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Urgent FAX

Your **VOICE** on advertising matters

To:	Mr Scott Gregson	**From:**	Collin Segelov
			AANA
Company:	ACCC	**Date:**	18/10/2006
Fax:	02 6243 1211	**Pages:** 3	
Re:	Municipal Association of Victoria	**CC:**	

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Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

18 October 2006

Dear Mr Gregson

Municipal Association of Victoria - Application for Authorisation

I refer to the application for authorisation lodged with the Commission by the Municipal Association of Victoria (**MAV**) on behalf of a number of Victorian Councils.

For the reasons set out in more detail below, the Australian Association of National Advertisers (**AANA**) does not consider that the Commission should grant the MAV's request for an interim authorisation because the MAV has not established any compelling reason why interim authorisation is needed.

In these circumstances, the AANA does not consider that it would be appropriate for the Commission to grant MAV's request for interim authorisation.

About the AANA

The AANA is the peak advertising industry body representing the rights and responsibilities of Australia's major advertisers and their industry partners.

The association was formed in 1928 by a group of 12 concerned advertisers with a shared aim and objective - to promote and safeguard the advertising interests of its members and to ensure that ethical standards are upheld through the management of the industry's self-regulation system, implemented today through the Advertising Standards Bureau in Canberra.

The AANA membership has grown to include marketing service providers and advertisers as well as Australia's major advertisers, and represents the interests of companies responsible for 85% of Australia's annual expenditure on national advertising and marketing communications which topped $25 billion in 2005.

The AANA encourages competition and diversity of choice in advertising media for its members. The AANA is concerned that the effect of the MAV's application for authorisation would be to limit competition and diversity in advertising, which would in turn have the effect of increasing advertising rates.

MAV's request for interim authorisation

The application for authorisation states that interim authorisation is sought as a matter of urgency to cover the conduct of MAV and the Councils from the date of the application because "it is intended" that the conduct of MAV and the Councils be approved prior to the tender being lodged.

However, the application does not:

- establish that interim authorisation is necessary in order for MAV and the Councils to be able to proceed with the proposed conduct in the intended time frame;

- provide any reasons why the tender has to be let by March 2007;

- establish why, even if the interim authorisation is necessary, it was not realistically possible for the application to have been lodged earlier and so have avoided the need for an interim authorisation.

The AANA does not see why any necessary pre-tender work by the MAV and Councils could not be agreed subject to authorisation by the Commission (if final authorisation is granted by the Commission), ie there is a real question as to the necessity of the grant of an interim authorisation.

Further, the AANA notes that the MAV states in the application that the tender is *unlikely* to be let *before* March 2007. The MAV does not state that the tender must be let by March 2007. Indeed, it would appear that the MAV and the Councils have until at least July 2007 to let the tender, which should provide the MAV and the Councils with sufficient time without the need for an interim authorisation.

In conclusion, the AANA notes that the Commission will only grant interim authorisations in special circumstances, and the AANA does not consider that the MAV has established any such circumstances in its application.

Yours sincerely,

Collin Segelov
Executive Director