



**Australian
Competition &
Consumer
Commission**

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Our Ref: 42624
Contact Officer: Lauren Roy
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30 July 2010

[Name]
[Title]
[Organisation]

Dear [Name]

**Liquor Stax Australia Pty Ltd application for authorisation A91237
- interim authorisation decision**

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation in respect of the application for authorisation lodged by Liquor Stax Australia on 30 June 2010. A copy of the ACCC decision is attached.

Interim authorisation protects the arrangements for which authorisation is sought from legal action under the relevant provisions of the *Trade Practices Act 1974* while the ACCC considers and evaluates the merits of the application.

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 Liquor Stax and interested parties and will indicate the ACCC's preliminary views on the merits of the application. The ACCC will give both Liquor Stax and interested parties the opportunity to provide a further submission on the draft determination before the ACCC issues its final decision.

As noted in the attached decision, the ACCC may review its decision on interim authorisation at any time. In this regard the ACCC will reconsider this decision at the time of issuing its draft determination. 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 by the ACCC.

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 Lauren Roy on (03) 9290 1823 or David Seccombe on (02) 6243 1394.

Yours sincerely

Dr Richard Chadwick
General Manager
Adjudication Branch

**Interested parties informed of decision to approve interim authorisation
A91237 Liquor Stax Australia Pty Ltd**

CGU Workers Compensation (NSW) Ltd
Distilled Spirits Industry Council of Australia
Foster's Group Ltd



28 July 2010

Liquor Stax Australia – application for authorisation A91237 – request for interim authorisation

REASONS

DECISION

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation in respect of the application for authorisation lodged by Liquor Stax Australia on 30 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

Liquor Stax is seeking authorisation, on behalf of around 200 small businesses comprising liquor merchants and hotels, to collectively bargain with around 60 suppliers of inputs such as alcohol, cigarettes, poker machines and confectionery as well as services such as advertising, insurance and communications.

Liquor Stax proposes to collectively negotiate the following terms with suppliers:

- price
- terms of supply
- settlement discounts
- product development
- joint advertising and marketing
- distribution.

The applicants are seeking authorisation for a period of five years. Member participation in any given transaction is voluntary and imposes no restrictions on a member's choice of suppliers.

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, the ACCC invited submissions from interested parties in order to consider the request for interim authorisation. No submissions in relation to the request for interim authorisation were received by the ACCC.

REASONS FOR DECISION

In granting interim authorisation the ACCC has taken into account that granting interim authorisation will avoid disruption to the business of Liquor Stax and its members while the substantive application for authorisation is assessed.

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.