

Our Ref: PvR:JP:212313

5 October 2011

By Platinum Express Post

Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Sir/Madam

BFC Stores Pty Ltd (ACN 127 825 727) – Notification of Collective Bargaining

This is a covering letter for:

1. the notification of a s45(2)(a) collective bargaining arrangement; and
2. an additional 46 related collective bargaining notifications, which concern conduct in the same market and for which a concessional fee is claimed.

(the notifications)

BFC Stores Pty Ltd (ACN 127 825 727) (BFC) previously lodged notifications to the ACCC for s45(2)(a) collective bargaining arrangements which were not opposed by the ACCC, and subsequently lapse on 7 October 2011.

BFC wishes to continue the arrangements previously notified to the ACCC, and the new 47 notifications are **enclosed** and lodged pursuant section 93AB of the *Competition and Consumer Act 2010* (Cth) on behalf of BFC.

As noted in previous correspondence with the ACCC, BFC operates a chain of retail stores that supply customers with architectural and decorative paint and coatings products and related accessory products. The BFC stores are BFC owned stores and franchisee owned.

The notifications relate to conduct by BFC where BFC has negotiated with 47 different suppliers on behalf of the BFC stores and on behalf of one associate member of the franchise system in relation to the price at which the stores and the associate member can purchase accessory products for retailing to Australian consumers. The aggregate of such products are necessary to allow the BFC stores to retail architectural and decorative paint and coatings products.

The purpose of the conduct is, not to lessen competition in any market, but to provide individual stores and the associate member with access to architectural and decorative paint and coatings and accessory products at competitive prices. The public benefits of such arrangements are highlighted in the notifications.

The market for the notifications is the national market for the retailing of architectural and decorative paint and coatings products and related accessory products. In its competition analysis of Barloworld's proposed acquisition of Wattyl, the ACCC considered aspects such as barriers to entry and expansion, non-price competition and prices. BFC's conduct fosters all these aspects of competition and it would seem that the ACCC would encourage an arrangement such as this.



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As required by the ACCC, the consent of each franchisee and the associate member to the lodgement of the notifications has been obtained and a copy of the consents is attached to each notification. The consents show the intention of each franchisee and the associate member.

We **enclose** a cheque for \$1,000.00, being the lodgment fee for the notifications. We note that the products supplied under each arrangement are considered complements to each other and therefore all fall under the same or substantially similar market.

Yours faithfully
HWL Ebsworth



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Partner

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