

**RE: THIRD LINE FORCING ( EXCLUSIVE DEALING ) NOTIFICATIONS  
N93727, N93728, N93729 and N93779 LODGED BY  
CARTRIDGE WORLD PTY Ltd and MF's**

**Comments made 8<sup>th</sup> Mar 2009. By David Connolly.**

**I would like to say I totally object to the submission by CW to force me as a Franchisee, to buy product for sale from their preferred suppliers. I see this as being Trade Restrictive. As a franchisee, my primary objective is to run a profitable business; to be successful in a highly competitive industry; I need to be able to source quality product at the best possible price.**

**I believe this move by CW is primarily about forcing us to purchase off CWS which is owned by CW where they get maximum benefit in dollar terms, also limiting franchisee's as to where they can buy from.**

**CWS is more expensive in most instances ( up to 40% ) , particularly in our core profit area being the purchasing of ink for refilling ( around 70% ).**

**CW fail to realize that their success ( ie monthly franchisees fees ), is based on the success of the franchisees. The less competitive we are, which if we have to pay top dollar for product, will in effect make us less competitive because we will have to charge top dollar to enable us to achieve the same profit; therefore customers will buy elsewhere, where they can get it cheaper.**

**Putting it simply, our business ie. Refilling & remanufacture of cartridges is all about giving the consumer a choice. They can choose to pay full price or they can choose to save money by shopping @ Cartridge World. I don't see any difference between being suppliers ourselves to choose where we source quality product. Consumers buy from us to save money, we buy from suppliers to maximize profit in our business. Furthermore, I've owned this business for almost 6 years & would not jeopardize my business by purchasing inferior product.**

**Once again, I reiterate this is about driving business to CWS which is a fully owned subsidiary of CW.**

**This is no different to an OEM stating on their packaging that " if they use any other than an OEM product it will void their warranty".The consumer has a right to choose & so should we.**

**We as franchisees do not want to be denied from buy goods from reputable suppliers namely XIT & Datarec', who have specials with min freight or pick-up time as as opposed to waiting 2/3 days delivery from CWS etc. Just recently it took a week to obtain goods from CWS. A customer who had paid in full pending delivery was concerned and asked for money back.**

## **Suggestions**

- **There needs to be a MINIMUM of 3 to 4 of each type of individual suppliers on the approved supplier list. Particularly where CWS is in competition with the supplier.**
- **A state franchisee representative elected from the members of each state and not nominated by the state master should sit in and vote in the tender meetings**
- **If a local supplier has the same product but is cheaper than suppliers on the list, the preferred supplier may be given the option to match the other price. If it can't then the franchisees should be free to buy the same product from the non list supplier.**

**It must be noted that Cartridge World's application refers to Seal a Fridge & the ACCC ; Seal a Fridge lost its application because of franchisee action. Cartridge World attempts to point out how their system is better than Seal a Fridge on page 15 of its application . You can read it at this address as well...**

**<http://www.accc.gov.au.content.index.phtml/itemId/798554>**