

## 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)

N97201

Australia and New Zealand Banking Group Limited ABN 11 005 357 522  
trading as Esanda (“**Esanda**”).

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

Supply of retail (consumer and commercial) financial products and services, including through authorised motor dealers who have been accredited by Esanda to enable them to offer financial products and services on behalf of Esanda to their customers (“**Accredited Dealers**”).

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

ANZ Centre  
Level 9, 833 Collins Street  
Docklands Victoria 3008

### 2. Notified arrangement

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

- motor vehicles purchased from Bill Hull Car Centre trading as Bill Hull Car Centre; and
- retail (commercial and consumer) financial products and services.

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

Esanda giving or allowing or offering to give or allow, a discount, allowance, rebate or credit in relation to the supply of financial products and services to customers of Bill Hull Car Centre on condition that the customers will acquire their vehicle from Bill Hull Car Centre.

Esanda refusing to give or allow a discount, allowance, rebate or credit in relation to the supply of financial products and services to customers of Bill Hull Car Centre for the reason that the customers have not acquired or have not agreed to acquire their vehicle from Bill Hull Car Centre.

*(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)*

Customers of Accredited Dealers

- (b) Number of those persons:

- (i) At present time:

In excess of 50

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

In excess of 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)*

*Please refer to attached submission*

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

*Please refer to attached submission*

**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)*

*Please refer to attached submission.*

**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)*

*Please refer to attached submission.*

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

*Please refer to attached submission.*

**7. Further information**

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

Russell Bryant

Dated..... 17/01/2014 .....

Signed by/on behalf of the applicant  
.....  
(Signature)

Russell Bryant

Australia and New Zealand Banking Group Limited

Head of Business Development

**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 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.

## **Submission**

### **Background**

Bill Hull Car Centre sells motor vehicles (**Dealer**).

Esanda carries on (amongst other things) the business of providing retail finance to motor vehicle consumers (including commercial purchasers). Under agreement between the Dealer and Esanda, the Dealer is authorised to offer financial products and services on behalf of Esanda to their customers who require motor vehicle finance. The Dealer is not required to offer their customers finance from Esanda, and the Dealer's customers are not required to obtain finance from Esanda (or any other finance products or services) when purchasing their motor vehicle from the Dealer.

### **Benefits and rewards for customers**

From time to time, the Dealer and Esanda propose to offer a discount or rebate on the rate of interest applicable to finance provided by Esanda where a customer purchases a motor vehicle from the Dealer.

### **Notified Conduct**

Esanda and the Dealer are concerned that the conduct described above could be viewed as a technical contravention of sections 47(6) and (7) of the *Competition and Consumer Act* (the **Act**). Specifically, the conduct could be viewed as Esanda giving or allowing or offering to give or allow, a discount, allowance, rebate or credit in relation to the supply of financial products and services to customers of Dealer on condition that the customers acquire their vehicle from the Dealer (and the corresponding refusal to supply for the reason that the customer has not so acquired a vehicle from the Dealer).

Whilst the parties do not necessarily consider that this correctly characterises the conduct, they recognise that it is open to being characterised in this way. Accordingly, out of an abundance of caution and in order to minimise the risk of contravening sections 47(6) and (7) of the Act, Esanda and the Dealer wish to notify the conduct under section 93(1) of the Act. The conduct is set out in the attached Form G.

### **Competition Issues**

We submit that the conduct in question will not adversely affect competition in any relevant market and the conduct in question will result in public benefits and no identifiable public detriment.

We do not believe that the proposed conduct will have an adverse affect on competition in any relevant market. We consider that the relevant markets for assessing this notification are the retail market for motor vehicles, and the retail markets for financial products and services. These markets are highly competitive and characterised by relatively low levels of concentration, with a diverse range of services and continuing innovation in product development.

Bill Hull Car Centre is only one of many retailers of motor vehicles. Similarly, Esanda is only one of a number of providers of retail financial products and services, with other providers including GE Money, St George, specialist car loan providers and banking institutions providing personal loans and car loans. These markets are likely to remain competitive for the foreseeable future. Accordingly, we do not consider that the conduct will distort demand, create barriers to entry or otherwise harm competition in the market.

Moreover, the notified conduct is pro-competitive and will generate a number of public benefits, including:

- providing customers with the opportunity to obtain competitive rates on vehicle finance in conjunction with their optional acquisition of a 's purchased motor vehicle;
- encouraging Esanda's competitors to offer similarly priced products and services, encouraging competition amongst providers of retail motor vehicle finance. These factors will ultimately lead to further consumer benefits by reducing the cost of motor vehicle finance.

We believe that the notified conduct causes little, if any, identifiable detriment to the public.

From a customer's perspective, the notified conduct offers a benefit in relation to the optional acquisition of finance in conjunction with their optional acquisition of a motor vehicle from an Accredited Dealer. While some customers may consider that their choice of dealer or motor vehicle is limited by the exclusive availability of the benefits or rewards through Accredited Dealers or that their choice of financier is limited by the exclusive ability of the benefits or rewards through Esanda, the genuine choice of consumers' to deal with any motor vehicle supplier or dealer and any financier based on the competitive terms offered by those particular parties is not restricted. By retaining the genuine choice of consumers, the conduct is not inherently anti-competitive.

### **Conclusion**

For the reasons set out above, we do not believe the Commission should serve a notice under section 93(3A) of the Act in respect of the attached notifications. This is because the notified conduct will cause little, if any, identifiable detriment and will generate public benefits.