



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2004/1241
Contact Officer: Michael Green
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7 October 2004

Dear

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

I refer to my letter to you dated 6 September 2004, advising that the Australian Competition and Consumer Commission (the ACCC) has received an application for authorisation and interim authorisation from the Milk Vendors Association (SA) (the MVA).

The application seeks authorisation for the MVA to collectively bargain 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. Authorisation was also sought in relation to a dispute resolution process provided by the MVA. However, the MVA has now submitted that it intends to clarify the role of the dispute resolution process and has requested that it not be considered for interim authorisation.

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). 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