



**Australian
Competition &
Consumer
Commission**

Our Ref: C2011/266
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4 August 2011

Mr David Losberg
Policy Manager
Australian Dairy Farmers Ltd
Level 2, Swann House
22 William Street
Melbourne VIC 3000

Dear Mr Losberg

**Australian Dairy Farmers Ltd application for re-authorisation A91263
– final determination**

The Australian Competition and Consumer Commission (the ACCC) has issued a determination in respect of the application for re-authorisation lodged by Australian Dairy Farmers Ltd on 8 March 2011.

A copy of the ACCC's determination is attached, including a summary of its reasons. For the reasons set out in its determination, the ACCC has decided to grant re-authorisation for 10 years. The ACCC's assessment is set out in Chapter 4 of its determination.

Application for review

Pursuant to section 101 of the *Competition and Consumer Act 2010* (the Act), a person dissatisfied with this determination may apply to the Australian Competition Tribunal for its review. An application for review must be made within 21 days of the date of this determination; that is, on or before 25 August 2011. If no application to review is lodged by this date, the ACCC's determination will come into force on 26 August 2011.

An application for review of the ACCC's determination should be lodged directly with the Australian Competition Tribunal. The Australian Competition Tribunal is a separate body from the ACCC and is located within the Federal Court of Australia.

For further information about the process involved in reviewing decisions in the Australian Competition Tribunal please refer to the tribunal's website located at <http://www.competitiontribunal.gov.au/>.

When authorisations expire

Towards the end of the period of authorisation, the holders of an authorisation may either:

- apply for a new authorisation for the conduct or apply to revoke and substitute the existing authorisation or
- stop the conduct (unless they consider that the conduct no longer risks breaching the Act).

Upon receipt of an application for 're-authorisation', the ACCC will assess the arrangements afresh – namely, it conducts a public consultation process to help assess the public benefits and public detriments that are likely to result from the arrangements.

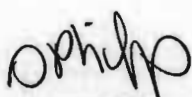
While the ACCC will consider any application for re-authorisation based on the circumstances at that time, in many cases, this assessment can be informed by whether the proposed public benefits and potential detriments were realised during the previous term of authorisation.

Should Australian Dairy Farmers consider it likely that it will seek re-authorisation of these collective bargaining arrangements in the future, the ACCC expects you to collect evidence of the public benefit and detriment outcomes produced by these arrangements during the period of authorisation. For example, evidence of improved input into contracts by dairy farmers, transaction cost savings, reductions in information asymmetries, and any new marketing opportunities resulting from authorisation.

Such information should then be provided to the ACCC in support of any future application for re-authorisation.

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 Hew Atkin on (02) 6243 4938.

Yours sincerely



Susan Philp
Director
Adjudication Branch