

Fax from :

**EXCLUDED FROM
PUBLIC REGISTER**

15th January, 2007-01-16

Nadia Cooke
Australian Competition & Consumer Commission
G.P.O Box 520
Melbourne, Victoria 3001

Restriction of Publication Claimed

Dear Ms. Cooke,

**EXCLUDED FROM
PUBLIC REGISTER**

The intent of Mr. Rooney (S.A.F) to require all franchisee owners to order all supplies through him, in effect, grants Mr Rooney a monopoly with regards to the costs that will be passed on to the franchisees. Whilst there may be some minimal reductions in the beginning, there is no guarantee that reduced prices will continue. If prices for Mr Rooney's supplies do increase, third line enforcing does not allow us the option of taking our business to another competitor. The benefit to the public of cheaper prices would be nonexistent.

2. Third line forcing conduct is not in the best interests of my meeting my customer's (public) needs. A percentage of gaskets I fit cannot be supplied by Seal-A-Fridge Pty Ltd. I must order these particular gaskets from other sources eg [redacted] The compliance to write to the franchisor, await a reply (minimum 7 days - plus allowance for postage time?), then place an order and await delivery of the necessary gasket does very little for meeting the client's need- nor improve client satisfaction. Presently, a direct phone call to a known supplier has the necessary component at my disposal within 3 to 5 days allowing the job to be completed within a much shorter time span.

3. Exclusive dealing notification will not necessarily benefit the general public with lower prices for the necessary P.V.C. extrusion and/or magnet. The small saving that a franchisee gains when buying from S.A.F would be quickly fritted away through the ever increasing rise in petrol prices, telephone charges, increased advertising costs, vehicle maintenance, replacment of tyres, increased costs of replacing business tools etc that are an integral part of running a mobile business. The price of replacing a refrigeration seal is not based on the cost of the required raw material. This is only a minor cost.

**EXCLUDED FROM
PUBLIC REGISTER**

Fax from :

17/01/07 14:24 Pg: 3

17/01/07 14:24
17/01/07 14:24

17/01/07 14:24
17/01/07 14:24

17/01/07 14:24
17/01/07 14:24

Restriction of Publication Claimed

4. Restricting purchasing options to a certain number of suppliers is not in the best interests of an open and competitive market. S.A.F.'s entry into the market for the supply of P.V.A extrusion and Magnets, along with publicised quality control standards, should be allowed. Competition is good. As buyers moved to purchase these supposedly better standard seals, the other competitors would be moved to either improve their own standard of seals and/or lower prices to keep their share of the market (as has already happened with R.B.M.) The simple 'supply and demand' of the open market would be enough to keep all suppliers competitive in their businesses. An open market also benefits the franchisee in times of industrial unrest or in times of international turmoil, as it allows the franchisee the freedom/choice/opportunity to purchase from other suppliers who may not be suffering the same problems. The availability of extrusions and magnets is the critical element in my being able to supply my public and keep them happy. Cost of supplying and fitting the seals is dependent not on the cost of a cheaper priced seal, although it helps, but rather on what I establish as my profit margin and what price I set to keep my business competitive.

The establishment of a quality standard by S.A.F is good. That S.A.F. is then directing /limiting its own franchisee base to predominately order through them as supplier, appears to be giving S.A.F a market edge that benefits the franchisor more than the franchisee and the public. For many years I purchased my supplies from Aust-Wide and R.B.M. with few problems with regards the quality of the extrusion and magnet, and with no problems with delivery. I welcome S.A.F. as a competitor in the field of supplier, but I do not wish to have any restrictions on my purchasing power as I work to deliver the best product to the public in the shortest time and to the best standard of my workmanship, always working to "keeping my customer satisfied."

**EXCLUDED FROM
PUBLIC REGISTER**