



Specsavers Pty Ltd

520 Graham Street
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Australia

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FILE No:

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MARS/PRISM:

20 December 2013

Regional Director

Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Sir/Madam

Notification of Exclusive Dealing

Please find enclosed for lodgement Form G Notification of Exclusive Dealing on behalf of Medibank Private together with lodgement fee of \$100.00.

If you have any queries please do not hesitate to contact me on [REDACTED]

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dr Stretch Kontelj".

Dr Stretch Kontelj OAM
Legal Director Asia / Pacific
Specsavers Pty Ltd



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)

Specsavers Pty Ltd (ACN 097 147 932)

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

Specsavers is a retailer of prescription eye glasses and sunglasses with 273 stores located around Australia with stores in every State and Territory.

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

Specsavers Pty Ltd
Attn: Dr Stretch Kontelj OAM
Legal Director
520 Graham Street,
Port Melbourne, VIC, 3207

2. Notified arrangement

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

Supply of frames and prescription lenses.

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

Specsavers proposes to offer a discount of up to the value of \$50 for the supply of frames and prescription lenses from its \$249 2 pair designer range to a select segment of members of Medibank Private who have Extras cover. The offer will be available for the period 13 January 2014 until 28 February 2014.

(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)

A select segment of members of Medibank Private who have Extras cover.

- (b) Number of those persons:

- (i) At present time:

Greater than 120 000.

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

It is estimated that the offer is applicable to in excess of 120 000 current members of Medibank Private who have Extras cover.

- (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 be of benefit to the public in that it will provide the opportunity for a large number of Australians with private health insurance with Medibank to receive a discount up to the value of \$50 for the supply of frames and prescription lenses from Specsavers \$249 2 pair designer range between the dates of 13 January 2014 until 28 February 2014.

The above offer will significantly enhance the utilisation and benefit such consumers will gain from their prescription glasses hence improving their eye care and health.

The offer will also likely promote greater competition with other optometrists and optical providers by encouraging competition to make similar offers.

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

The optometry market in Australia is highly competitive. All suppliers are conscience of offers being made by competitors. This offer will lead to a direct benefit to the significant number of Medibank Private members in Australia. In addition, the offer has the potential to stimulate further

competition in the optometry market which will lead to benefits to a broader number of prescription glass wearing Australians.

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 market is the market for the supply of men's, women's and children's prescription glasses and particularly the market for prescription glasses lens extras and upgrades.

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)

No public detriment is expected to arise as a consequence of this offer as the optical market is highly competitive and Specsavers engages in strong competition with a number of national retailers including:

- Luxottica (which trades as OPSM, Just Specs, Budget Eyewear and Laubman & Pank with in excess of 500 stores Australia wide);
- Approximately 1500 independent optometrists trading under their own name or via national buying groups

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

No detriment is envisaged from the offer as the Australia optometry market is extremely competitive. The level of competition in the market can be evidenced by a perusal of the following websites:

www.opsm.com.au

www.specsavers.com.au

Recent studies of the optometry and optical dispensing markets in Australia show that while the demand for optometry products and services is on the rise and prices for these products and services are falling in real terms due to the significant competitive forces at play in the market. The proposed offer the subject of this Notification will further stimulate competition and will be of direct and indirect public benefit.

7. Further information

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

Specsavers Pty Ltd
Attn: Dr Stretch Kontelj OAM
Legal Director
520 Graham Street,
Port Melbourne, VIC, 3207
Phone: 0419 327 303
Email: stretch.kontelj@specsavers.com



Dated..... 20 December 2013

Signed by/on behalf of the applicant

.....
(Signature)

Dr Stretch Kontelj OAM
(Full Name)

Specsavers Pty Ltd
(Organisation)

Legal 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.