



**Australian
Competition &
Consumer
Commission**

Our Ref: Trackit 32502
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SC*

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11 June 2008

Mr Warren Scott
Mills Oakley Lawyers
PO Box 453
Collins Street West
Melbourne VIC 8007

By facsimile: (03) 9605 0933

Dear Mr Scott

Third line forcing notifications lodged by Brabus PA Franchising Pty Ltd and Brabus Investments Pty Ltd

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 6 June 2008. The notifications will be placed on the ACCC's public register.

Under the notified conduct, Brabus PA Franchising Pty Ltd and Brabus Investments Pty Ltd propose to supply franchisees the right to operate a Price Attack business on the condition that they:

- (a) acquire hardware related to their point of sale from Shortcuts Software Australia Pty Ltd (Shortcuts)
- (b) acquire a licence to use the specified point of sale software from Shortcuts
- (c) obtain installation services from Shortcuts in relation to the point of sale hardware and software
- (d) enter into a maintenance contract with Shortcuts
- (e) obtain internet services from Telstra.

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

1. How were Shortcuts and Telstra selected to be the nominated suppliers? For example, were they selected through a tender process?
2. Is there a process in place to review the goods/services provided by Shortcuts and Telstra to ensure that the claimed public benefits continue to be generated?

3. Do Brabus PA Franchising Pty Ltd and/or Brabus Investments Pty Ltd receive a rebate or fee from Shortcuts and/or Telstra? If yes, how much is the rebate and what do Brabus PA Franchising Pty Ltd and/or Brabus Investments Pty Ltd do with the rebate? Have franchisees been informed about the rebate?
4. Is the requirement to purchase goods/services from Shortcuts and Telstra 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 **25 June 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