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:

N96839 N96840

The Greater Union Organisation Pty Ltd (ABN 99 000 024 439) (**GUO**) and Birch Carroll & Coyle Limited (ABN 40 009 659 643) (**BCC**).

(b) Short description of business carried on by that person:

GUO and BCC and their related companies own and operate cinemas in Australia. These cinemas trade under the names Event, Greater Union, Birch Carroll & Coyle and Moonlight cinemas.

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

Amalgamated Holdings Limited

Level 20, 227 Elizabeth Street

SYDNEY NSW 2000

Attention: Ben Arnall

Legal Counsel

2. Notified arrangement

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

National Roads & Motorists' Association Limited (NRMA), GUO and BCC have entered into a Voucher Purchase Agreement having a commencement date of 1 July 2013 for a period of twelve months. The promotion will be available to NRMA Members in August 2013 (following the creation of a dedicated webpage).

NRMA Members will be able to purchase from GUO and BCC the Vouchers at a promotional price as listed in **Schedule 1**.

- (b) Description of the conduct or proposed conduct:
 - (i) NRMA members may purchase physical vouchers and e-vouchers ('Vouchers') from GUO and BCC in accordance with **Schedule 1**.
 - (ii) NRMA members will be permitted to purchase a minimum of four (4) Vouchers and a maximum of ten (10) Vouchers in any one transaction.

- (iii) The promotion will commence in August 2013 and will continue to 30 June 2014.
- (iv) GUO and BCC will sell the Vouchers directly to NRMA Members via the Website (<u>www.experiencethis.com.au</u>).
- (v) The refusal by GUO and BCC to sell Vouchers to a person at the promotional prices as listed in Schedule 1 for the reason that the person is not a NRMA member.
- (vi) The Agreement states that NRMA Members will be able to exclusively purchase from GUO and BCC the kinds of products and services contemplated by the Agreement.

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:

All NRMA Members during the promotion period i.e August 2013 to 30 June 2014.

- (b) Number of those persons:
 - (i) At present time:

Not applicable.

(ii) Estimated within the next year:

All potential Members of NRMA who purchase a Voucher during the promotion period will be affected by the proposed conduct. It is difficult to estimate the number of people who will be affected by the proposed conduct, but it will be substantially more than 1,000.

(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:
 - (i) Provide NRMA Members who take advantage of the promotion with the benefit of receiving discounted goods or services i.e promotional price voucher items and candy voucher in accordance with Schedule 1.
 - (ii) Add to competition in the supply of visual entertainment by making attendance at Event, Greater Union, Birch Carroll Coyle and Moonlight cinemas more competitive during the promotion period; and
 - (iii) Potentially encourage competing supplies to offer customer discounts through similar promotions.
- (b) Facts and evidence relied upon in support of these claims:

- (i) NRMA Members who take advantage of the promotion will obtain the benefit of receiving discounted goods or services in accordance with Schedule 1.
- (ii) Other members of the public (that is cinema attendees who do not take advantage of the promotion) will not be materially affected by this arrangement as they are free to purchase movie tickets and vouchers in the normal manner at the usual price.
- (iii) The proposed conduct may increase competition in the supply of movie vouchers generally, by making a visit to Event, Greater Union, Birch Carroll & Coyle and Moonlight cinemas more competitive during the promotion period.
- (iv) The promotion may encourage competitors to offer similar discounted movie tickets (or other discounted substitutes in entertainment such as DVD's, theatre or sports tickets) promoting competition in the visual entertainment market.

For the reasons above, the promotion will provide benefits to the public as described, and it is submitted the promotion will result in no significant detriment to the public. Any detriment is substantially outweighed by the public benefits outlined above.

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):

GUO and BCC consider that cinemas compete not only with other cinemas (eg. Hoyts, AMC, Dendy, Reading) but also other forms of visual entertainment, including modes of supply of movies such as DVD sale and rental, streaming services which allow movies to be downloaded via a broadband internet connection, online film rental subscription services and video on demand services such as FOXTEL Box Office.

GUO and BCC are subject to significant competitive constraint from other forms of visual entertainment, GUO and BCC consider that the relevant market is extensive of the cinema exhibition.

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:

There is no significant detriment to members of the public as a result of the notified conduct.

The notified conduct is not likely to adversely affect (increase) the prices of the goods or services described at 2(a) above or prices in other markets.

(b) Facts and evidence relevant to these detriments:

- a) The promotion period is for a period of one year and NRMA has the option to extend the period for a further period of one year.
- b) NRMA Members who purchase the Vouchers are free to purchase movie tickets at Event, Greater Union, Birch Carroll & Coyle and Moonlight cinemas at the usual price during the promotion period.
- c) NRMA Members who purchase the Vouchers are not prevented from seeing movies at a cinema other than Event, Greater Union, Birch Carroll & Coyle and Moonlight cinemas during the promotion period.
- d) Other members of the public (this is cinema attendees who do not take advantage of the promotion) will not be materially affected by this arrangement as they are free to purchase movie tickets in the normal manner and at the usual price.
- e) The proposed conduct will likely have little or no effect on the prices of movie tickets in Australia generally. However, the proposed conduct may increase competition in the supply of movie tickets, by making a visit to Event, Greater Union, Birch Carroll & Coyle and Moonlight cinemas more competitive during the promotion period.

The benefits associated with the proposed conduct are likely to outweigh any public detriments.

In these circumstances, the Applicants submit that the commission should allow the notification to stand.

7. Further information

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

Attention: Ben Arnall

Legal Counsel

Amalgamated Holdings Limited Level 20, 227 Elizabeth Street

SYDNEY NSW 2000

Dated:

Signed by/on behalf of the applicant

(Signature)

DIRECTIONS

- 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.

Schedule 1

1. PHYSICAL VOUCHERS

VOUCHER TYPE	NRMA MEMBER PURCHASE PRICE	VALIDITY	REDEMPTION LOCATION
Gold Class*:			
Admission Voucher	\$29.25	12 months	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.
Off-Peak Admission Voucher	\$22.00	Monday to Wednesday only excluding public holidays; 12 months	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.
Bar Voucher	\$10.00	12 months	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.
Star Vouchers*:			*
Adult Admission	\$12.30	12 months	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.
Moonlight Cinemas Admission	\$12.00	Moonlight cinemas Summer season	Moonlight Cinemas
Child Admission	\$9.00	12 months	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.
Star Candy Voucher:		· · · · · · · · · · · · · · · · · · ·	•
A small popcorn & small soft drink	\$8.00	12 months.	Event Cinemas, Greater Union and Birch Carroll & Coyle Cinemas.

2. <u>E-VOUCHERS</u>

eVOUCHER TYPE	NRMA MEMBER PURCHASE PRICE	VALIDITY	REDEMPTION LOCATION
Adult eSaver eVoucher (NSW Only)	\$10.50 per ADULT voucher	6 months. Any time except after 5.00pm Saturdays.	Any Event Cinemas, Greater Union or Birch Carroll & Coyle branded location located in the state of NSW.
Adult eMovie eVoucher (NSW Only)	\$12.80 per ADULT voucher	6 months.	Any Event Cinemas, Greater Union or Birch Carroll & Coyle branded location located in the state of NSW.
Child/Senior eSaver eVoucher (NSW only)	\$8 per CHILD/Senior voucher	6 months. Any time except after 5.00pm Saturdays.	Any Event Cinemas, Greater Union or Birch Carroll & Coyle branded location located in the state of NSW.
Off-Peak Gold Class Admission eVoucher	\$25.00 per ADULT voucher	6 months. Valid Monday to Wednesday excluding school & public holidays.	Event Cinema Gold Class locations in the state of NSW.
Moonlight Cinemas eVoucher	\$12.50	Moonlight cinemas Summer season	Moonlight Cinemas