



**Australian
Competition &
Consumer
Commission**

Our Ref: 52594
Contact Officer: Hannah Ransom
Contact Number: (02) 6243 1255

GPO Box 3131
Canberra ACT 2601

20 November 2013

23 Marcus Clarke Street
Canberra ACT 2601

Mr Martin Rose
Director
The Franchise Group Pty Ltd

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By email: martin@bluewheelers.com.au

Dear Mr Rose

Third line forcing notifications N97059 – N97062 lodged by The Franchise Group Pty Ltd & Ors

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 30 October 2013. The notifications have been placed on the ACCC's public register.

The Franchise Group Pty Ltd, Blue Wheelers Pty Ltd, Blue Wheelers DFD Pty Ltd, and Dash DogWash Pty Ltd propose to supply franchise services to franchisees on condition they acquire approved products from nominated suppliers. Approved products include shampoos, flea treatments, sanitisers, deodorisers, cleaners, skin and coat conditioners, pet food and treats, washing and grooming equipment, scales, fit out, uniforms, signage and branding.

Legal protection conferred by the notifications commenced on 13 November 2013.

On the basis of the information that you have provided it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the legal protection provided by the notifications at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

This assessment has been made on the basis that The Franchise Group Pty Ltd, Blue Wheelers Pty Ltd, Blue Wheelers DFD Pty Ltd, and Dash DogWash Pty Ltd will disclose all relevant terms and conditions to current and prospective franchisees. In particular I note that franchisors are required to comply with the disclosure requirements of the Franchising Code of Conduct in relation to the notified arrangement. Among other things, these specify that a franchisor must provide information to franchisees in its disclosure document about:

- any restrictions on acquisition of goods or services by the franchisee from other sources
- whether the franchisor or an associate will receive a rebate or other financial benefit from the supply of goods or services to franchisees, including the name of the business providing the rebate or financial benefit and
- whether any such rebate or financial benefit is shared directly or indirectly with franchisees.

More generally I would note that the Franchising Code of Conduct also requires disclosure of:

- ownership by a franchisor or an associate of a franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services
- any restrictions by a franchisor on the goods or services that a franchisee may supply and
- any restrictions on the persons to whom a franchisee may supply goods or services.

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 Hannah Ransom on (02) 6243 1255.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Baethan Mullen', written in a cursive style.

Baethan Mullen
A/g General Manager
Adjudication Branch