

19 December 2014

BY OVERNIGHT COURIER

Australian Competition and Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

Dear Sirs

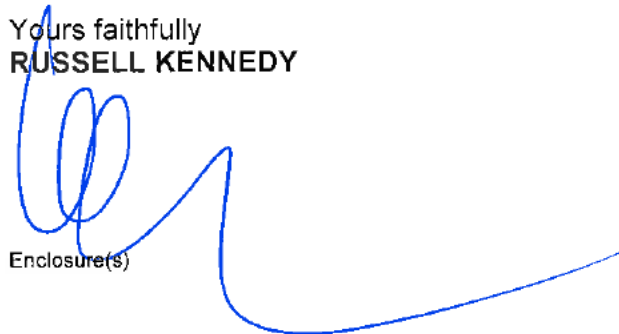
Lend Lease Communities (Australia) Limited - Harpley

We act on behalf of Lend Lease Communities (Australia) Limited.

We enclose Notification of Exclusive Dealing for your consideration. We also enclose our cheque in the sum of \$100.00 being the lodging fee on the notification.

Please acknowledge receipt in due course.

Yours faithfully
RUSSELL KENNEDY



Enclosure(s)

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)

N98079

(i) Elizabeth Amelia Richmond ("**Vendor**"); and

N98080

(ii) Lend Lease Communities (Australia) Limited ACN 000 966 085 ("**LLC**"),

(together referred to as the "**Applicants**").

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

The Vendor is the owner of the land in respect of which this notification relates. LLC is the developer appointed by the Vendor to develop the land.

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

Elizabeth Amelia Richmond: "Rockleigh", Little River, Victoria 3211

Lend Lease Communities (Australia) Limited: Level 4, 30 The Bond, 30 Hickson Road, Millers Point, New South Wales 2000

2 Notified arrangement

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

This notice relates to the proposed sale of residential land and homes at the residential development site known as "Harpley", located off Black Forest Road, Werribee, Victoria ("**Harpley**"). When completed, Harpley will comprise approximately 4,000 residential lots, with public open space and retail shops.

Harpley will be developed in stages over several years, and is likely to take up to 15 years to be completed.

- (b) Description of the conduct or proposed conduct:
(Refer to direction 4)
- (i) Pursuant to a development agreement between the Applicants, LLC was appointed to carry out the development and other works in relation to Harpley.
 - (ii) The Applicants propose to set aside specified lots within Harpley ("**Allocated Lots**") which are to be sold to purchasers on the following basis:
 - A. the purchaser buys an Allocated Lot from the Vendor; and
 - B. LLC will be included as a party to the contract for the sale of an Allocated Lot as particular benefits are to be provided to a purchaser by LLC; and
 - C. the purchaser will be required to enter into a building contract with a specified builder ("**Preferred Builder**") to construct a dwelling on an Allocated Lot ("**Dwelling**") for a fixed price.
 - (iii) Preferred Builders are likely to be a small number only, selected on the basis of experience and standard of workmanship. The Preferred Builders will not be related to either one of the Applicants.
 - (iv) The Applicants propose to enter into development deeds with Preferred Builders to give effect to the matters described in paragraph (b)(ii) above.
 - (v) Before an Allocated Lot is sold, a Preferred Builder will be given the exclusive right to a build residential home on the Allocated Lot ("**Dwelling**"). The Preferred Builder may commence construction on the Allocated Lot before the land is sold.
 - (vi) All Dwellings will be:
 - A. constructed by a Preferred Builder – the Applicants will not carry out any residential building work; and
 - B. marketed for sale by a selling agent.
 - (vii) After a purchaser is found, the purchaser must enter into two separate contracts, namely:
 - A. a land sale contract between the Vendor as vendor, and the purchaser as purchaser, and
 - B. a building contract between the purchaser and the Preferred Builder only, for the construction of the Dwelling on the Allocated Lot.

(viii) The proposed conduct by the Applicants may be third line forcing that contravenes section 47 of the *Competition and Consumer Act 2010* (Cth).

(ix) Section 47(6):

Without limitation, each of the Applicants may be a corporation that:

- A. supplies, or offers to supply, rights in relation to, or interests in, real property goods or services;
- B. supplies, or offers to supply, rights in relation to, or interests in, real property goods or services at a particular price; or
- C. gives or allows, or offers to give or allow, a discount, allowance, rebate or credit in relation to the supply or proposed supply of rights in relation to, or interests in, real property goods or services by the corporation;

on the condition that the person to whom the corporation supplies or offers or proposes to supply the rights in relation to, or interests in, real property goods or services or, if that person is a body corporate, a body corporate related to that body corporate will acquire goods or building services of a particular kind or description directly or indirectly from a pre determined builder another person not being a body corporate related to the corporation

(x) Section 47(7):

Further, without limitation, each of the Applicants may be a corporation that refuses:

- A. to supply rights in relation to, or interests in, real property goods or services to a person;
- B. to supply rights in relation to, or interests in, real property goods or services at a particular price to a person; or
- C. to give or allow a discount, allowance, rebate or credit in relation to the supply of rights in relation to, or interests in, real property to a person;

for the reason that the person or, if the person is a body corporate, a body corporate related to that body corporate has not acquired, or has not agreed to acquire, building goods or services of a particular kind or description directly or indirectly from a builder another person not being a body corporate related to the corporation.

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)

Purchasers of residential lots at Harpley.

- (b) Number of those persons:
- (i) At present time:
Nil.
 - (ii) Estimated within the next year:
(Refer to direction 6)
Not exceeding 50.
 - (iii) 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 benefit the public because:

- (i) a purchaser will have the benefit of a new home in a residential estate for a fixed price;
- (ii) a purchaser's overall costs will be reduced as they will not be required to:
 - A. expend additional money in identifying and considering the services of other builders, and
 - B. enter into a number of separate contracts for the design and construction of a residential building;
- (iii) a purchaser is not required to pay for the land or start paying off their mortgage until the house is constructed on the land;
- (iv) if a Preferred Builder has already commenced construction of the Dwelling on the Allocated Lot by the time the land is sold to a purchaser, the purchaser will benefit from a shorter construction time frame;
- (v) purchasers will have greater certainty of the quality of work as preferred builders have a proven track record;
- (vi) as the Preferred Builders do not need to buy the Allocated Lots, they may devote their resources to building a superior quality product; and
- (vii) it will give the Preferred Builders a reasonable volume of work. This will enable the Preferred Builders to generate an increase in supplies and give the Preferred Builders an opportunity of reducing costs. The purchasers will benefit from this as the Applicants expect associated cost savings by the Preferred Builders will be passed on to purchasers.

- (b) Facts and evidence relied upon in support of these claims:
- (i) There are several other developers in the Victorian market which offer house and land packages and require purchasers to enter into residential house and land contracts. The proposed conduct will therefore not decrease competition in the Victorian residential housing market.
 - (ii) A purchaser is under no obligation to purchase land from the Vendor or to use any of the Preferred Builders for the construction of a dwelling outside Harpley.
 - (iii) A purchaser has the option to purchase:
 - A. a residential lot within Harpley, other than an Allocated Lot, and to choose the purchaser's own preferred builder; or
 - B. a dwelling from any builder to be built on a lot outside Harpley.

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)

- (a) The relevant market is the Victorian market, south west of Melbourne, for the supply of:
 - (i) residential house and land packages, and
 - (ii) residential construction services.
- (b) The market referred to above is extremely competitive and is fragmented with many builders operating in the area south west of Melbourne. These markets compete frequently for purchasers in their respective markets, including by competitive offers, conditions and incentives from time to time. The development of Harpley is an example of such conduct.
- (c) There are a large number of residential estates south west of Melbourne which offer strong competition to Harpley in relation to the supply of residential house and land packages.

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)

The proposed conduct will have little, if any, public detriment as:

- (i) purchasers avoid the uncertainty of overall costs on construction of a house;
- (ii) it offers purchasers the convenience of entering into one arrangement only in terms of buying land and building a dwelling;
- (iii) purchasers avoid any additional costs associated with building a house (eg design fees, architectural fees); and
- (iv) purchasers have the option to purchase other vacant land from the Vendor or others parties.

The Applicants consider that the proposed conduct will not have an anti-competitive effect in the relevant market.

(b) Facts and evidence relevant to these detriments:

- (i) A purchaser will have an opportunity to consider and review all of the factors before they determine what product is suitable for them.
- (ii) Purchasers can choose to obtain land, house and land packages and residential construction services from the number of other land owners, developers and builders in the Victorian market.

7 Further information

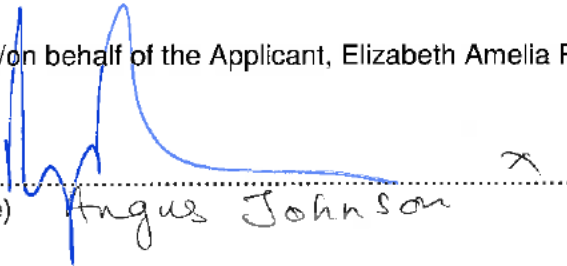
(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Wai-Hwoon Low
Principal
Russell Kennedy Lawyers
Level 12, 469 La Trobe Street
Melbourne 3000

Dated..... 19 December 2014

Signed by/on behalf of the Applicant, Elizabeth Amelia Richmond

(Signature)

 Angus Johnson

Elizabeth Amelia Richmond

(Full Name)

by her duly appointed attorney, Angus Johnson, Regional Development Manager Victoria of Lend Lease Communities (Australia) Ltd pursuant to power of attorney dated 29th August 2014

Not applicable

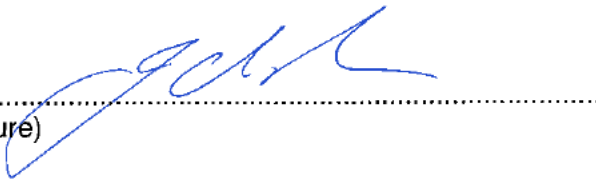
(Organisation)

Not applicable

(Position in Organisation)

Signed by/on behalf of the Applicant, Lend Lease Communities (Australia) Limited

(Signature)



(Full Name)

John David Clark

Lend Lease Communities (Australia) Limited

(Organisation)

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.