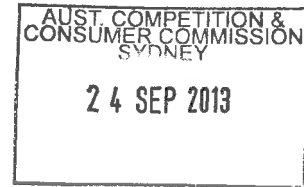


Our ref: Exclusive dealings app
19th September 2013



Australian Competition and Consumer Commission
Level 7 123 Pitt Street
Sydney NSW 2000

Dear Sirs,

Re: Stella Rossa Franchising Pty Ltd – Notification of Exclusive Dealings

1. Please enclosed Form G application Notice of Exclusive Dealings; and
2. Our cheque in your favour for the sum of \$200.

Should you require anything further, please do not hesitate to contact me. Other, I look forward to receiving your response at your convenience.

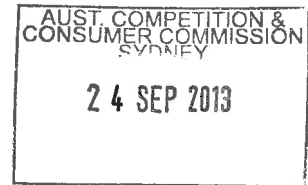
Yours faithfully,
Stella Rossa Franchising Pty Ltd

A handwritten signature in black ink, appearing to read "Phil Cronin".

Phil Cronin
Email phil@stellarossa.com.au

P.O. Box 1774, Milton QLD 4064
Ph 3172 2724
E phil@stellarossa.com.au
W stellarossa.com.au





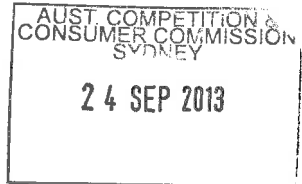
Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM



1. Applicant

N96991 (a) Name of person giving notice:
(Refer to direction 2)
Stella Rossa Franchising Pty Ltd ACN 136 357 296 (SRF)

(b) Short description of business carried on by that person:
(Refer to direction 3)

SRF is the Franchisor of the 'Stella Rossa' Espresso Bar franchise system, specialising in premium specialty espresso coffee, pizza, gelati, gourmet breads and fillings, pastries, cakes, hot and cold beverages and associated products. SRF is a related entity of Stella Rossa Pty Ltd (SR) which owns trade marks and intellectual property relevant to the SRF franchise system. The ownership of, and the right to use, the aforesaid intellectual property is the subject of an agreement between SRF and SR, the terms of which are confidential.

SRF has the right or licence to operate Stella Rossa, use the Stella Rossa brand and to grant franchises to any other person or company (franchisee). The Stella Rossa system incorporates 'Intellectual Property' including but not restricted to trade marks, logo's, business names, copyrighted materials, imagery, store plans and concepts, systems, recipes, manuals, trade secrets, know how and other procedures.

As at 9th September 2013 there are 16 SRF outlets in Australia. The majority of these stores are owned and operated by Franchisee's (**Franchised Operations**) under a franchise agreement (**Franchise Agreement**). Three of the retail operations are operated by, or on behalf of, SRF or its associates.

(c) Address in Australia for service of documents on that person:

35 Railway Terrace, Milton 4064 or PO Box 1774 Milton 4064.

2. Notified arrangement

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Approved Products and Services

This notification relates to the purchase of products and services approved or nominated, or which may be approved or nominated, by SRF, Including;

- (a) Certain consumable and food products (eg pastries, cakes, specialty filled gourmet breads, gelati, pizza products, including manufactured and pre-packaged products) (**Food Products**);
- (b) Certain condiments, sugars, sauces, animal and dairy products, seasonings, flours and other ingredients necessary to make the Food Products (**Ingredients**);

- (c) Beverages such as coffee beans, teas, drinking chocolates, chai, syrups, toppings, milk, juice, bottled waters, softdrinks and other ingredients used in the preparation of hot and cold beverage products (**Beverage Products**);
- (d) Packaging, cartons, boxes, cups, lids, napkins, cutlery, utensils, merchandise and promotional products and other items of packaging and cutlery used by SRF (**Packaging**);
- (e) Point of sale and computer systems, software, retail and business management software / systems, web based ordering and payment systems, loyalty or reward systems and other related information technology systems as nominated by SRF from time to time (**Business Systems**);
- (f) Services for the provisioning of warehouse and distribution of Beverage Products, Packaging and Ingredients;
- (g) Equipment, plant, machinery, fixtures, fittings and finishes used in the operation of the Franchised Operation, including the preparation or display for sale of the Food Products and or Beverage Products (**Equipment**);
- (h) Marketing material design and ordering systems, merchandising, point of sale and branding services;
- (i) Training services provided by SRF or its nominated supplier;
- (j) Centralised banking facilities to facilitate customer payment processing, including EFTPOS and or 'Tap and Go' systems;
- (k) Uniforms; and
- (l) A lease, sublease or licence in respect of the occupation of a premises from which a Franchised Operation is, or is to be, conducted.

(Collectively the **Approved Products and Services**) from specified third party suppliers.

Approved Suppliers

SRF has identified a number of suppliers whom have been approved or nominated by SRF (**Approved Suppliers**) that can provide the Approved Products and Services identified above to the standards implemented by SRF, cost effectively and reasonably. The Approved Suppliers are listed in Appendix B. SRF believes that the Approved Products and services best meet the requirements of the SRF network and that the nominated suppliers are best suited to provide such Approved Products and Services.

Franchisees may also be required to acquire certain Approved Products and services from SRF, or associates of SRF, or from an approved supplier in which SRF or an associate of SRF may have interest. In the future,

Franchisees may also be required to obtain certain Approved Products and Services from a central manufacturing site (CMS).

Franchisees may also be required to enter into a lease, sublease or licence with SRF or an associate in relation to the occupation of a premise from which a Franchise Operation is, or is to be, operated.

- (b) Description of the conduct or proposed conduct:
(Refer to direction 4)

SRF brand and system

The Café and specialty coffee industry in Australia is highly competitive. The system operated by SRF is designed to maximise the Franchised Operations advantage in a crowded market. This is achieved through;

- (a) Outlets maintaining uniform product range which delivers Food Products and Beverage Products meeting the highest standards;
- (b) Outlets being operated in such a manner to deliver a consistent customer experience including;
 - a. Consistent Operational methods
 - b. Consistent form and quality of fit out to maximise the retail experience
- (c) Sound, strategic management of the brand image and franchise system ensuring the ongoing improvement of the intellectual property.

Is essential to the long term benefit and profitability of Franchisee, that these elements are maintained. If not, the underlying value of the individual and Franchise brand will be eroded.

Franchisee's Contractual Obligations

Franchisees have obligations under their respective Franchise Agreements in relation to the Approved Products and Services they can:

- (a) Purchase, acquire or make for use in their Franchised Operation; and
- (b) Market or sell from their Franchised Operation.

In addition, Franchisees have obligations in relation to the Equipment they must use in their businesses. Depending upon the concept nature of the SRF outlet (i.e. full or kiosk concept outlets) operated by a Franchisee, the Franchise Agreement or the terms of a lease, sublease or licence, may restrict the range of products and services that the Franchise must acquire.

Franchisees also have obligations under their respective Franchise Agreements in relation to the services they can utilise, including in relation to fitting out their premises (either as part of an initial fit out or as part of a subsequent fit out or refurbishment).

Under the Franchise Agreement, Franchisees are generally required to enter into a separate licence agreement with an associated entity of SRF in respect of the occupation of premises from which the Franchised Operation is, or is to be, conducted. In exceptional circumstances where authorised by SRF, SRF may agree to lease, sublease or licence the premises directly with the Franchisee.

The relevant clauses of the standard Franchise Agreement that relate to the notified conduct are set out in Annexure A (confidential).

Notified conduct

SRF proposes to require its Franchisees to acquire the Approved Products and Services (as detailed above in section 2(a)) from Approved Suppliers.

In exceptional cases, where SRF will directly grant or renew a lease, sublease or licence to a Franchisee, SRF proposes to require the Franchisees to comply with terms and conditions of the Franchise Agreement, including as to the acquisition of the Approved Products and Services from Approved Suppliers.

By appointing Approved Suppliers, SRF seeks to:

- (a) Leverage the SRF's network for the purposes of negotiating better than market pricing for Approved Products and Services;
- (b) Maintain SRF's unique selling proposition (USP) vis-à-vis market competitors;
- (c) Ensure the protection of SRF's Intellectual Property (including proprietary recipes for Food Products and Beverage Products);
- (d) Ensure consistency in the product and service type offered to all Franchisees and by all Franchisees to the consumer;
- (e) Ensure consistency in the high quality product offered to all Franchisees and by all Franchisees to consumers as a result of strict quality checks and quality control measures of Approved Suppliers;
- (f) Ensure confidence in compliance with food safety, food handling and other food of health regulations as a result of the consistency;
- (g) Ensure consistency in the delivery of Approved Products and Services and competitive pricing of Approved Products and Services;
- (h) Ensure consistency in the nature and quality of the fit out of the Franchised Operations across Australia to maximise the retail experience for both Franchisees and consumers and to ensure compliance with workplace requirements;

- (i) Ensure consistency in the services provided to customers of Franchised Operations (including the provision of information in connection with Food Products and Beverage Products, such as nutritional information); and
- (j) Facilitate improved efficiencies and business efficacy at Franchisor and Franchised Operation level.

Competition and Consumer Act implications

The notified conduct potentially falls within the definition of exclusive dealing in sections 47(6) and (7) of the *Competition and Consumer Act 2010* (Cth) (CCA), as SRF proposes to:

- (a) Supply its services as franchisor/licensor on the condition that the Franchisee acquires; and
- (b) Refuse to supply its services as franchisor/licensor if the Franchisee does not acquire (or has not agreed to acquire);

The Approved Products and Services set out in section 2(a) above from the Approved Suppliers.

Additionally, in the limited circumstances where SRF may directly grant or renew a lease, sublease or licence in respect of the occupation of premises from which a Franchised Operation is, or is to be, conducted the notified conduct may fall within the definition of exclusive dealing in sections 47(8)(c) and (9)(d) of the CCA, as SRF, in conjunction with its associates, proposes to:

- (a) Grant or renew, or make it known that it will not exercise a power or right to terminate, a lease or licence in respect of land or a building (or a part thereof) on the condition that the Franchisee acquires the Approved Products and Services set out in 2(a) above from the Approved Supplier; and
- (b) Refuse to grant or renew, or exercise a power or right to terminate, a lease or licence in respect of land or a building (or a part thereof) if the Franchisee does not acquire (or has not agreed to acquire) the Approved Products and Services set out in 2(a) above from the Approved Supplier.

However, as outlined below, SRF maintains that the public benefits that will result from the notified conduct outweigh any public detriment.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) **Class or classes of persons to which the conduct relates:**
(Refer to direction 5)

Franchisees

Approved Suppliers

The broad wholesale/retail market for the sale and supply of the Approved Products and Services

(b) Number of those persons:

(i) At present time:

Franchisees:	13 (as at 9 September 2013)
Company Stores:	3 (as at 9 September 2013)
Approved Suppliers:	28 (as at 9 September 2013)

**(ii) Estimated within the next year:
(Refer to direction 6)**

Franchisees:	25
Company Stores:	4
Approved Suppliers:	30

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Franchisees

Contained at Annexure C (confidential)

Approved Suppliers

The details of each Approved Supplier are contained at Annexure B (confidential). SRF anticipates that it may appoint further Approved Suppliers in the future.

Broad wholesale/retail market

There are over 50 participants in the broad wholesale/retail market for the sale and supply of the Approved Products and Services. Accordingly, details of each participant have not been included.

4. Public benefit claims

**(a) Arguments in support of notification:
(Refer to direction 7)**

The purpose of the notified arrangement is not to substantially lessen competition. Rather, the notified arrangement will enhance the capacity of Franchisees, as small businesses, to compete with larger business and other competitors. This enhanced capacity is especially important in a market where there is intense competition, particularly from large coffee chains and competing specialty café based franchise networks (such as Gloria Jeans, McCafe, The Coffee Club, Hudsons, Jamaica Blue, Muffin Break and Starbucks).

The notified arrangement will be likely to have the following benefits for Franchisees and end consumers:

- (a) Franchisees will have guaranteed access to Approved Products and Services at competitive prices due to the established supply relationships which allow Franchisees to offer favourable prices to the end consumer;
- (b) The notified conduct is likely to foster business efficiency as Franchisees are:
 - (i) Assured of access to a range of Approved Products and Services of a consistent standard which gives them more time to focus on operating their business;
 - (ii) Afforded greater certainty in connection with input costs which fosters improved business planning;
 - (iii) Afforded access to improved point of sale equipment incorporating increased capability/functionality which facilitates benchmarking and greater access to information, improved decision making processes (including in relation to stock ordering and wastage) and reduced risk of fraud;
- (c) The notified conduct gives SRF more bargaining power when negotiating prices with suppliers which will have a flow-on effect to Franchisees and the end consumer;
- (d) The notified conduct allows SRF to focus on controlling quality which ensures that end consumers are provided with Food Products and Beverage Products of a consistent standard that meet the promise of SRF and the Franchisee as to the content and quality of the Food Product and Beverage Products (as the case may be);
- (e) The notified conduct ensures that Franchisees and ultimately consumers are able to purchase genuine licensed products in the case when they are pre-packaged products (e.g. bottled beverages for resale, etc.);
- (f) The notified conduct ensures that Franchisees purchase the Approved Products and Services which are licensed, including Approved Products and Services which are manufactured or supplied under licence from SRF or an associated entity, from the appropriately licensed Approved Suppliers and not from unlicensed manufacturers or suppliers;
- (g) The notified conduct ensures that Franchisees purchase and or utilise equipment and other business requisites, and store fit out services, from appropriately qualified and accredited Approved Suppliers and not from unapproved manufacturers, suppliers or service providers; and
- (h) Improved efficiencies for the Franchisor allowing it to apply greater resources towards improving franchise system servicing and product innovation.

(b) Facts and evidence relied upon in support of these claims:

Franchisees and consumers

The notified conduct is likely to have the benefits listed below for Franchisees and end consumers.

- (a) The notified conduct will ensure consistency, uniformity and end-to-end quality control, which is paramount to the integrity of the SRF's brand and image, so that the Approved Products and Services:
- (i) Meet SRF's standards for design, function, performance, quality, taste, serviceability and warranty (as the case may be); and
 - (ii) Are manufactured, produced and or supplied by those manufacturers, producers and or suppliers specified or approved by SRF as meeting its standards for technical support, training, reporting, reputation, equipment provision, production and delivery methods, scale, labelling and or information disclosure (necessary to satisfy obligations arising under the Food Standards Code or other legislation), service capacity and back up support (as the case may be).
- (b) Franchisees will have guaranteed access to the Approved Products and Services sold or provided by Approved Suppliers at a competitive price due to the increased purchasing power of the network. This will afford certainty which fosters improved business planning and allow Franchisees to offer favourable prices to the consumer.

Where incumbent Approved Suppliers have the opportunity to requote, SRF's will review the current market, including alternative suppliers of like products and services, with the purpose of ensuring that the prices that are quoted by an incumbent Approved Supplier are relevant to current market conditions and trends. SRF at all times negotiates pricing with the aim of ensuring brand profitability whilst maintaining product quality and consistency. SRF regularly monitors volume demands to ensure pricing levels are relevant and meet market pricing.

- (c) In the general retail food and coffee market, inter-brand competition is paramount. By requiring Franchisees to acquire Approved Products and Services from Approved Suppliers, SRF is able to ensure that all Franchisees maintain high standards so that the brand can compete more effectively in the retail food and coffee market
- (d) The notified conduct is likely to foster business efficiency as Franchisees are assured of access to Approved Products and Services from Approved Suppliers that are of a consistent standard and price, which gives them more time to focus on operating their business.
- (e) Business efficiency is further enhanced as it would be extremely inefficient if each Franchisee had to assess the ability of each of its suppliers to meet SRF's specifications. SRF draws on its knowledge and experience in the food and coffee industry to identify those suppliers that can and will supply goods and services of a particular standard as required, removing this burden from the Franchisees.

The SRF's café network currently operates in Queensland only. SRF has plans for expansion into New South Wales and Victoria and SRF, and its associated entities, conduct tender processes where significant business opportunities warrant a full review of the current market for particular Approved Products and Services.

- (f) The notified conduct provided for increased quality of the Food Products and Beverage Products being offered under the SRF's brand name and other Approved Products and Services as the Approved Suppliers undergo quality checks, health inspections, stock and supply control standards and continuous quality control measures.
- (g) The notified conduct not only seeks to ensure the quality of the final product produced by a Franchised Operation but also seeks to ensure the quality of the Franchised Operation itself, by ensuring that Franchisees are provided with reputable providers for services.
- (h) It is of the utmost importance to SRF that all Franchisees comply with all food, health and safety regulations when preparing items for sale in the Franchised Operation and or offering items for sale to consumers. By requiring that Franchisees use certain Approved Products and Services, SRF can better manage Franchisees compliance with its standards.
- (i) By requiring that Franchisees purchase certain products and services from Approved Suppliers, SRF is helping to ensure that the value of Franchisees' and Franchised Operations is maintained by ensuring that the SRF's network as a whole provides a consistent and high quality Food Product and Beverage Product, meaning that customers will associate the SRF's brand with high quality Food Products and Beverage Products and purchase these Food Products and Beverage Products from multiple Franchised Operations.
- (j) The notified conduct will also assist SRF, SRF's and Franchisees to maximise the benefits derived, or to be derived, from marketing and to avoid any adverse publicity, action by third parties or relevant governmental authorities or other adverse ramifications where Franchisees do not comply with SRF's requirements for high quality and consistency of image.

Fees and benefits

SRF negotiates and receives fees and benefits (including the benefit of wholesale supply prices, volume incentives, and financial benefits, reimbursements of costs, licence fees and rebates) from the Approved

Suppliers in relation to Approved Products and Services supplied to Franchisees. The nature and amount of the fees and benefits vary depending on the commercial arrangements between SRF and the Approved Suppliers. The fees and benefits are not an important source of funding for the SRF's network. Although not directly shared with Franchisees, the benefits are used by SRF to cover a range of costs, which ultimately benefit SRF's and Franchisees. The benefits can be used:

- (k) To fund infrastructure growth and to cover operational costs associated with SRF's which benefit the SRF's network as a whole;
- (l) To offset the financial liability incurred by Franchisees in relation to the hire of equipment, purchase of products or receipt of services;
- (m) By SRF for the benefit, promotion or service of SRF's generally (including through deposit into the marketing fund);
- (n) For the purpose of sponsoring SRF's events, promotions or rewarding Franchisees (such as conferences, special promotions and prizes);
- (o) For research and development purposes, including to pay for testing and product development; and
- (p) For the purpose of training Franchisees in the modes and methods of operating a SRF's Franchised Operation.

SRF discloses to its Franchisees in its Disclosure Document that SRF may from time to time receive fees or benefits in connection with the supply of products by Approved Suppliers to Franchisees. Franchisees are not specifically informed of the level of fees and benefits received by SRF in relation to the Approved Products and Services that Franchisees are required to purchase from Approved Suppliers. This is common in franchise networks and disclosure of the amount of the financial benefit or rebate is not required under the *Franchising Code of Conduct*. The additional information disclosed to Franchisees by SRF in relation to rebates and financial benefits is the information required to be disclosed in its Disclosure Document pursuant to clause 9.1(j) of Annexure 1 of the *Franchising Code of Conduct*.

SRF also indirectly receives benefits that are provided directly to Franchisees (including free and discounted Approved Products and Services, sample products, promotional products, training supplies, Equipment servicing or support, etc.).

Under the Franchise Agreement, Franchisees agree that SRF shall be entitled to negotiate and receive a fee or other benefits from Approved Suppliers.

Suppliers

The notified conduct provides the Approved Suppliers with certainty of supply and quantities of supply to Franchisees which may result in:

- (a) Cost savings in the management of the Approved Supplier's business; and
- (b) Increased business efficiency which gives them more time to focus on running their businesses, planning future production and innovative strategies; and
- (c) Promoting competition among Approved Suppliers.

5. Market definition

- (a) **Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):**

(Refer to direction 8)

SRF submits that the relevant markets are characterised by a high degree of competition and by a large number of active and meaningful participants.

The markets can reasonably be identified as:

- (a) The broad retail and wholesale markets for the sale of the Approved Products and Services in Australia; and
- (b) The retail and wholesale markets for the sale of each of the above Approved Products and Services in isolation in Australia.

Each of the above markets is characterised by a relatively large number of participants at the relevant wholesale and retail levels. In some cases, the competitors in the market may often be large corporations or large franchise chains, such as Gloria Jeans, McCafe, The Coffee Club, Hudsons, Jamaica Blue, Muffin Break and Starbucks. In addition to this, there are independently owned coffee stores supported by Roasters.

Franchisees may apply for consent to acquire products or services from suppliers other than the Approved Suppliers, provided they meet the SRF's specifications.

6. Public detriments

- (a) **Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:**
(Refer to direction 9)

The notified conduct may have the following detrimental effect:

- (a) The notified conduct prevents Franchisees from selecting between suppliers on the normal commercial basis of product or service price and quality; and
- (b) Suppliers that are not nominated, approved or licensed will not have access to SRF's Franchisees.

However, the notified conduct is unlikely to have any detrimental effect on end consumers as they will not be restricted in the products they can purchase from SRF's Franchisees.

SRF does not believe that there are any substantial public detriments of the notified arrangement. Any anti-competitive effects on suppliers of the Approved Products and Services will be minimal due to the number of potential purchasers of their products and services. Further, the Franchise Agreement provides scope for a Franchisee to request that products or suppliers that are not part of the Approved Products and Services or Approved Suppliers be approved by SRF for use in the Franchisee's business.

The anti-competitive effect of this arrangement on the end consumer is negligible, as it will have little to no impact on the consumer.

SRF contends that the notified arrangements will have a negligible effect on competition within the relevant markets and that the public benefits resulting from the notified conduct outweigh any public detriments caused by the conduct.

- (b) **Facts and evidence relevant to these detriments:**

The public detriments that may flow from the notified conduct are discussed below. However, SRF contends that any detriment is negligible, and is far outweighed by the public benefits outlined above.

Franchisees

The notified conduct may prevent Franchisees from selecting between suppliers on the normal commercial basis of product quality and price. Franchisees may also be required to acquire Approved Products and

Services from SRF, its associates or from a supplier in which SRF or an associate of SRF may have an ownership interest.

However, as specified in Annexure A (confidential), the Franchise Agreement provides a mechanism for Franchisees to seek approval of products (including the Approved Products and Services), ingredients, business requisites or supplies, plant, equipment, fixtures and fittings which they propose to acquire from sources which are not nominated or approved by SRF. SRF may consent to a Franchisee's request to use a product from another supplier if the product conforms to certain standards and the Franchisee satisfies certain conditions. SRF may consider samples, submitted by the Franchisee, and determine if the sample meets SRF's requirements for design, function, performance, warranty quality, reliability, serviceability and product control (as the case may be). SRF will also consider whether the proposed supplier is financially sound and able to reliably meet its commitments with respect of supply and is capable of fulfilling SRF's requirements in relation to technical support, training, reporting, reputation, equipment provision, production and delivery methods, scale, labelling and or information disclosure and back up assistance (as the case may be).

SRF may also allow individual Franchisees to stock product lines which are not ordinarily permitted or sold within the Franchised Operation or other Franchised Operations. SRF may allow this where it is in the best interests of SRF's or a particular Franchisee to do so.

Franchisees are also entitled to source their own quotes for shop-fitting and refurbishment services, subject to SRF approval and the application of the Franchise Agreement.

In addition, SRF, and its associated entities, undertake regular monitoring and benchmarking of prices to ensure that the prices offered by Approved Suppliers are consistent with current market conditions and trends.

On the basis, the detriment to Franchisees will be minimal.

Consumers

The anti-competitive effect on the end consumer is negligible, as it will not ultimately prohibit consumers from comparing prices and products for the following reasons:

- (a) Retailers which offer or provide the Food Product and Beverage Products in the relevant retail markets are numerous in Australia which allows consumers to "shop around" easily; and

- (b) There is arguably no barrier to entry at retail level because of the volume of retailers in Australia, which offer a range of similar Food Products and Beverage Products in the relevant retail markets (e.g. cafes, coffee shops and other hot & cold food or beverage outlets etc.).

Suppliers

The wholesale suppliers that are not Approved Suppliers will not have access to Franchisees, unless they are nominated by a particular Franchisee to provide non-approved products and meet the specification outlined by SRF.

However, the anti-competitive effect on suppliers who do not have access to Franchisees will be insignificant given the number of retailers in Australia to which suppliers may sell their products. In any event, SRF's regularly monitors and benchmarks Approved Supplier pricing and undertakes tender processes where significant business opportunities are available.

The notified conduct should only further promote competition between suppliers as they compete for approved supplier status.

7. Further information

- (a) **Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:**

Phil Cronin

Director

Stella Rossa Franchising Pty Ltd

35 Railway Terrace

Milton, Queensland 4064

Telephone: (07) 3172 2724 0418 724 010

Email: phil@stellarossa.com.au

Dated.....19/9/13.....

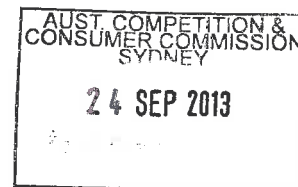
Signed by/on behalf of the applicant

(Signature)

(Full Name)

(Organisation)

(Position in Organisation)



DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.