



Fonterra Brands Australia (P&B) Pty Ltd

Head Office
22 Geddes Street
Western Australia 6021

Locked Bag 3 Balcatta WA
Western Australia 6021

Telephone: (08) 9441 7777
Facsimile: (08) 9441 7700

FAX

To:	SUSAN PHILP, SIOBHAN O'GARA, SCOTT GREGSON	From:	BERNIE PUMMELL
Company:	ACCC	Phone:	08 9441 7777
cc:		Fax:	08 9441 7700
Fax:	02 6243 1211	Email:	Bernie.Pummell@Fonterra.com
Pages: (including cover page)	2	Date:	20 December 2005
Subject:	COLLECTIVE BARGAINING		

A member of the Fonterra Co-operative Group

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20 December 2005

Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
470 Northbourne Avenue
Dickson ACT 2602
Fax (02) 6243 1211

Attention: Susan Philp and Siobhan O'Gara

Dear Mr Gregson

Application A90962 seeking authorisation of collective bargaining arrangements by Dairy WA

We refer to the draft determination issued by the Australian Competition & Consumer Commission ("**Commission**") on 17 October 2005 and letter dated 9 December 2005 inviting submissions regarding application A90962 by Dairy WA Limited ("**Dairy WA**") following the pre-determination conference held in Perth on 28 November 2005. We note that Dairy WA's application A90961 regarding collective boycott has been withdrawn.

As submitted previously, Fonterra Brands Australia (P&B) Ltd ("**Fonterra Brands Australia**") supports collective bargaining. In particular, Fonterra Brands Australia supports the current collective bargaining arrangements with its Western Australian dairy farmers under the Australian Dairy Farmers Federation's authorisation A90782.

We embrace an open relationship with our dairy farmers and believe that we have forged long term and beneficial business relationships with them through the collective bargaining process. However, Fonterra Brands Australia believes that the changes to the collective bargaining process as contemplated by Dairy WA's application would cause considerable commercial uncertainty and a likely adverse impact, for the reasons set out in the Commission's draft determination.

Accordingly, Fonterra Brands Australia supports the conclusions in the Commission's draft determination.

We would be pleased to provide further information to the Commission should it be required.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bernie Pummell".

Bernie Pummell
Chief Operating Officer
Fonterra Brands Australia (P&B) Ltd