



**Australian
Competition &
Consumer
Commission**

Our Ref: 53164
Contact Officer: Darrell Channing
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GPO Box 3131
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13 December 2013

23 Marcus Clarke Street
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Ms Shannon Van Soest
In-House Legal Counsel

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Dear Ms Van Soest

Third line forcing notification N97134 lodged by JAX Quickfit Franchising Systems Pty Limited

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 28 November 2013. The notification has been placed on the ACCC's public register.

JAX Quickfit Franchising Systems Pty Limited, as franchisor, intends to supply its franchise system - including services and support - on condition that JAX's franchisees engage Tyrecycle Pty Ltd's services exclusively for the collection, transportation and disposal of all end-of-life waste tyres and those automotive parts identified in the 'End-of-Life Tyre Collection Agreement' between JAX and Tyrecycle.

Legal protection conferred by the notification commenced on 12 December 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 notification 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 JAX Quickfit Franchising Systems Pty Limited will disclose all relevant terms and conditions to current and prospective franchisees. In particular I note that JAX Quickfit Franchising Systems Pty Limited is 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 Darrell Channing on (02) 6243 4925.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal line extending to the right.

Dr Richard Chadwick
General Manager
Adjudication Branch