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**By email: [ayman.guirguis@klgates.com](mailto:ayman.guirguis@klgates.com)**

Dear Mr Guirguis

**LPO Group Ltd authorisation applications A91583- A915834 —  
determination**

The Australian Competition and Consumer Commission (the ACCC) has issued a determination in respect of the applications for authorisation lodged by LPO Group Ltd & Ors on 11 May 2017.

A copy of the ACCC's determination and summary of its reasons is attached. For the reasons set out in its determination, the ACCC has decided to grant authorisation until 30 November 2022.

Attached to this letter is an interested party information sheet providing some information regarding the scope of the collective bargaining application made by the Applications, and the rights of licensees under the Franchising Code. We request that the LPO Group communicate the Attachment to its licensed post office members.

**Application for review**

Pursuant to section 101 of the *Competition and Consumer Act 2010*, a person dissatisfied with this determination may apply to the Australian Competition Tribunal (the Tribunal) for a review of the determination. An application for review must be made within 21 days of the date of this determination; that is, on or before 30 November 2017. If no application for a review is lodged by this date, the ACCC's determination will come into force on 1 December 2017.

An application for a review of the ACCC's determination should be lodged directly with the Tribunal. The Tribunal is a separate body from the ACCC and is located within the Federal Court of Australia.

For further information about the Tribunal's process to hear applications for review of ACCC determinations please refer to the Tribunal's website at [www.competitiontribunal.gov.au](http://www.competitiontribunal.gov.au).

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 me on (03) 9290 1893.

Yours sincerely

Marie Dalins  
Director, Adjudication

## **Additional information for LPOs**

The ACCC has issued a final determination granting authorisation for 5 years, until 30 November 2022, for LPO Group and its current and future licensed post office members to collectively negotiate with Australia Post.

During our consultations on the LPO Group's applications for authorisation, some LPOs made public or confidential submissions about specific provisions in their contracts with Australia Post.

This document explains what an ACCC authorisation provides, what issues fall outside this process, and gives some information about franchisees' rights.

### **LPO Group's collective bargaining application for authorisation**

LPO Group applied for authorisation to represent its members in collective bargaining negotiations with Australia Post. LPO Group wants to collectively negotiate a new agreement with Australia Post or vary the current LPO Agreement.

LPO Group also sought authorisation for an exclusivity arrangement. This means LPOs who opt-in to the collective bargaining group will agree not to negotiate individually with Australia Post during specific negotiation periods.

Participating in the collective bargaining arrangement is voluntary for both LPO Group members and Australia Post. LPO Group members can opt in or out of the collective bargaining group at any time.

LPOs will continue to supply postal distribution services to Australia Post and postal goods and services to the public throughout any collective bargaining period.

### **ACCC authorisation – what it does and doesn't do**

Businesses or groups can apply for authorisation where they propose to engage in conduct but they are concerned that it may breach competition laws.

Some LPOs compete with other LPOs. Authorisation means these LPOs don't face a risk of court action for breaching the competition laws when they get together to negotiate common terms and conditions as part of a collective bargaining process.

However, the ACCC won't participate in collective bargaining between the parties, or make rulings about specific contractual provisions, set levels of service, price, rebates, etc. This is for the parties to decide themselves.

Further information on collective bargaining is available from the ACCC website:

<https://www.accc.gov.au/publications/the-benefits-of-working-with-other-small-businesses-collective-bargaining-and-collective-boycotts>

### **Small business rights: franchising**

LPO's are franchisees as they operate under a franchising agreement with Australia Post.

Franchise participants in Australia must comply with the Franchising Code of Conduct which is also enforced by the ACCC. The Code was established to support informed decisions and improve business behaviours by imposing minimum standards of disclosure and conduct for franchisors and franchisees. It also establishes a way for franchisors and franchisees to try to resolve disputes.

If you have a problem relating to your franchise relationship with Australia Post, you should first speak to the Australia Post representative you deal with. If they won't fix the problem, you can use the dispute resolution procedure under the Code to try and resolve it. For further information about the Code visit <https://www.accc.gov.au/business/franchising>.