

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

N95942

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

Hertz Australia Pty Ltd ABN 31 004 407 087 (**Hertz**)

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

Hertz is one of the largest car rental companies in Australia and supplies a wide range of motor vehicles for hire to its customers. The range of passenger vehicles available ranges from small, economy cars to 8 seater people movers. Other vehicles available nationally include trucks and 4 wheel drive vehicles.

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

Lawrence Lim
Finance Department
P.O. Box 181
South Melbourne, Victoria, 3205

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:
(Refer to direction 4)

The relevant goods and services are:

- the provision of hire cars by Hertz; and
- the provision of motor insurance by Insurance Australia Limited.

- (b) Description of the conduct or proposed conduct:

The proposed conduct is to offer motor insurance customers of Insurance Australia Limited ABN 11 000 016 722 (trading as NRMA Insurance in NSW/ACT and Queensland, SGIO in WA and SGIC in SA) (**IAL**) who have lodged a valid motor insurance claim (**Claimants**) Hertz hire cars at discounted rates.

IAL's motor insurance policy currently provides use of a hire car, for a limited time depending on the conditions set out in the insurance policy, in the event of a valid claim. IAL pays for the cost of the hire car and reimburses any excess paid up to the limit specified in the relevant insurance policy.

Under the proposed arrangement, once the hire car limit on the policy has been exhausted, Claimants will have the ability to hire a car directly through Hertz for a discounted daily rate. The Claimant is under no compulsion to take up this offer.

Alternatively, if the Claimant does not have the hire car option on their policy but enquires about a hire car, the Claimant will be given the option of hiring a car through Hertz for a discounted daily rate. The Claimant is under no compulsion to take up this offer.

The amount of the discount will vary from time to time.

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 all Claimants.

- (b) Number of those persons:

- (i) At present time:

From May 2011 to April 2012 there were approximately 430,000 Claimants.

We estimate that the number of Claimants who are likely take up the offer of a discounted hire car is approximately 5% of the total number of Claimants. This equates to approximately 21,500 Claimants.

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

We estimate that the numbers of Claimants in the next year will be similar to that specified above.

- (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)

The proposed conduct will give rise to a public benefit by providing Claimants with a discount/saving on the price of car hire where the Claimant elects to take up the offer.

The proposed conduct may also stimulate competitive responses from other hire car companies and motor insurance providers.

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

Not applicable.

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:

- the market for motor insurance products; and
- the market for hire cars.

The market for motor insurance products is national. There are many other competitors in this market, including major suppliers like Suncorp/Promina, Allianz and QBE.

Hertz is a national hire car provider and the proposed conduct will be offered on a national basis. Hertz competes with a number of other national hire car providers including Avis, Budget, Europcar and Thrifty. Hertz notes that the market for the supply of hire cars may be sometimes limited by availability of stock and hire car providers depending on particular geographic regions.

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 not have any material anti-competitive impact on consumers or consumer choice because:

- there is no compulsion on Claimants to take advantage of this offer. Any Claimant who wishes to hire a car is free to do so from any hire car company; and
- consumers who are not Claimants will remain free to hire cars from Hertz.

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

Not applicable.

7. Further information

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

Lawrence Lim
Finance Department
P.O. Box 181
South Melbourne, Victoria, 3205

Dated.....13/06/2012.....

Signed by/on behalf of the applicant

.....
(Signature) 

Toby McHenry

(Full Name)

HERTZ AUSTRALIA

(Organisation)

DIRECTOR

(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.