



**Australian  
Competition &  
Consumer  
Commission**

Our Ref: C2012/830  
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20 December 2012

Rebecca Liew  
Lawyer  
Cooper Grace Ward  
Level 21, 400 George Street  
Brisbane QLD 4000

**By email: [rebecca.liew@cgw.com.au](mailto:rebecca.liew@cgw.com.au)**

Dear Ms Liew

**Third line forcing notification N96151 lodged by N.W.G. Pty Ltd trading as  
The National Windscreen Group**

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 20 September 2012. The notification has been placed on the ACCC's public register. I also refer to the submission dated 12 September 2012 made by your client, Protector Glass Industries Pty Ltd (PGI).

As you are aware, under the notification N.W.G. Pty Ltd, trading as The National Windscreen Group (NWG), proposes to sub-contract automotive glass repair work to its members, who are independent, operator owned automotive glass repair and replacement operators, on the condition that those members acquire glass and other inputs from suppliers nominated by NWG from time to time. The current supplier with whom NWG seeks to negotiate and appoint as its preferred supplier is National Auto Glass Supplies Pty Limited (NAGS).

Notifications provide legal protection automatically 14 days after the notification is validly lodged with the ACCC. In this case, legal protection conferred by the notification commenced on 4 October 2012.

In its submission PGI raised a number of concerns and objected to the notified conduct. In particular, PGI raised concerns that NWG had not adequately demonstrated that the notified conduct was likely to result in public benefits and that any cost savings to NWG from the conduct would not be passed on to NWG members or others. Your client also submitted that the effect of the notification would be to compel NWG members to participate in the notified conduct and that the notified conduct would increase costs and reduce profits to NWG members. Further, PGI submitted that the notified conduct would reduce customer service quality. The submission sought revocation of the notification.

The ACCC can only remove the legal protection provided by an exclusive dealing notification if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct. Any decision to revoke the notification would remove the immunity for the entire network.

The ACCC has carefully considered PGI's submission and NWG's submissions in its assessment of the notified conduct. On the basis of the information before it, including

these submissions, the ACCC's assessment is that the notification is likely to result in public benefits that will outweigh the likely public detriments of the notified conduct. These public benefits include lower cost and better quality autoglass inputs for NWG members, transaction cost savings for members, greater ability for the NWG as a collective to compete with other suppliers of autoglass for repair contracts, and increased competition for the supply of autoglass inputs. The ACCC considers that the notified conduct is likely to result in minimal public detriment, which is likely to be mitigated by insurers' ability to acquire services from other autoglass repair service providers and autoglass input suppliers being able to supply their goods to other repairers or export them to wholesalers overseas. NWG members are also able to relinquish NWG membership and make their own arrangements for autoglass supplies if they consider they would get a better deal acting independently. Therefore, it is not intended that further action be taken in this matter at this stage.

A copy of this letter has been placed on the ACCC's public register.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Jasmine Tan on 02 6243 1363 or by email to [jasmine.tan@acc.gov.au](mailto:jasmine.tan@acc.gov.au).

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal line.

Dr Richard Chadwick  
General Manager  
Adjudication Branch