

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:

N98185

Origin Energy LPG Limited ABN 77 000 508 369 ("**Origin**")

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

Origin supplies LPG to both wholesale and retail customers in Victoria, as well as other Australian States and Territories. Origin is a wholly-owned subsidiary of Origin Energy Ltd.

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

Katrina Gowans
c/o Origin Energy
321 Exhibition Street
Melbourne
VIC 3000

2 Notified arrangement

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

Authorised dealers are retailers who are based in Victoria have commercial agreements in place with Origin to sell LPG supplied by Origin to retail end customers ("**Authorised Dealers**"). Eligible customers are retail customers who are not existing customers of Origin LPG or the Authorised Dealers and place an order for Origin LPG with an Authorised Dealer (either by direct order or cylinder exchange) for supply at a residential address ("**Eligible Customers**").

Origin proposes that each Eligible Customer who purchases Origin LPG from an Authorised Dealer (either by direct order or cylinder exchange) will receive \$30 off the standard price of Origin LPG on their first order. Origin will finance this

discount by providing a cash rebate (equal to the amount of the discount) to the Authorised Dealer who arranges the sale of Origin LPG to that Eligible Customer.

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

Origin proposes to:

- (i) give or allow, or offer to give or allow, a discount in relation to Origin LPG sold by Authorised Dealers to Eligible Customers on the condition that the customer acquires or agrees to acquire Origin LPG from an Authorised Dealer, and
- (ii) refuse to give or allow, or offer to give or allow, a discount in relation to Origin LPG sold by Authorised Dealers to Eligible Customers for the reason that the customer has not acquired or has not agreed to acquire Origin LPG from an Authorised Dealer.

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:

Eligible Customers who purchase Origin LPG from an Authorised Dealer for a single residential address. The discount will only be provided for the first order placed.

- (b) Number of those persons:

- (i) At present time:

None

- (ii) Estimated within the next year:

More than 50

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not relevant

4 Public benefit claims

- (a) Arguments in support of notification:
Origin submits that the proposed conduct will be of benefit to the public because it will:

- (i) allow Eligible Customers who purchase Origin LPG from an Authorised Dealer to receive a \$30 discount off the standard price of Origin LPG on their first order. This has obvious public benefits for customers since it will lower the price of LPG; and
- (ii) promote competition in the relevant markets by encouraging other electricity retailers to offer similar rebates on products such as LPG to authorised suppliers of those products.

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

Origin submits that the proposed conduct:

- (i) is designed to encourage Eligible Customers to purchase LPG from Origin's network of Authorised Dealers by offering them a discount on the standard price of Origin LPG;
- (ii) does not compel eligible customers who purchase LPG from an Authorised Dealer to obtain any LPG supplied by Origin, or to obtain any good or services supplied by Origin (or its Authorised Dealers) at all; and
- (iii) may also encourage other electricity retailers to offer similar rebates on LPG of other types of fuel sold by third party retailers and therefore encourage additional competition that is likely to benefit consumers and the market as a whole.

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):

The relevant market is the Victorian retail market for the provision of LPG.

Competition in the relevant market is vigorous and there are a number of strong competitors as well as various channels to market via authorised dealers and resellers.

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:

Origin submits that no public detriment would be likely to result from the proposed conduct, and that there will be substantial public benefits in the form of customers savings on LPG.

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

Origin submits that the proposed conduct will **not** lessen competition because:

- (i) Eligible Customers who purchase LPG from an Authorised Dealer are not obliged to purchase LPG supplied by Origin, or any goods or services supplied by Origin (or its Authorised Dealers) whatsoever;
- (ii) Competition in the relevant markets is vigorous;
- (iii) The number of consumers potentially affected by the proposed conduct is insignificant compared to the total number of consumers who acquire

sources of fuel for household purposes (including electricity and natural gas);

- (iv) Eligible Customers who purchase Origin LPG from an Authorised Dealer may acquire LPG from a wide range of other retailers who sell LPG (and various other types of fuel); and
- (v) Origin's conduct may encourage other retailers to offer similar rebates on LPG of other types of fuel sold by other retailers (or their authorised dealers).

The applicant believes that the benefits of 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:

Katrina Gowans
c/o Origin Energy
321 Exhibition Street
Melbourne
VIC 3000
Ph: (03) 8627 9111

Dated

Signed by/on behalf of the applicant



(Signature)

KATRINA GOWANS

(Full Name)

ORIGIN

(Organisation)

SENIOR CORPORATE LAWYER

(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 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.