

RESTRICTION OF PUBLICATION OF PART CLAIMED

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Mr Scott Gregson
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Your ref: A90961/A90962

By Fax: 11 Pages

Dear Mr Gregson

Additional Comments on Arrangements with the MNA

We wish to make the following additional comments in relation to the MNA. In our earlier correspondence we indicated that the MNA would be a professionally run organisation that would engage contract negotiators to act on behalf of dairy farmers.

If it was considered necessary the contract negotiators could be separately engaged and bound by confidentiality during the negotiation period. In relation to the MNA there would be no risk of information being passed amongst grower groups or to other negotiators.

It should however be noted that WA dairy contracts are staggered so that at the present time and under normal circumstances contracts are not being "negotiated" with more than one processor at a time.

Please note that the terms and conditions of dairy farmer contracts are often public knowledge – note PB Foods announcement on April 20, 2005 in the "Western Australian" that it would not be increasing milk prices. In addition to this prices are published by the Dairy Industry Association.

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Processors therefore do not seem to be greatly concerned by the need for confidentiality in relation to the price, terms and conditions of supply.

The WA Collective Bargaining Groups have acknowledged the ACCC advice received was that they cannot be involved in negotiations if they do not supply that processor. Dairy WA accepts that the ACCC wishes to ensure confidentiality whilst negotiations take place - at least on behalf of the dairy farmers.

On that basis Dairy WA would be willing to engage separate negotiators should negotiations take place with more than one processor at the same time. Alternatively Dairy WA may require "Chinese Walls" be put in place where a negotiator deals with more than one processor over a period of time.

Dairy WA wishes to stress the impossibility of maintaining confidentiality in the current market place once the negotiations have been completed.

Collective Boycott

Dairy WA understands that there is currently an appeal before the Australian Competition Tribunal in relation to collective boycotts. It is reasonable to assume the decision in relation to the Dairy WA Part A Application may be affected by a decision in that case.

We wish to reiterate that our request for a collective bargaining authorisation is not subject to the approval of the collective boycott application. The ACCC may wish to determine the collective boycott application after the decision of the Australian Competition Tribunal in the Victorian Chicken Meat case.

Dairy WA accepts that there needs to be a notice period (possibly of 14 days) prior to a boycott being implemented to allow retailers to make alternative arrangements with other processors in the short term should that be necessary.

Yours faithfully,

Jenni Mattila

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