



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2008/850
Contact Officer: Monica Bourke
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18 June 2008

Ms Kathryn Edghill
Partner
Addisons
Lawyers
Level 12, 60 Carrington St
Sydney NSW 2000

By email: Kathryn.Edghill@addisonslawyers.com.au

Dear Ms Edghill,

**Authorisation Application lodged by Dairy Farmers Milk Co-operative Limited
(DFMC) and Australian Co-operative Foods Limited (ACF)
[A91089 & A91090]
- request for interim authorisation**

I refer to the applications for authorisation lodged by Dairy Farmers Milk Co-operative Limited (DFMC) and Australian Co-operative Foods Limited (ACF) on 22 May 2008, and the request for interim authorisation.

DFMC and ACF requested interim authorisation to continue to engage in the conduct while the authorisation application is considered by the Australian Competition and Consumer Commission (the ACCC) should the ACCC not have made a final determination by the time any sale of ACF is completed.

The ACCC has considered the request for interim authorisation and notes that the legal protection provided by interim authorisation for both existing and future supply contracts is not needed until DFMC and ACF cease to be related bodies corporate. Until this time, DFMC and ACF are able to continue with the current arrangements without the need for interim authorisation.

The ACCC notes DFMC's advice that the proposed sale process will be ongoing for some months. The ACCC therefore considers it more appropriate to assess the request for interim authorisation when the sale of ACF is imminent should this come at a time before the ACCC has issued its final determination. In this regard, I would appreciate your ongoing advice on the progress of the sale.

The ACCC's decision not to grant interim authorisation at this time should not be taken to be indicative of whether or not final authorisation will be granted by the ACCC.

The ACCC understands that it is important for DFMC, ACF, farmer members and bidders for ACF to obtain the certainty of a final determination in respect of the applications as soon as possible. To this end, the ACCC is continuing to assess the substantive applications as expeditiously as possible.

Next steps

For your information, the next step in the process is for the ACCC to release a draft determination which will take account of any submissions from DFMC and ACF and interested parties and will indicate the ACCC's preliminary views on the merits of the applications. The ACCC will provide both DFMC and ACF and interested parties with the opportunity to provide a further submission on the draft determination before the ACCC issues its final decision.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Monica Bourke on (02) 6243 1351.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Richard Chadwick', with a long horizontal line extending to the right.

Dr Richard Chadwick
General Manager
Adjudication Branch