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Dear Interested Party,

Request for submissions: Greencross Pty Limited's proposed acquisition of Habitat Pet Supplies

The Australian Competition and Consumer Commission (**ACCC**) is currently reviewing the proposed acquisition by Greencross Pty Limited (**Greencross**) of One Stop Pets Pty Ltd and D&R Pantalleresco Pty Ltd (together, **Habitat**) (the **proposed acquisition**). Further information on the merger parties is in **Attachment A**.

Information from firms like yours is one of the ACCC's most valuable tools in assessing mergers. Your expertise in pet products and services will help the ACCC understand the impact of the proposed acquisition, including how your business may be affected.

Request for submissions

The ACCC welcomes your comments in relation to the competitive effects of the transaction. In particular, we are seeking your views on:

- how closely Greencross (via Petbarn) and Habitat compete with each other and for what products/services;
- the availability and competitiveness of other suppliers of pet products and services in Chirnside Park, Burwood and Port Melbourne;
- the extent to which businesses other than specialty pet retailers compete with Greencross and Habitat.

How to share your views

A list of specific questions is at **Attachment B**. The more information we have, the better we can assess the impact of the proposed acquisition, but if you are unsure of any questions, you can leave them blank.

You can contact us in two ways:

- If you would like to comment in writing, please do so by **4:00 pm on 15 June 2023** via email with the title: *Submission re: Greencross / Habitat – attention Violetta Twycross-Pajevic/Tim Byrne*. If you require more time to respond, please let us know.
- If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Violetta Twycross-Pajevic on (08) 8456 3581 or Tim Byrne on (03) 9658 6440.

This matter is public, and you can forward this letter to anybody who may be interested.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC treats sensitive information it receives during a merger review as confidential and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore, please clearly indicate if any information you provide is confidential.

Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson
General Manager
Merger Investigations

Attachment A: Background on the merger parties

Greencross

Greencross Pty Limited owns and operates specialty pet retail stores (trading as **Petbarn** and **City Farmers**), veterinary clinics (trading as **Greencross Vets**) and veterinary hospital businesses across Australia.

Greencross also owns pet food and accessory wholesaler PetWise Pty Ltd (**PetWise**) and veterinary pathology and diagnostic product supplier Vepa Labs Pty Ltd (**Vepalabs**).

Habitat

Habitat is a privately owned and operated retailer of specialty pet supplies and services through a network of five stores located in metropolitan Melbourne:

- Altona North
- Burwood
- Chirnside Park
- North Melbourne
- Port Melbourne

Areas of overlap

Greencross and Habitat (or their related bodies corporate) both offer pet food, pet accessories and pet health products for dogs, cats, fish, birds, chickens, reptiles and other small animals. Select pet services such as grooming, and DIY dog washing are offered by the parties at in-store locations.

Greencross and Habitat operate online transactional stores at www.petbarn.com.au and www.habitatpets.com.au respectively.

Greencross owns the following specialty pet stores within 5km from an existing Habitat store:

- Petbarn Chirnside Park (0.4km from Habitat Chirnside Park)
- Petbarn Box Hill (2.6km from Habitat Burwood) and Petbarn Chadstone (4.4km from Habitat Burwood)
- Petbarn South Yarra (4.0km from Habitat Port Melbourne), Petbarn Richmond (4.4km from Habitat Port Melbourne), Petbarn St Kilda (4.7km from Habitat Port Melbourne)

Due to these potential overlaps, in relation to local competition effects of the proposed acquisition, the ACCC is primarily considering Burwood, Chirnside Park and Port Melbourne.

The proposed acquisition

Greencross proposes to acquire 100% of the issued share capital of Habitat.

Attachment B: Questions

1. Please provide a brief description of the reasons for your interest in the proposed acquisition (for example, you may be a customer, a competitor or a supplier to Greencross or Habitat).

Broad competitive dynamics

2. How competitive is Habitat as a specialty pet supplies and services retailer?
3. How closely do Habitat and Petbarn compete with one another as retail chains? In your response, please consider price, range, quality, location, convenience, promotional activity and any other relevant factors.
4. To what extent do Habitat and Petbarn compete with:
 - a) speciality pet retail chains with both physical and online stores;
 - b) independent speciality pet retailers with physical stores;
 - c) online retailers of pet products (for example, Pet Circle, Amazon, Budget Pet Products, Pet Culture);
 - d) supermarkets;
 - e) Bunnings; and
 - f) discount department stores (e.g. Kmart, Target) and other general retailers?

In your response, please consider price, quality, location, convenience, range, promotional activity and any other relevant factors.

5. Do speciality pet retail chains have competitive advantages over independent pet stores and if so, please explain what these advantages are.

Local competition within Burwood, Chirnside Park and Port Melbourne

6. How far are customers who shop for pet products or services in a) Burwood, b) Chirnside Park and c) Port Melbourne willing to travel to buy pet products and services in-store? Does this differ depending on the type of pet product/service, and if so, how?
7. Please list any alternative suppliers of pet products or services for customers of Habitat Burwood, Chirnside Park and Port Melbourne and comment on the quality, product/service, pricing and range of those stores.

	Please list alternative suppliers of pet products or services in the local area	For each alternate supplier, please comment on how closely they compete with Petbarn and Habitat (you may want to consider price, range, quality, product/service)
Habitat Burwood		

Habitat Chirnside Park		
Habitat Port Melbourne		

Questions for competing retailers of specialty pet products and services

8. Please identify your competitors and estimate market shares for the retail supply of specialty pet products and services in Burwood, Chirnside Park and/or Port Melbourne (as applicable) and nationally.
9. Have you made changes to your customer offering in response to Habitat? Changes could include pricing, product range, services offered (e.g. grooming), marketing, display or promotions or store locations.
10. Please describe what is required to enter into or expand in the retail supply of specialty pet products and services in Chirnside Park, Burwood and/or Port Melbourne or in Australia more generally. You may wish to comment on the following:
 - a) the time it would take to enter or expand;
 - b) costs that would be incurred;
 - c) the scale required to be competitive;
 - d) availability of real estate assets;
 - e) ability to access wholesale supply of products, including through any exclusive or preferential arrangements;
 - f) the extent of vertical integration;
 - g) importance of brand and the extent of brand loyalty;
 - h) examples of recent or failed entry; and
 - i) whether the proposed acquisition would impact barriers to entry and/or expansion.

Questions for wholesale suppliers or distributors of pet products and services

11. Please describe the types of pet products and services you supply in Australia, and whether you supply specialty pet retailers and/or supermarkets or general retailers.
12. Please identify your annual supply, by volume and value, of pet products and services:
 - a) in total (to all customers across Australia);
 - b) supplied to Greencross; and
 - c) supplied to Habitat.

13. Is the proposed acquisition likely to affect the pricing, product offering, or other terms of your supply to Greencross and/or Habitat? If so, how would your business likely respond?
14. Will the proposed acquisition likely affect your ability to supply competitors to Greencross and/or Habitat? If so, how?

Additional information

15. Please provide any additional information or comments that you consider relevant to the ACCC's consideration of the proposed acquisition.