



Australian Competition & Consumer Commission

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Our Ref: C2003/1590
Contact Officer: Ursula Everett
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8 April 2004

Mr Geoff Noble
General Manager
Victorian Brick and Blocklaying Training Foundation Ltd
PO Box 42
Holmesglen VIC 3148

Sent via fax: (03) 9209 5880

Dear Mr Noble

Victorian Brick and Blocklaying Training Foundation Ltd and the Clay Brick and Paver Association of Victoria application of revocation and substitution of authorisation A90738

I refer to your application for revocation and substitution of authorisation A90738 lodged at the Australian Competition and Consumer Commission (the Commission) on 4 December 2003. Your application seeks authorisation to substitute levy arrangements authorised by the Commission in December 2000 (A90738) with identical arrangements, except with an increase in the levy currently applied to clay bricks and pavers sold in Victoria.

Your application is currently being assessed by the Commission. To assist the Commission to determine the benefits and detriments that are likely to flow from the proposed conduct, I would appreciate you providing the Commission with the following additional information:

1. Details of how the Victorian Brick and Blocklaying Training Foundation Ltd (VBBTF) and the Clay Brick and Paver Association of Victoria (CBPAV) envisage that a rise in the levy applied to clay bricks in Victoria will result in the increase you claim will arise in bricklayer numbers in that state. According to your supporting submission for application A90887, the current VBBTF apprentice bricklayer training scheme has fallen well short of its target number of bricklayer apprentices training under the arrangements.

In the CBPAV's original application for authorisation (A90738) to the Commission it predicted that the levy arrangements would result in a doubling of the training capacity at the Holmesglen TAFE. At the time that the current application was lodged with the Commission, the VBBTF training scheme had seen a minimal increase of only 14 apprentice bricklayers. If there is great demand for bricklaying services in the market, how do you envisage that your proposed levy increase will be able to increase bricklayer numbers, in excess of what would have likely occurred in the market in absence of your proposed arrangements?



We appreciate that at the time of this application the VBBTF had only been in operation for a minimal period, however in our view this gives us further reason to request substantive proof of the benefits of increasing the relevant levy at this stage.

2. Details of how the levy funds under the current arrangements (authorisation A90738) are collected and administered, including whether the process is audited and whether there is a checking system in place to ensure that the funds are administered appropriately. We would appreciate copies of relevant auditing reports or any other relevant information which supports any claim that the administration of the levies is audited. If information provided discloses that no auditing system is in place or is to be put in place, the Commission would be interested to know how transparent the administration of the scheme is.

If information to be provided to the Commission is commercially sensitive, you have the right to request that the Commission grant confidentiality to the information and not place it on the public register. A copy of the Commission's confidentiality guidelines are attached for your perusal.

In order to expedite the Commission's consideration of your application, I ask that you provide responses to the above questions by 5pm on Thursday 15 April 2004. Your responses can be sent via email to adjudication@acc.gov.au, or you can fax your answers to (02) 6243 1211.

This letter has been placed on the Commission's public register. The officer responsible for the progress of your application for revocation and substitution is Ursula Everett. She would be happy to assist you if you wish to discuss any aspect of this letter. Ursula can be contacted on (02) 6243 1235.

Yours sincerely



Tim Grimwade
General Manager
Adjudication Branch