



**Australian
Competition &
Consumer
Commission**

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Our Ref: CB00009 – CB00056
Contact Officer: Lauren Roy
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20 October 2008

Mr Peter van Rompaey
Partner
HWL Ebsworth Lawyers

By email: peter.vanrompaey@hwlebsworth.com.au

Dear Mr van Rompaey

**Collective bargaining notifications CB00009 – CB00056 lodged by
BFC Stores Pty Ltd**

I refer to the above listed collective bargain notification lodged by BFC Stores Pty Ltd (BFC) on behalf of its BFC owned and franchisee owned stores, for those stores to collectively negotiate with 48 targets.

To assist the Australian Competition and Consumer Commission (ACCC) in its assessment of the notifications I would appreciate if you could provide the following additional information.

Details of the collective bargaining arrangements

1. I note that at section 3(h) of the form GA, BFC states that BFC proposes to negotiate on behalf of the BFC owned stores and franchisee owned stores in relation to the price at which the stores can acquire the Products from the targets.

Please confirm whether there are any terms and conditions, other than price, that BFC intends to negotiate collectively as part of this arrangement.

2. I note that the proposed arrangements are voluntary and that participants are free to opt out of negotiations at any time. Do the arrangements in any way preclude BFC stores from negotiating with other suppliers?
3. Can the BFC franchisee owned stores independently determine how the discount/rebate is passed on to end consumers?

Current level of individual bargaining

4. The ACCC has previously identified that where the current level of individual bargaining between members of a proposed bargaining group and the target is low, the difference between the level of competition with or without the collective arrangements may also be low. What is the current level of negotiations between BFC and the targets?

Market share

5. What is the current market share of the BFC stores in the market for the supply of retail architectural and decorative paint, coatings products and related accessory products?

Please provide the requested information by **cob 21 October 2008**.

This letter has been placed on the ACCC's public register.

If you have any queries in relation to this matter, please do not hesitate to contact Lauren Roy on (02) 6243 4940.

Yours sincerely



Darrell Channing
Director
Adjudication Branch