



**Australian
Competition &
Consumer
Commission**

Our Ref: C2004/1241
Contact Officer: Michael Green
Contact Phone: 02 6243 1088

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
ph (02) 6243 1111
fax (02) 6243 1199
www.accc.gov.au

7 October 2004

Mr John Royle
Royle and Co Lawyers
98-100 Halifax Street
Adelaide SA 5000

Dear Mr Royle

**Milk Vendors Association (SA)
Application for authorisation A90927
- request for interim authorisation**

I refer to the application for authorisation and interim authorisation lodged by the Milk Vendors Association (SA) (the MVA) with the Australian Competition and Consumer Commission (the ACCC) on 3 September 2004.

Interim authorisation protects the arrangements for which authorisation is sought from legal action under the relevant provisions of the *Trade Practices Act* while the ACCC considers and evaluates the merits of the application.

The ACCC has considered the request for interim authorisation and has decided to grant interim authorisation until it issues a determination in this matter (unless circumstances warrant revocation or amendment of the interim authorisation at an earlier stage). Interim authorisation is granted for the MVA to collectively bargain in accordance with its application for authorisation on behalf of present and future members and non-members in South Australia with National Foods Milk Limited and Dairy Vale Foods Limited in relation to the terms and conditions of vendor distribution contracts. As requested by the MVA, interim authorisation does not extend to the proposed dispute resolution system.

In assessing the request for interim authorisation the ACCC considered that interim authorisation would allow South Australian vendors to make use of the collective bargaining process in the current round of contract re-negotiations. The ACCC is of the view that there is likely to be little if any public detriment in allowing the arrangements to proceed in the short term. In particular, it is important to note that interim authorisation does not compel any party, either processors or individual vendors, to be involved in the proposed collective negotiations.



Please be advised that the ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted by the ACCC.

For your information, the next step in the process is for the ACCC to release a draft determination which will take account of any submissions from the MVA and interested parties and will indicate the ACCC's preliminary views on the merits of the application. The ACCC will provide both the MVA and interested parties with the opportunity to provide a further submission on the draft determination before the ACCC issues its final decision.

A copy of this letter will be placed on the ACCC's public register. If you have any questions in relation to this matter please contact Michael Green on 02 6243 1088.

Yours sincerely



Tim Grimwade
General Manager
Adjudication Branch

