

FILE No:
DOC:
MARS/PRISM:

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)

N96714

[Balaklava Electronics Pty Ltd] (ABN [41 062 837 325])

[Balaklava Electronics Pty Ltd] (ABN [41 062 837 325]) (“Dealer”) operates a Telstra Dealership with Telstra’s authorisation and has been appointed by Telstra to promote the sale of, and extend the demand for, Telstra telecommunications services and related goods and services.

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

Dealer supplies a range of consumer products to retail customers. These include mobile phones, cordless phones, fax machines, phone cards, other telecommunications equipment, software, hand held computers, data products and internet starter packs.

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

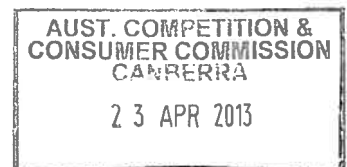
**2 [Jeffrey Edgar Karklins][Director/Manager][Balaklava Electronics Pty Ltd]
[28 George Street, BALAKLAVA SA 5461][(08) 8862 2211]Notified arrangement**

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

Dealer will offer a range of telecommunications and related goods or services (including mobile phones, cordless phones, fax machines, phone cards, other telecommunications equipment, software, hand held computers, data products and internet starter packs) (“**Dealer Products**”) and/or promotional goods or services (including vouchers, cinema tickets, electrical goods and accessories and food items) (“**Promotional Products**”) to customers on condition that they acquire telecommunications services and/or related goods or services from Telstra.

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

Dealer proposes to:



- (i) supply or offer to supply a Dealer Product and/or Promotional Product to retail customers on the condition that the customer acquires or agrees to acquire telecommunications services or products or particular telecommunications services plans from Telstra;
- (ii) refuse to supply or refuse to offer to supply a Dealer Product and/or Promotional Product to retail customers for the reason that the customer has not acquired or has not agreed to acquire telecommunications services or products or particular telecommunications services plans from Telstra;
- (iii) give or allow or offer to give or allow a discount, allowance, rebate or credit in relation to a Dealer Product and/or Promotional Product to retail customers on the condition that the customer acquires or agrees to acquire telecommunications services or products or particular telecommunications services plans from Telstra.

(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)

Retail customers (including small and medium enterprise customers).

- (b) Number of those persons:

- (i) At present time:

Substantially greater than 50.

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

Substantially greater than 50.

- (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 because it will allow retail customers to acquire Dealer Products and/or Promotional Products at a discount or at a lower cost. It may also lead to better network support and may encourage greater innovation from other telecommunications providers.

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

Dealer Products include mobile phones, cordless phones, fax machines, phone cards, other telecommunications equipment, software, hand held computers, data products and internet starter packs. Promotional Products include vouchers, cinema tickets, electrical goods and accessories and food items. These are valuable products to many consumers and the ability to acquire them at a discount or at a lower cost may be a significant benefit to the individual consumer.

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)

There are a number of markets that may be relevant including the markets for the supply to retail consumers of phones (fixed and mobile), fax machines, hand held computers and other similar communications devices.

These markets are characterised by strong competition. There are several leading retailers of these products as well as many smaller competitors.

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 are no public detriments likely to result from the proposed conduct.

(b) Facts and evidence relevant to these detriments:

The proposed conduct will not lessen competition because:

- (i) the retail markets for the Dealer Products and Promotional Products are characterised by large numbers of competitors and very intense competition; and
- (ii) Dealer does not have a substantial degree of market power in any relevant market.

The benefits from the proposed conduct will outweigh any possible detriment considered to arise from the proposed conduct.

7 Further information

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

[Jeffrey Edgar Karklins][Manager/Director][Balaklava Electronics Pty Ltd][28 George Street, BALAKLAVA SA 5461][(08) 8862 2211]

Dated 18 April 2013

Signed by/on behalf of the applicant

(Signature)



Jeffrey Edgar Karklins

(Full Name)

Balaklava Electronics Pty Ltd

(Organisation)

Director/Manager

(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.