



**Australian
Competition &
Consumer
Commission**

Our Ref: A122
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9 August 2006

Dear Sir/Madam

Review of authorisation A122 granted to the Australian Institute of Building

I refer to the above authorisation, granted to the Australian Institute of Building (AIB) by the Trade Practices Commission (the TPC) in 1987. The TPC is now known as the Australian Competition and Consumer Commission (the ACCC).

By way of background, the ACCC is the Commonwealth agency responsible for administering the *Trade Practices Act 1974* (the Act). A key objective of the Act is to prevent anti-competitive conduct, thereby encouraging competition and efficiency in business, resulting in a greater choice for consumers in price, quality and service.

The Act, however, allows the ACCC to grant immunity from legal action for anti-competitive conduct in certain circumstances. One way in which parties may obtain immunity is to apply to the ACCC for what is known as an 'authorisation'. Broadly, the ACCC may 'authorise' businesses to engage in anti-competitive arrangements or conduct where it is satisfied that the public benefit from the arrangements or conduct outweighs any public detriment.

Revocation of an authorisation

Under section 91B of the Act the ACCC may consider whether it should revoke an authorisation at any time after it has been granted if it considers that, amongst other things, there has been a material change of circumstances since the authorisation was granted.

Specifically, to initiate the consideration of the revocation of an authorisation the ACCC is required to inform interested parties by Notice in writing that it is considering revoking the authorisation, indicate the basis on which the consideration to revoke is being proposed and invite submissions on the matter from those interested parties.

After considering any submissions received from interested parties and after making an assessment as to whether the authorisation remains in the public interest, the ACCC may make a determination in writing revoking the authorisation or deciding not to revoke the authorisation.



Conduct authorised

The AIB was granted authorisation in relation to the publishing of its *Guideline Terms of Engagement and Scales of Professional Charges*. The purpose of the guide was to provide a reference terms of engagement and scales of professional charges for corporate members of the AIB.

Review of authorisation A122

The ACCC considers that a material change of circumstances appears to have occurred since granting authorisation A122 to the AIB. Accordingly, the ACCC proposes to initiate a review of this authorisation and a Notice to this effect is enclosed for your information. Reasons why the ACCC considers that a material change of circumstances has occurred are detailed in the Notice.

Please note that the issue of this Notice is only the first step in the review process, as required by the Act to initiate consultation with interested parties. The ACCC has not formed a view as to whether it will decide to revoke, or decide not to revoke, the authorisation.

Your views are sought

The ACCC invites you to make a written submission regarding the proposed revocation of authorisation A122. If you wish to make a submission, please address it to:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Alternatively, submissions may be lodged by fax on (02) 6243 1211 or via e-mail at adjudication@acc.gov.au.

The ACCC requests that you lodge any submission you wish to make by **close of business Friday 25 August 2006**.

As the authorisation process is a public and transparent one, submissions will be placed on the ACCC's Public Register. Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register. If excluded from the public register the ACCC may take that information into account, even though it is not publicly available. Guidelines for making such a request are attached.

A copy of this letter, and the enclosed Notice, will be placed on the ACCC's Public Register.

If you have any questions about this matter please contact Ilona Balint on (02) 6243 1113.

Yours sincerely,

Susan Philp
Director
Adjudication Branch

Master Builders Australia

NT Department of Planning and Infrastructure

Building Commission Victoria

Australian Building Codes Board

Australian Procurement and Construction Council

Master Builders Association of ACT

Master Builders Association of Newcastle

Master Builders Association of Queensland

Master Builders Association of South Australia

Master Builders Association of Western Australia

Master Builders Association of Victoria

Master Builders Association of NSW

Territory Construction Association

Australian Building and Construction Commission

Building Industry Taskforce

Construction, Forestry, Mining and Energy Union

Department of Industry Tourism and Resources

Australian Chamber of Commerce and Industry

Multiplex Limited

Abigroup Limited

Barclay Mowlem

Bovis Lend Lease

Hansen Yuncken

Mirvac Group

Watpac Limited

AVJennings Limited

Balderstone Hornibrook

Grocon Pty Ltd

Kane Constructions Pty Ltd

Leighton Contractors Pty Ltd