

21 June 2017

By email: david.jones@acc.gov.au

Copy to: anna.pound@acc.gov.au
marie.dalins@acc.gov.au

David Jones
General Manager, Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Partner: Ayman Guirguis
ayman.guirguis@klgates.com

T +61 2 9513 2308

Contact: Theadora Fabricius
theadora.fabricius@klgates.com

T +61 2 9513 2570

Our ref: fabrici.guirgua

Dear Mr Jones

Authorisation A91583 & A91584 submitted by LPO Group Limited (LPOG) - scope of interim authorisation sought by LPOG

As you know, we act for LPO Group Limited (**LPOG**) in relation to LPOG's above application for authorisation to enter into and give effect to an arrangement that LPOG represent its Licenced Post Office (**LPO**) members in collective bargaining negotiations with Australian Postal Corporation (**Australia Post**). LPOG is also seeking interim authorisation in order to commence collective negotiations with Australia Post.

The ACCC has sought clarification on a number of specific issues, including, in particular, issues of confidentiality and the scope of interim authorisation sought by LPOG.

On behalf of LPOG, we respond to the ACCC's queries below.

Confidentiality of consultations

We confirm that, at present, in accordance with the Consultation Agreement between LPOG and Australia Post, any discussions between LPOG and Australia Post regarding Australia Post's annual review of fees and commissions under the LPO Agreement are treated as commercial-in-confidence by LPOG and as such details of any discussions cannot be shared by LPOG with LPOG's members.

In the event that the ACCC grants the authorisation sought by LPOG, it is LPOG's intention to seek to amend the terms of the Consultation Agreement between LPOG and Australia Post in order that LPOG would be permitted to share information with its members, thereby allowing LPOG to engage in substantive negotiations with Australia Post on behalf of its members.

Scope of negotiations under interim authorisation

The ACCC has sought further clarification regarding the scope of negotiations that may occur between LPOG and Australia Post in the event that the ACCC grants interim authorisation.

LPOG proposes that, during any period of interim authorisation, negotiations between LPOG and Australia Post would be limited to changes to licensee payments and commissions as part of the annual review of licensee payments pursuant to the LPO Agreement, as well as the appropriate level of remuneration for any new services introduced by Australia Post during the period of interim authorisation.

Further, in the event that the ACCC grants interim authorisation, LPOG is willing to agree to a limitation that, while negotiations may occur during the period of interim authorisation, the parties will not enter into or give effect to any agreement until the ACCC makes its final determination on the substantive application.

Limited collective boycott

As you are aware, LPOG has also applied for authorisation of a limited collective boycott of Australia Post where LPO members that have agreed to participate in the collective negotiations will not negotiate with Australia Post on an individual basis while collective negotiations are ongoing.

In the interests of reducing any complexity associated with the ACCC's consideration of the application for interim authorisation, LPOG confirms that its members will not engage in any collective boycott activity during the period of interim authorisation. Rather, LPOs will only engage in the proposed limited collective boycott activity if the ACCC makes a final decision to grant authorisation to LPOG.

If you have any questions or require any further information, please do not hesitate to contact me.

Yours sincerely



PP

Ayman Guirguis
Partner