



**Australian
Competition &
Consumer
Commission**

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February 2011

Lennard Brajkovich OAM, JP
President
Western Australian Broiler Growers' Association
51 Swan Road
Middle Swan
Western Australia 6056

BY EMAIL: lenbrako@iinet.net.au

Dear Mr Brajkovich

**West Australian Broiler Growers' Association application for authorisation A91262
- request for interim authorisation**

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation in respect of the application for authorisation lodged by the Western Australian Broiler Growers' Association (WABGA) on 8 February 2011. A copy of the ACCC's decision is attached.

Interim authorisation protects the arrangements for which authorisation is sought from legal action under the relevant provisions of the *Competition and Consumer Act 2010* while the ACCC considers and evaluates the merits of the application.

In particular, the ACCC grants interim authorisation for Western Australian chicken growers to collectively bargain with the chicken processors for whom they grow, namely Inghams Enterprises, Baiada Poultry or Finesse Fine Foods.

The WABGA has advised the ACCC that it is intended that:

- growers will form bargaining groups based on the processor for whom they grow, with collective bargaining to occur on a processor by processor basis
- no participant in, or advisor to, any grower bargaining group will have any involvement with any other bargaining group in sharing knowledge about the bargaining process or outcomes and/or provide any other assistance in relation to contract negotiations to any other bargaining group
- the matters set out in annexures A and B of WABGA's application, which include a contract negotiation process and details about contract terms and conditions are intended to be indicative only and all matters in relation to the manner in which collective bargaining will be undertaken and the form of any contracts will be open to negotiation between the parties and will not be mandatory.

The ACCC has granted interim authorisation on the basis of the information provided by the WABGA about the way it is intended that the arrangements will operate.

Were WABGA members to act other than in accordance with this intent, the ACCC would review the interim authorisation.

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 the WABGA and interested parties and will indicate the ACCC's preliminary views on the merits of the application. The ACCC will give both the WABGA 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 Peter Eynaud on 03 9290 6977.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch