

6 March 2017

Attention: Ms Hannah Ransom  
Adjudication Branch  
Australian Competition & Consumer Commission  
23 Marcus Clarke Street  
Canberra  
ACT 2601

BY EMAIL: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

Dear Ms Ransom,

**Re: A91550 – British American Tobacco Australia Limited & Ors - Submission**

We refer to the above application for authorisation from British American Tobacco Australia Limited, Imperial Tobacco Australia Limited and Philip Morris Limited (“the Applicants”) to identify, issue warnings, suspend and/or cease supply of their tobacco products to retailers and wholesalers who sell illicit tobacco products.

We note that by letters dated 19 September 2016 and 19 January 2017, MGA advised that we unequivocally support the application and urged the ACCC to authorise the application as it is in the public interest and would be a significant step in combating illicit tobacco.

MGA has considered the ACCC’s reasons for its proposal to deny authorisation of the application, as well as the clarifications provided by the Applications by letter dated 19 January 2017.

The illicit tobacco trade has a significant impact on our members who are legitimate tobacco retailers and our members are frustrated as the costs of business are high and tobacco sales are dropping because of leakage to illicit suppliers, yet there are no effective initiatives in place to combat the illicit tobacco trade.

Given the acknowledged scale and highly damaging illicit tobacco trade problem (and related criminal activity), as well as the current enforceability issues with effectively combatting the problem, MGA believes that the desirability of securing any reduction in the illicit trade market is in the public benefit and therefore the proposed conduct should be permitted.

The qualifications and restrictions that the Applicants have proposed, such as outlining the length of cessation of supply and regular reporting to the ACCC and other law enforcement agencies are reasonable

and proactive, and provides transparency and effective checks and balances in response to the ACCC's previous concerns.

Accordingly, MGA continues to support the application as the effort to minimise or limit the sale of illicit tobacco is in the public interest, even if the result is a lessening of competition.

MGA sincerely thanks the ACCC for the opportunity to make submissions regarding this application and we would be pleased to explain our position further should the ACCC require additional information.

Yours sincerely,



Jos de Bruin

CEO

MGA Independent Retailers