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Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — 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 *Competition and Consumer Act 2010*, 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)

N95282 4walls Ltd

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

.Approved Participant within National Rental Affordability Scheme
 ("NRAS") (enacted by *National Rental Affordability Scheme Act 2008 (Cth)*
 ("the Act"))

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

.c/- Neumann & Turnour Lawyers,
 GPO Box 649,
 Brisbane, QLD, 4001

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2. Notified arrangement

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

(1) Property and Tenancy Management Services

(2) the functions of the NRAS Approved Participant

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(b) Description of the conduct or proposed conduct:

To ensure compliance with the requirements of the Act, 4walls Ltd will require its consent to any appointment of a property manager by an owner. It may seek to utilise this consent in either its absolute discretion (as indicated at clause 10 of the attached NRAS Participation Agreement marked Annexure A) or in its reasonable discretion.

It will also require any property manager (other than itself) to enter a Deed with itself which provides that the property manager will comply with the requirements of the Act. That Deed is attached at Annexure B. The precise terms of the document may alter at a later date, however the consent mechanism as described above will not fundamentally alter.

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(Refer to direction 4)

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)

(1) Owners of dwellings approved under the NRAS as Approved Rental Dwellings.

(2) Property Managers such owners seek to appoint to conduct property and tenancy management of the dwelling.

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- (b) Number of those persons:
 - (i) At present time:
 - 192 owners
 - 192 property managers or less (actual figure likely to be much less)
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 - (ii) Estimated within the next year:
 - (Refer to direction 6)
 - Will not alter
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- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
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4. Public benefit claims

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

The Act requires the Approved Participant to perform certain functions. Whilst the Approved Participant will offer property management and tenancy management services to Owners direct (by a separate contract) it seeks to allow owners to choose other property managers. Many other Approved Participants are requiring owners to take their own property management services. In order to do enable owners to have discretion 4walls Ltd must ascertain that such third party property managers are able to comply with the Act. It therefore requires a discretion in who is permitted to act as a property manager to an Approved Rental Dwelling.

It will also require the Third Party Property Manager to enter a Deed with itself to under which the third party is bound to comply with the Act (that Deed is annexed at Annexure B). This arrangement further fulfils the

objectives of the NRAS, which include the provision of affordable housing to 35000 low to middle income Australians.

.Requiring property managers to comply with the Act will have the benefit of providing additional protection to Owners, who are depending on the conduct of the property managers in order to obtain the NRAS Incentive. Further tenants of Approved Rental Dwellings will benefit from the greater level of compliance required of property managers by 4walls Ltd. The conduct of a property manager will be enhanced by requiring compliance with the Act.

Such will also prevent NRAS dwellings being rented on the open market, as opposed to being rented to the middle to lower income brackets which the NRAS seeks to target.

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

The National Rental Affordability Scheme Act and the accompanying legislative and policy framework.

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)*

Property management within Queensland. Suppliers affected may be other property managers within Queensland.

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)

There is no likely effect on the price of the property management services. As outlined above the requirement is likely to lead to an increase in the quality of the services provided by property managers.

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(b) Facts and evidence relevant to these detriments:

Not applicable

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7. Further information

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

.Mark Fowler
Neumann & Turnour Lawyers
Phone: 07 3837 3600

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Dated 14 February 2011

Signed by/on behalf of the applicant

(Signature)

Mark Andrei Gregory Fowler
Solicitor

(Full Name)

Neumann & Turnour Lawyers
(Organisation)



Solitor for 4walls Ltd
(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 *Competition and Consumer Act 2010* 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.