

COMMISSION DETERMINATION

Date: 9 APRIL 1979

Members: BANNERMAN (CHAIRMAN)
GILBERT (DEPUTY CHAIRMAN)
HADDAD
PENGILLEY
McCONNELL

TRADE PRACTICES COMMISSION
APPLICATION FOR AUTHORIZATION BY J. SNEDDON
ON BEHALF OF SOUTH AUSTRALIAN MIXED
BUSINESS ASSOCIATION INCORPORATED

Registration No: A6058

File No: A75/1257

The Commission prepared a draft determination in this matter and on 6 March 1979 the determination and the summary of reasons were sent to the applicant in accordance with the provisions of section 90A of the Act.

2. As there was no request for a pre-decision conference and the provisions of section 90A have thus been complied with, the Commission now makes its final determination in accordance with the draft and gives as its reasons for determination the summary of reasons sent with the draft. Authorization is thus granted in respect of application A6058.

3. This determination together with the draft determination and summary of reasons has been placed on the public register.

DATE: 6 MARCH 1979

TRADE PRACTICES ACT 1974

DRAFT COMMISSION DETERMINATION
AND SUMMARY OF REASONS

APPLICATION FOR AUTHORIZATION UNDER SECTION 88(1)
ON BEHALF OF SOUTH AUSTRALIAN MIXED BUSINESS
ASSOCIATION INCORPORATED

REGISTRATION NUMBER: A6058

FILE NUMBER: A75/1257

THE APPLICATION

This application was made on 30 January 1975 under section 88(1), Trade Practices Act, by J. Sneddon on behalf of South Australian Mixed Business Association Inc. (SAMBA) and was granted interim authorization as at 31 January 1975. The applicant was notified of the interim authorization on 21 March 1975. The subject of the application is the circulation of suggested price lists among members of the Association for a wide range of goods such as groceries and smallgoods; cakes; tobacco products; confectionery; stationery; ice cream; soft drinks; pies; sandwiches and rolls.

2. The Association has about 1270 members. In the case of most of those members, their operations consist of husband, wife and perhaps a casual worker or two during busy periods. Only 9 members are also members of grocery groups and they are said to adhere to prices recommended by their respective groups which would be generally lower than the Association's suggested prices.

EFFECT ON COMPETITION

3. The Association states that its members have about 5% of the market in South Australia. The most recent estimates of market shares published by Retail World in December 1978 are as follows:-

Associated Co-operative Wholesalers (A.C.W.) Group	:	56.8%
Woolworths	:	20.4%
Coles	:	16.4%
Central Provision Stores	:	2.8%
Others (includes SAMBA members)	:	3.6%

A few of the Association's members in addition to the 9 grocery group members would be included in the A.C.W. figure but it is quite clear that members of the Association collectively account for a small share of the market.

4. The Commission has considered a similar application by Retail Confectionery and Mixed Business Association of Victoria (RCMBA) (Registration No. A4006, File No. A74/9). The Commission did not view RCMBA recommended price arrangements as substantially lessening competition. The competitive position of SAMBA in South Australia is understood to be similar to that of RCMBA in Victoria in all material respects. The Commission similarly considers that the suggested price arrangements of SAMBA does not substantially lessen competition.

PUBLIC BENEFIT

5. The Commission considered the public benefits of the RCMBA arrangements in that determination, a copy of which is attached, and granted authorization to that application. As mentioned in paragraph 4 above, the members of SAMBA are understood to be in a similar position to those of RCMBA in all material respects. They compete more by way of convenience, service and after hours trading than on price. The Commission considers that the principles applicable to the RCMBA application are equally applicable to this application.

CONCLUSION AND DRAFT DETERMINATION

6. The Commission considers that the requirements of section 90(7) of the Act are satisfied and proposes to grant authorization under section 88(1) to J. Sneddon on behalf of South Australian Mixed Business Association Incorporated to circulate suggested price lists for goods ordinarily sold by members of that organisation.