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4 September 2023

Via email: [raynia.theodore@mst.com.au](mailto:raynia.theodore@mst.com.au)

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[www.accc.gov.au](http://www.accc.gov.au)

Dear Ms Theodore

### **Application for authorisation submitted by Bakers Delight Holdings Ltd – Request for urgent clarification**

I refer to the authorisation application sought to be lodged by Bakers Delight Holdings Ltd (**Bakers Delight**) with the Australian Competition and Consumer Commission (the **ACCC**) on 30 August 2023.

Section 89(1A) of the *Competition and Consumer Act 2010* (Cth) (the **Act**) requires the ACCC, upon receipt of an application for authorisation, to assess whether the purported application meets the validity requirements of the Act.

To allow us to complete our validity assessment process, we are seeking your urgent response to the following questions:

- Please confirm if definition of the Proposed Conduct is intended to cover future changes to:
  - the rationale for setting individual price tiers, noting that parts of the application suggested that Bakers Delight will only initially set these reflecting existing pricing patterns for the Promotion Discounts, while the definition of the Proposed Conduct itself does not provide for any alternative method
  - the number of price tiers i.e., five price tiers
  - the spread of those price tiers i.e., one at RRP, one below RRP and three above RRP
  - the specific products, combination of products or quantity of products that are to be included in the Promotion Discount, noting that Schedule 3 of the application includes a current list of Promotion Discounts
    - if yes, what rationale will Bakers Delight use to set price tiers for new Promotion Discounts.
  - the number of Promotion Discounts that Bakers Delight Bakeries will be required to sell.
- Please provide details as to how Bakers Delight are intending to implement changes to the point of sale (**POS**) system with the Franchised Bakeries. For example, under the relevant franchising agreements, are Franchisees required to use the POS system provider nominated by Bakers Delight?

Please provide a response by no later than **COB Tuesday 5 September 2023.**

If you have any questions, please do not hesitate to contact Penny Bigham on 07 3052 1221 or [exemptions@acc.gov.au](mailto:exemptions@acc.gov.au).

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal stroke, positioned above the typed name.

Anthony Hilton  
Director  
Competition Exemptions