



18 March 2020

By email: robert.janissen@accg.gov.au
Cc: Connie.wu@accg.gov.au

Our Reference
181762

Robert Janissen
Senior Analyst | Adjudication | Merger and Authorisation Review
Australian Competition & Consumer Commission
Level 5, 1 William Street
PERTH WA 6000

Dear Mr Janissen

**ACCC Authorisation Application: AA1000457
Co-Operative Supermarkets Australia Limited**

We refer to your email of 17 March 2020.

The obligation stated in the Application cited above that:

the relevant conduct for your application is the conduct of CSA and its members, which includes the imposition and enforcement of the "active member test" enshrined in the Rules of CSA

is a necessary aspect of being a "Co-operative". Each member, in order to remain a member, by reason of the obligations under the "Co-operative National Law" must be an "active member"; the "Rules" of the Co-operative must include an "active member test".

The Active Member Test for the Applicant is found at Rule 4.2 and reads:

To establish and maintain active membership of the Cooperative a Member must:

(a) be involved in the management of an Australian Independent Retail Grocery Store:

(i) whose Associated Controller has nominated the Member for the purpose of Rule 5.1;

(ii) which has acquired goods or services under the Associated Trading Account attached to the Membership at least:

A. once in each rolling two (2) month period; and

B. to the minimum value or volume, if any, set by the Board from time to time over that rolling period;

(b) continue to represent the Associated Member Business, as nominated by their Associated Controller stated in the Application Form by which the person became a Member;

(c) be a Financial Member for the time being; and

(d) devote such time as the By-laws require to working in the Co-operative's business, not exceeding the amount of time determined by the Members by a two thirds majority.

At this time. The Board has not made a determination for the purpose of Rule 4.2(a)(ii)B, setting any "minimum value or volume ... over that rolling period."

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I am authorised to confirm that the Board undertakes not to set any such value or volume during the period of the Authorisation, without first affording not less than 30 days written notice to the ACCC and either securing the ACCC consent or seeking to end the Authorisation (if granted).

The qualification made to an unconditional undertaking is simply “never say never”, but the current Board’s mind set is one that it remains unlikely that that such a value or volume will be set, at least in the life of the Authorisation.

Please do not hesitate to contact the writer or Mr White with any questions you might have.

Yours sincerely
BRADLEY ALLEN LOVE



Mark Love
Legal Director

Direct Line: [REDACTED]
Email: [REDACTED]