

Our ref: PH:14/290

Your ref:

7 May 2015

Dr. Richard Chadwick
General Manager, Adjudication
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

By Email: adjudication@accc.gov.au

Dear Dr Chadwick

MPA – Application for Authorisation A91472

I refer to my letter of 5 May 2015 (Letter) and subsequent telephone conversation with David Hatfield of 6 May 2015.

As indicated in my Letter, my client seeks a variation of authorisation application A91472 (Application) to expand the Pilot from approximately 20 newsagents to approximately 40 newsagents.

The additional 20 newsagents will be a control group of newsagent participants who receive only the agreed limitations on distribution of magazines, based upon targeted minimum sales efficiency, and not the associated channel management and retail selling inputs (as described in Annexure C to the Application).

The amendments sought are:

- paragraph 2(a) of Form A of the Application to be amended to replace references to '20 selected newsagents' with references to 'approximately 40 selected newsagents...'; and
- Annexure A to the Application to be amended as shown in the attached marked up version of Annexure A.

As noted in my Letter, the proposal to expand the Pilot in this manner is in response to feedback from some prospective Pilot participants that they did not see value in the proposed channel management and retail selling aspects of the Pilot. This second group of Pilot participants will allow the benefits of the distinct elements of the Pilot to be objectively assessed. This would allow the MPA and industry to ascertain whether or not the channel engagement and retail skills aspects of the Pilot add value, in addition to any benefits accruing from the proposed limitations on distribution.

We submit that this variation to the authorisation application will further enhance the claimed

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public benefits of the Pilot, in that it will provide better data to inform the proposed MPA Code of Conduct.

Please do not hesitate to contact me if you would like to discuss.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Holm', with a stylized flourish at the end.

Paul Holm
Director

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