



24 June 2010

**Agsafe Limited - application for authorisation A91234
– request for interim authorisation**

REASONS

DECISION

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation with respect to application for authorisation A91234 lodged by Agsafe Limited (Agsafe) on 1 June 2010.

Interim authorisation commences immediately and will remain in place until the date the ACCC's final determination comes into effect or unless revoked.

THE APPLICATION

Agsafe is seeking authorisation to continue to operate the Agsafe Accreditation and Training Program (the Program), an accreditation scheme for persons and premises involved in the storage, handling and distribution of agricultural and veterinary (agvet) chemicals.

Under the proposed conduct, Agsafe can impose trading sanctions on any person that does not achieve accreditation through the Program or attempts to trade in agvet chemicals with such persons.

Agsafe is seeking authorisation for a period of three years. Agsafe submits that within this period it will transition from use of sanctions to an incentive-based scheme.

Further information regarding the application is available on the ACCC's public register at www.accc.gov.au/AuthorisationsRegister.

THE AUTHORISATION PROCESS

The ACCC can grant immunity from the application of the competition provisions of the *Trade Practices Act 1974* (the Act) if it is satisfied that the benefit to the public from the conduct outweighs any public detriment. The ACCC conducts a public consultation process to assist it to determine whether a proposed arrangement results in a net public benefit.

INTERIM AUTHORISATION

Section 91 of the Act allows the ACCC to grant interim authorisation without making a decision on the merits of the application.

The ACCC will only grant interim authorisation in appropriate circumstances. In many circumstances it is not appropriate to do so because interim authorisation allows an applicant, for a limited period, to engage in conduct before the ACCC has been able to fully assess whether the conduct satisfies the authorisation test.

CONSULTATION

Upon receipt of the application for authorisation on 1 June 2010, the ACCC invited submissions from interested parties in order to consider the request for interim authorisation. The ACCC received ten submissions in relation to the request for interim authorisation, from a variety of industry bodies and government agencies. All ten submissions supported Agsafe's application for interim authorisation.

REASONS FOR DECISION

In assessing the request for interim authorisation, the ACCC considered that:

- granting interim authorisation for the proposed arrangements will maintain the status quo while the ACCC undertakes its public assessment of this application for authorisation, and
- denying interim authorisation may result in a decline in the safety and regulatory compliance of the storage, handling and distribution of agvet chemicals in Australia.

RECONSIDERATION OF DECISION

The ACCC may review its decision on interim authorisation at any time. The ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted.