



**Australian
Competition &
Consumer
Commission**

Our Ref: C2005/496
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27 May 2005

**Ms Jenni Mattila
Jenni Mattila & Co
P O Box 1685
DOUBLE BAY NSW 1360**

Dear Ms Mattila

**Re: Dairy WA application for authorisation A90961/90962
- request for interim authorisation**

The Australian Competition and Consumer Commission (the ACCC) has decided not to grant interim authorisation in respect of the application for authorisation lodged by Dairy WA on 16 March 2005 at this time. The ACCC will review this decision when it issues a draft determination in this matter.

It should be noted that the ACCC will only grant interim authorisation in appropriate circumstances. Key considerations include whether significant competition concerns are present and the ability of the market to return to its pre-interim authorisation state should final authorisation be denied. The ACCC will not grant interim authorisation if it can not be satisfied that that these concerns have or can be addressed.

Summary of considerations

In assessing the request for interim authorisation the ACCC considered that:

- ▶ the complexity of the proposed arrangements requires considerable evaluation in order to correctly assess the net public benefit flowing from the arrangements;
- ▶ the lack of detail on important aspects of the operation of the proposed agency precludes the necessary consideration of the effects of the proposed arrangements;
- ▶ preliminary assessment and interested party submissions have raised concerns that the competitive dynamics of the market may be affected such that the market may be



prevented from returning to its pre-interim state should final authorisation be denied;
and

- ▶ Western Australian dairy farmers can continue to collectively bargain with processors under the terms of the ADF interim authorisation granted by the ACCC on 19 May 2005.

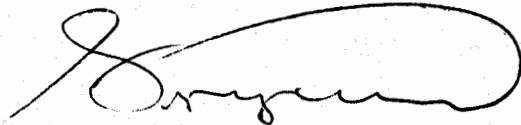
Please be advised that the ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted by the ACCC.

Next steps

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 Dairy WA and interested parties and will indicate the ACCC's preliminary views on the merits of the application. The ACCC will provide both Dairy WA and interested parties with the opportunity to provide further submissions on the draft determination, including by way of pre-decision conference convened by a member of the Commission, before the ACCC issues its final decision.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Susan Philp on 02 6243 1354 or Siobhán O'Gara on 08 9325 0608.

Yours sincerely



Scott Gregson
A/g General Manager
Adjudication Branch