

Submission by [REDACTED] 9 October 2023

I have read and reviewed all submissions by BDH. In 16(b) of the original application it is stated 'BDH will provide price tiers that align to the current observed pattern of price deviation for Promotion Discounts in the Bakers Delight Network'. I accept that the initial proposed tier pricing is reflective of the majority of the current deviations in the network. The application is for a duration of five years in which time there will likely be minimum 5- 10 price adjustments during this time. Should the proposed application be approved by the ACCC this means once BDH switches to the new promotional discount tiered pricing options franchisees will no longer have any input into what the pricing should be in future price adjustments. Franchisees will have to rely in good faith on BDH to increase the tiered options every 6- 12 months each time there is a price adjustment. I put forward that the application should be amended to include that where 10% of bakeries in the network (approximately 50 of the 504 franchisee- owned stores) request that a tiered price point be amended that BDH should be required to amend the price point accordingly. Currently the tiered pricing options for the [REDACTED] which BDH intends to set are Tier 1: \$8.50, 2: \$9.00, 3: \$9.50, Tier 4: \$9.70, Tier 5: \$10.00. Where a group of 50 or more bakeries wish to have a price option of \$10.50 then the tiered pricing options should be adjusted accordingly at the request of that group. Currently more than 50% of bakeries are now deviating above the RRP set by BDH which is a significant increase compared to five years ago which implies an increasing number of franchisees no longer see the RRP set by BDH to be appropriate. Although it is expected that BDH will act in good faith I believe that in fairness for the franchisees a dispute resolution method should be explicitly stated in the application for the ACCC to consider to avoid improper power being given to BDH