

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:

N99400 GMR Riverstone 02 Pty Ltd ACN 603 872 402

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

GMR Riverstone 02 Pty Ltd is the developer of a residential estate, "Bella Rise", located at 181-213 Garfield Road East, Riverstone, NSW and the development will be undertaken in five (5) stages and contains approximately 100 residential lots.

GMR Riverstone 02 Pty Ltd was established to participate in the construction and development of the social and economic metropolitan life of Riverstone.

The development will include the sale of house and land packages with a preselected panels of builders.

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

Goldmate Group
Level 31, Citigroup Centre, 2 Park Street Sydney NSW 2000
Attention: Kim Ni
Phone: 02 9332 7800
Mobile: 0425 249 368

2. Notified arrangement

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

GMR Riverstone 02 Pty Ltd ("*the developer*") has acquired land at 181-213 Garfield Road East, Riverstone, New South Wales ("*the Land*").

The Land will be developed as a residential estate and sold by the developer. It will be subdivided into residential lots in five (5) stages.

The proposed arrangement is that the developer sells the residential allotments and buyers are introduced by the project selling agent to a preferred builder. The buyers will then enter into a contract for sale of the vacant land which is interdependent with the building contract between the buyers and the selected builder.

In order to control the design outcome, the developer will engage with selected number of builders and establish an architectural brief. In this respect the developer has selected Wisdom Properties Group Pty Ltd T/A Wisdom Homes of Shop 5, 338 Camden Valley Way, Narellan, NSW, 2567 (ABN 82 089 425 829) ("*the builder*") who is a well-established project home builder and capable of producing quality and affordable custom design homes to suit the lots being developed at the site.

- (b) Description of the conduct or proposed conduct:
- (i) In order to participate in the project, the builder will be required to enter into an exclusive agency agreement with the developer's selected project selling agent.
 - (ii) Further, the purchasers will enter into a land sale contract to buy an allotment which is interdependent with the building contract between the purchaser and the selected builder.
 - (iii) Should the purchasers wish to engage a builder other than the one that has been selected by the developer, they may do so with the developer's consent.

There is a possibility, which is not admitted by the developer that these proposed conducts, contravenes or will contravene sections 47(6) and 47(7) of the Competition and Consumer Act 2010.

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:
 - (i) The builder
 - (ii) Purchasers buying an allotment at Riverstone
- (b) Number of those persons:
 - (i) At present time: 1
 - (ii) Estimated within the next year: 35 (*in an estimate*)
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
 - (i) Wisdom Properties Group Pty Ltd T/A Wisdom Homes of Shop 5, 338 Camden Valley Way, Narellan, NSW, 2567 (ABN 82 089 425 829)
 - (ii) Yet to be identified

4. Public benefit claims

- (a) Arguments in support of notification:

The selected builder will be pricing their homes against a very competitive market and numerous building projects in the Northwest Priority Growth Area which is about to benefit from unprecedented development and construction.

Combining the sale of residential allotments with a building contract for the construction of a dwelling on that allotment allows purchasers to enter into a combined package to buy a new home with the benefits of purchasing land and staging construction payments as opposed to acquiring the completed product post completion. Such a format may provide savings to the purchaser, such as stamp duty and development margin.

The relative affordability of these combined packages will help to service the growing demand for housing within Riverstone area.

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

The Land is part of the North West Priority Growth Area that includes parts of the The Hills, Blacktown and Hawkesbury local government areas.

Over time, some 70,000 new dwellings will be built in the North West Growth Area for around 200,000 residents -- as many people as NSW's third largest city, Wollongong.

The North West Structure Plan sets out the conceptual framework for the North West Growth Area over the next 25+ years.

To date, eleven Precincts -- Colebee, North Kellyville, Riverstone West, Riverstone, Alex Avenue, Marsden Park Industrial, Area 20, Schofields, Marsden Park, Box Hill and Box Hill Industrial -- have been rezoned to allow urban development to commence. Collectively, these Precincts provide land for approximately 40,000 homes.

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)

The relevant market is the North West Priority Growth Area that includes land in The Hills, Blacktown and Hawkesbury Local Government Areas.

When fully developed the Riverstone will feature the revitalised community which will benefit from up to 9,000 new homes and the delivery of local amenities close to transport options including the following:

- (i) three new primary schools and a new K-12 school;
- (ii) the Vineyard and Schofields neighbourhood centres;
- (iii) a new community services hub;
- (iv) upgrades to major roads; and
- (v) improved connections to encourage walking and cycling.

The new neighbourhood will also help create new jobs for local people.

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 not result in public detriment, because there are many other large estates in the North West Priority Growth Area.

The Riverstone, Riverstone East and Riverstone West Precincts together have been determined by the New South Wales Government as having a dwelling capacity of 9,000 homes which will ultimately accommodate a population of 27,000 and an employment capacity of 12,000 jobs.

(b) Facts and evidence relevant to these detriments:

If the builder or purchasers are dissatisfied with the arrangements at Riverstone, they can consider several other surrounding developments that will offer alternative sources of land for sale in similar locations.

7. **Further information**

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

GMR Riverstone 02 Pty Ltd
Level 31, Citigroup Centre, 2 Park Street, Sydney, NSW < 2000
Attention: Kim Ni
Phone: 02 9332 7800
Mobile: 0425 249 368

Dated.....18/10/2016.....

Signed by/on behalf of the applicant

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(Signature)

Buyang Ni
(Full Name)

GMR Riverstone 02 Pty Ltd
(Organisation)

Sole Director and Secretary
(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.