles only 23 toll notices or infringement notices were received compared with 85,808 toll trips processed. In addition, a number of repeat customers specifically requested vehicles with e-tag capabilities.

3 The Conduct

3.1 The customer

The conduct relates to persons who acquire vehicle rental services from Avis and Budget.

The rental vehicle industry comprises over 1,800 operators employing more than 7,500 staff, with between 120,000 and 140,000 vehicles on the road at any time. It is estimated that the industry's revenue in 2009 exceeded \$2.2 billion. The vehicle rental industry is a major contributor to the motor vehicle industry with more than 50,000 new vehicle purchases each year. Five of the vehicle rental operators operate at a national level including Avis Australia, Budget Rent-a Car, Europcar, Hertz, Thrifty, and Tourism Holdings Limited. Together, these operators conduct approximately 70 per cent of all Australian rentals.¹

3.2 The conduct

Avis and Budget propose to enter into an arrangement with the RTA whereby a Customer would, at the time of entering into a vehicle rental contract with Avis and Budget, also agree to enter into a contract with RTA for the provision of an RTA E-Toll Facility. Avis and Budget would be acting as an agent of the RTA in relation to the formation of the contract between RTA and the Customer for the RTA E-Toll Facility.

¹ Figures taken from 'Driving Change in the Rental Vehicle Industry: the need for national tax and regulatory reform', Tourism & Transport Forum, 2009. Tourism & Transport Forum (TTF) derived these figures through consultation with TTF members and using Ibis World Australian Industry Report *Motor Vehicle Hiring in Australia*, 2009.

The terms of Avis and Budget's rental contract would state that the Customer agrees to the terms and conditions of the RTA E-Toll Facility and that the credit card details provided to Avis and Budget will also be provided to RTA. The terms would also provide for an administrative fee to be paid to the RTA with respect to use of the RTA E-Toll Facility. The administrative fee for Customers supplying a credit card will be \$2.20 per calendar day that the Customer drives on a toll road using the automated payment lane. For example, if a Customer hires a vehicle for three days but only uses an automated payment lane on the first day, they will be charged \$2.20 plus the applicable toll. If a Customer does not use an automated payment lane on a toll road during the rental period they will not be charged any administrative or other fees. The credit cards accepted by Avis and Budget include Visa, Mastercard, American Express and Diners Club. In the case of Customers who do not wish to nominate a credit card for their toll fees, the usage fee will be \$5 per calendar day to cover the additional administrative fees required to invoice these Customers and to process cash payments. Depending on how Customers use their RTA E-Toll Facility (for example, if the Customer requests a statement, is late in paying an invoice or has their credit card declined) other fees may apply.

A Customer may avoid paying fees to the RTA under the RTA E-Toll Facility by:

- avoiding toll roads; or
- paying cash at cash-only payment lanes of toll roads; or
- not renting from Avis and Budget and using an alternative supplier, of which there are many.

4 Market definition

The relevant markets in this transaction are:

- the market for vehicle rental services, in state level markets; and
- the market for electronic services which facilitate payment for the use of toll roads, in a national market.

5 Public benefits and detriment

Avis and Budget provide the following information in support of this notification to satisfy the Commission that the likely benefit to the public from the conduct will outweigh any detriment to the public from the conduct.

5.1 Benefits to the public

The conduct will significantly benefit the public by substantially reducing the transaction costs associated with the collection of tolls and by ensuring the collection of tolls that may otherwise remain unpaid. Customers also benefit through a reduction in the number of people being issued toll notices (and associated fees) and infringement notices.

(a) Toll road operators

In order to recover unpaid tolls from rental vehicle drivers, toll road operators must:

- identify the vehicle from a photograph taken at the toll booth;
- serve a toll notice or infringement notice on the rental vehicle company as registered owner of the vehicle; and
- having obtained the rental vehicle driver details from the rental vehicle company through a statutory declaration in the relevant jurisdiction, attempt to recover the

amount due under the toll notice or infringement notice from the rental vehicle driver.

The provision of an RTA E-Toll Facility (being primarily an e-tag based solution) for the rental vehicle driver will eliminate these steps. This significantly reduces operational costs associated with the photograph and toll notice/infringement notice processing for trips without an e-tag or e-pass while also benefiting Customers who will no longer be charged an administrative fee as part of the toll notice/infringement notice process.

The RTA E-Toll Facility will also increase the likelihood that the toll will be recovered by the toll road operator. Unrecovered tolls represent a higher cost for toll road operators.

(b) Vehicle Rental companies

Toll notices and infringement notices impose a significant administrative burden on vehicle rental companies.

Avis and Budget currently receive approximately 15,000 toll notices or infringement notices per month.

The process

Avis and Budget receive toll notices and infringement notices at the office of the registered owner of the vehicle (eg state office) through Australia Post in individual envelopes. Staff open these and scan the toll notices and infringement notices into a PDF form that is then sent to a scanning company. The scanning company lifts the key data from the notice and send them to Avis and Budget's internal IT department who perform a matching exercise against data from their main frame. This process determines who had possession of the vehicle at the relevant time set out in the toll notice or infringement notice. The data is then sent to the requesting office where a staff member produces a statutory declaration and witnessed by a Justice of the Peace. The statutory declaration is then sent back to the issuing authority within the required time frame. Thereafter, the responsibility for the toll is removed from Avis and Budget.

The costs associated with this process may be passed on to vehicle renters in the form of higher prices.

(c) Vehicle renters

An RTA E-Toll Facility is an efficient and convenient way for Customers to obtain a facility for toll payment at the same time as they obtain vehicle rental services.

This will also prevent interstate and/or international Customers from receiving toll notices and infringement notices because they did not know that an e-tag was required. Current toll payment solutions are not a convenient or effective method for interstate and international Customers to pay tolls, particularly because these Customers may be unfamiliar with electronic tolling, hence the low take up rates for current products.

Table 1 provides an indicative cost comparison with certain other existing pass products and shows that, on the basis and assumptions noted below, the RTA E-Toll Facility is comparable with other products and is cheaper than three of the other products mentioned. The only products in Table 1 which are cheaper than the RTA E-Toll Facility are the 'Flow' and 'Go Via Casual' casual user pass products which RTA understands are in a 'start-up' phase and accordingly anticipates that the suppliers of these products may be offering customer discounts at present.

Table 1

This Table 1 has been prepared by RTA and provided to Avis and Budget on the basis of a vehicle travelling on a toll road on two occasions within a single calendar day where an interoperable casual user pass has been purchased.

Charge	RTA E-Toll Facility	RTA Casual User Pass	Roam Express Casual User Pass	Roam Casual User Pass	Go Via Casual User Pass	Flow Casual User Pass
Set Up Fee	\$0.00	\$3.30	\$3.30	\$3.30	\$1.00	\$0.00
Service Fee	\$2.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Video Matching Fee	\$0.00	\$1.50 ⁽¹⁾	\$1.50 ⁽¹⁾	\$1.50 ⁽¹⁾	\$0.80 ⁽²⁾	\$0.80 ⁽²⁾
Tolls	\$8.00	\$8.00	\$8.00	\$8.00	\$5.90	\$5.90
Total	\$10.00	\$12.80	\$12.80	\$12.80	\$7.70	\$6.70

(1) \$0.75 video matching fee x 2

(2) \$0.40 video matching fee x 2

(d) Costs and Savings to Industry and Customers

In this section a reference to Industry includes Avis and Budget, RTA, other toll road operators and also providers of e-tag and e-pass products. A reference to Customers is a reference to the customers of Avis and Budget.

The number of toll notices and infringement notices issued to vehicle rental customers has increased over time. This has created a significant administrative burden for the toll road operators and vehicle rental operators.

Requiring Customers to use an RTA E-Toll Facility is likely to reduce this burden.

Table 2 below sets out RTA estimates provided to Avis and Budget of the costs arising from Avis and Budget rental vehicles travelling on toll roads without an existing e-tag or e-pass account (ie estimated cost absent the conduct). These include:

- (1) Industry costs such as image processing costs, costs arising from the generation of toll notices, receiving payments and handling customer calls; and
- (2) Customer costs such as purchasing a pass or time spent chasing statements/invoices, statutory declaration processing and processing toll notices and infringement notices received.

Table 2

Year of operation ²	Total Annual Cost Excluding Customer Cost \$000's	Total Annual Cost to Customer \$000's	Total Annual Cost Including Customer Cost \$000's
Year 1	\$3,146	\$4,215	\$7,361
Year 2	\$3,257	\$4,362	\$7,619
Year 3	\$3,370	\$4,515	\$7,885
Year 4	\$3,488	\$4,673	\$8,161
Year 5	\$3,611	\$4,836	\$8,447
Total Over 5 Years	\$16,872	\$22,601	\$39,473

² Year of Operation from commencement of the conduct.

Table 3 below sets out RTA estimates provided to Avis and Budget of estimated costs to Industry under the proposed conduct i.e. whereby the RTA E-Toll Facility is adopted by Avis and Budget for their fleet and the Industry costs noted in (d)(1) above are avoided.

Table 3

Year of Operation³	Total Annual Cost \$000's
Year 1	\$477
Year 2	\$3,784
Year 3	\$1,657
Year 4	\$1,705
Year 5	\$1,755
Total Over 5 Years	\$9,378

Table 4 sets out RTA estimates provided to Avis and Budget of the cost savings for the Industry and Customers as a result of the proposed conduct by Avis and Budget.

The second column of Table 4 shows the cost savings to Industry of the E-toll Facility excluding the cost savings to their Customers. The third column of Table 4 shows the cost savings for Industry inclusive of the Customer cost savings.

Table 4

Year of operation⁴	Total Annual Cost Savings of E-Toll Facility Excluding Customer Cost \$000's	Total Annual Cost Savings of E-Toll Facility Including Customer Cost \$000's
Year 1	\$2,669	\$6,884
Year 2	-\$527	\$3,835
Year 3	\$1,714	\$6,229
Year 4	\$1,783	\$6,456
Year 5	\$1,855	\$6,692
Total Over 5 Years	\$7,494	\$30,095

5.2 Public detriment

It is submitted that the conduct does not result in public detriment for the following reasons:

- RTA and other tolling solution providers are free to enter into similar arrangements with other suppliers of rental vehicle services.
- Avis and Budget have numerous competitors in the vehicle rental industry including Hertz, Thrifty, Europcar, Bayswater and Red Spot. A potential Customer can choose to rent a vehicle from a company that does not require an RTA E-Toll Facility be used for electronic tolling.

³ Year of Operation from commencement of the conduct.

⁴ Year of Operation from commencement of the conduct.

- RTA has other competitors in the electronic tag issuing industry. The main players include Roam, Roam Express, E-way, Go Via and Breeze.

6 Summary

The Commission should be satisfied on the information provided above that the likely benefit to the public from the proposed conduct outweighs the likely detriment to the public. Therefore, the notification should be allowed to stand.