



**Australian
Competition &
Consumer
Commission**

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24 April 2008

Mr Steven Crea
Legal Counsel
Healthy Habits Franchising Pty Ltd
Level 1/ Suite 103
134 Cambridge Street
Collingwood VIC 3066

By facsimile: (03) 8415 1044

Dear Mr Crea

Third line forcing notification lodged by Healthy Habits Franchising Pty Ltd

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 17 April 2008. The notification has been placed on the ACCC's public register.

Under the notified conduct, Healthy Habits Franchising Pty Ltd proposes to require Healthy Habits franchisees to purchase a variety of goods and services from particular third party suppliers.

I note that a list of approved suppliers has not been provided to the ACCC. I would be grateful if you could please provide this list as soon as possible for placement on the ACCC's public register. The identity of the approved suppliers is an important aspect of the notified third line forcing conduct.

To assist the ACCC in its assessment of the notification, I would also appreciate your response to the following questions:

1. How were the particular nominated suppliers selected? For example, were the suppliers selected through a tender process?
2. Is there a process in place to review the goods/services provided by the nominated suppliers to ensure that the claimed public benefits continue to be generated?
3. Does Healthy Habits Franchising Pty Ltd receive a rebate or fee from the nominated suppliers? If yes, how much is the rebate and what does Healthy Habits Franchising Pty Ltd do with the rebate? Have franchisees been informed about the rebate?

4. Is the requirement to purchase goods/services from the nominated suppliers an existing or new requirement for existing franchisees? If it is a new requirement, how will the requirement be implemented and are there any transitional arrangements for existing franchisees?

I would be grateful for your response to this letter by **7 May 2008**.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Sharon Clancy on (02) 6243 1217.

Yours sincerely



Joanne Palisi
Director
Adjudication Branch