

SunbeamFoodsGroup Limited

To: Mr Gavin Jones
Director
Australian Competition and Consumer
Commission

Fax: (03) 9663 3699

Copy: Mr Scott Gregson
General Manager
Australian Competition and Consumer
Commission

Fax: (02) 6243 1211

From: Richard Findlay

Date: 26th November 2007

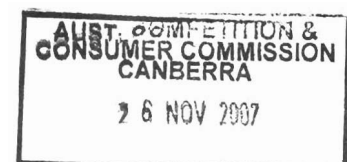
Re:

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Victorian Farmers Federation (Sunraysia Branch) application for collective bargaining – A91064

Please see attached.



SunbeamFoodsGroup Limited

26th November 2007

Mr Gavin Jones
Director
Adjudication Branch
ACCC
GPO Box 520
MELBOURNE VIC 3001

By Facsimile: 03 9663 3699

Dear Mr Jones

Victorian Farmers Federation (Sunraysia Branch) – Application for collective bargaining – A91064

Thank you for your letter of 14 November 2007 forwarding me the Commission's draft decision in the above matter. Sunbeam will not be calling a pre-decision conference but will attend if one is called.

Sunbeam has little to add to what it has already submitted to the Commission in the pre draft period. However it does want to stress a few important issues.

Sunbeam, as the main processor that will be targeted by the VFF, will not engage in collective bargaining with the VFF. It regards the VFF as irrelevant in its dealings with growers. Sunbeam, nor Angas Park, have ever dealt with the VFF and note that the VFF have only a hand full of grower members.

Sunbeam will continue with its Consultative Committee processes set up in 2004 in conjunction with the Australian Dried Fruit Association and its members. Through that and through individual discussions with growers, growers have ongoing input into Sunbeam's contracts.

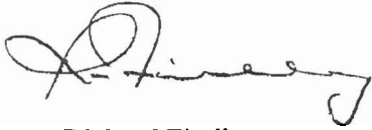
Sunbeam does not see the collective bargaining authorisation as having any benefit in relation to those growers contracted to Sunbeam or who may be contracted to Sunbeam in the future. The authorisation is largely futile.

The Commission has accepted that there is a public benefit in the application. Sunbeam asks what is the public benefit in a factual situation where there will be no collective bargaining and where the applicant has no history of negotiating for growers in this industry. The factual and the counter factual have the same outcome.

Ultimately this authorisation is about getting better prices for VFF members. The authorisation will not deliver that. In fact prices paid to growers are rising fast now due to international factors. For the top grades of major varieties of sultanas prices are now up \$470 a tonne or 35% on last year for Sunbeam contracted growers.

Should you require any further information please feel free to contact me.

Yours sincerely



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Chief Operating Officer

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