



Our ref: AA1000450
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16 August 2019

Philippa Kelly
CEO
Large Format Retail Association

adjudication@accc.gov.au
www.accc.gov.au

By email: pkelly@lfra.com.au

Dear Ms Kelly

**Authorisation AA1000450 submitted by the Large Format Retail Association (LFRA)
– Information Request**

I refer to LFRA's application for authorisation and supporting submission lodged with the Australian Competition and Consumer Commission (the **ACCC**) on 6 August 2019.

As foreshadowed in our meeting on Friday 9 August 2019, and to assist with its assessment of this application, the ACCC seeks further information from LFRA to help clarify the scope and proposed operation of the joint electricity purchasing group (the **Proposed Conduct**). This request for further information is set out at **Attachment A** to this letter.

Please provide the requested information as soon as possible and in any case by no later than **COB 26 August 2019**. The information may be provided by email to adjudication@accc.gov.au.

I note that some of the information requested may be confidential to LFRA. Under s 89 of the *Competition and Consumer Act 2010*, the ACCC may exclude documents or information from its public register by reason of the confidential nature of any of the matters contained in the document. If LFRA does wish to request exclusion from the public register for any documents or information provided in response to the ACCC's request, please clearly indicate this when providing the documents.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Kaitlin Hanrahan on (03) 9290 1917 or kaitlin.hanrahan@accc.gov.au.

Yours sincerely

David Hatfield
Director
Adjudication

Attachment A – ACCC Request for further information

Clarification of the scope and operation of Proposed Conduct

1. The ACCC notes that, among other provisions, LFRA has sought authorisation in relation to the exclusive dealing provisions in s 47 of the *Competition and Consumer Act 2010*. Please outline which aspects of the Proposed Conduct are at risk of breaching the exclusive dealing provisions.
2. Please confirm that LFRA is not seeking authorisation to engage in collective boycott (s 45AD) as part of the proposed conduct.
3. The ACCC notes that, as part of the Proposed Conduct, LFRA is seeking authorisation for future members of the buyers group, 'provided that the total electricity consumption of the Buyers Group does not exceed 1% of electricity consumption in any State or Territory in Australia'. Please outline how this threshold of 1% is intended to work in practice – for example: how LFRA proposes to monitor electricity consumption of the group and how a potential new member's additional electricity consumption will be assessed. Please also explain why 1% was chosen as the appropriate threshold.
4. The ACCC notes that LFRA's application refers to 'electricity suppliers'. Please clarify whether LFRA intends to engage with both retailers and generators.
5. The ACCC also notes that, in section 6 of LFRA's application ('Market Information and Concentration'), LFRA defines the relevant markets as '**generation and wholesale** supply' in the National Electricity Market and the WA Wholesale Electricity Market, and '**retail** supply of electricity for commercial and industrial customers' for the Northern Territory. Please clarify the difference between the NEM and WEM markets and the NT market which necessitates this different characterisation of these markets.
6. In describing the relevant electricity-related markets in section 6 of LFRA's application ('Market Information and Concentration'), Victoria is not listed as a relevant state in the NEM. Please clarify whether Victoria was intentionally excluded.