
Adjudication

Authorisations

The Commission has the function, through the authorisation process, of adjudicating on proposed mergers and certain anti-competitive practices that would otherwise breach the Trade Practices Act.

Authorisation provides immunity from court action, and is granted where the Commission is satisfied that the practice delivers offsetting public benefits.

Interim authorisation

National Electricity Market 1 Stage 1

In relation to transitional National Electricity Market arrangements (A90601-12)

- Interim authorisation granted 5 March 1997

On 23 December 1996 TransGrid, VPX and other NSW and Victorian applicants lodged an application for authorisation of National Electricity Market 1 Stage 1 (NEM1 Stage 1) arrangements.

The purpose of NEM1 is to harmonise the respective wholesale electricity markets of New South Wales and Victoria and allow interstate trade on a commercial basis. The Commission sees these arrangements as bringing the participating jurisdictions closer to implementation of the National Electricity Market which is to be regulated by the National Electricity Code.

The NEM1 arrangements are to be introduced in two stages. NEM1 Stage 1 involves:

- the progressive introduction of interstate trade in electricity;

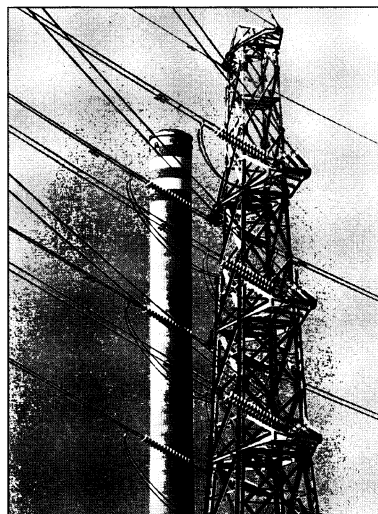
- system security under the control of TransGrid in New South Wales and the Australian Capital Territory and VPX in Victoria; and
- trading of energy from the Snowy scheme in accordance with the existing entitlement arrangements.

It is expected that NEM1 Stage 2 will be brought to the Commission for authorisation in April 1997 for implementation in July 1997. Stage 2 will involve:

- full interstate trade in electricity;
- system security jointly administered by TransGrid and the VPX; and
- trading of energy from the Snowy being managed by one entity.

On 5 March 1997 the Commission granted interim authorisation to the NEM1 Stage 1 arrangements.

It is envisaged that transitional arrangements for NEM1 Stages 1 and 2 will be short-lived, and that the National Electricity Code will be fully implemented in early 1998.



Draft determination

AW Tyree Transformers Pty Limited and Wilson Transformer Company Pty Ltd

*In relation to a joint marketing agreement for
the supply of distribution transformers
(A30178-9)*

- Draft determination proposing to grant authorisation issued 11 February 1997

On 1 November 1996 AW Tyree Transformers Pty Limited and Wilson Transformer Company Pty Ltd lodged two applications for authorisation in relation to a proposed joint marketing agreement to provide for the joint tender and supply of distribution transformers.

The applications contained provisions which might have constituted a breach of s. 45 of the Act.

According to the applicants the joint marketing agreement is a competitive response by two long-term participants to changes in the electricity supply industry. The agreement will allow Tyree and Wilson to offer bids in the one envelope where it appears likely that range B transformers will be linked to range A or C or D in utility contracts in Australasia and the utility customer wishes to purchase from only one supplier.

The Commission considered the public benefits to outweigh any anti-competitive detriment associated with the agreement.

On 11 February 1997 the Commission issued a draft determination proposing to grant authorisation in relation to the applications.

Notifications

Under the Act, immunity from legal proceedings is available for exclusive dealing conduct, including third line forcing, when notification is given to the Commission. Exclusive dealing conduct, except third line

forcing, gains immediate and automatic immunity when notified to the Commission. In the case of third line forcing, immunity comes into force at the end of the prescribed period from the time the Commission receives the notice. Immunity remains unless revoked by the Commission.

Notifications considered

Fred Hosking Pty Ltd (N30721) (Allowed to stand)

Purchase of stationery for speedprint printing system.

FAI General Insurance Company Ltd (N30736) (Allowed to stand)

Offer of insurance covering the costs of litigation for liquidators and trustees in bankruptcy on condition that the insured obtain legal services from a nominated legal counsel provider (third line forcing).

GIO General Ltd (N30737) (Allowed to stand)

Bundling of insurance products for premium discounts (third line forcing).

Graham and Company Limited (N50091) (Allowed to stand)

Proposed lending by Graham and Company Ltd to clients using shares as security on condition the clients enter into CHESSE sponsorship arrangements with a subsidiary of Graham and Co Ltd (third line forcing).

Australian Independent Retailers (N90360) (Allowed to stand)

Third line forcing in supply of discounted petrol.

Equity Margins Ltd (N90358) (Allowed to stand)

Security for uncertificated shares.

Sibalo Pty Ltd (N90357) (Allowed to stand)

Third line forcing re mobile phone services.

United Energy Ltd (N90359) (Allowed to stand)

Third line forcing re mobile phone services.

Alfa Laval Agri Pty Ltd (N90362) (Allowed to stand)

Entering into dealership agreement with Cape Country Rural & Garden Pty Ltd in relation to the supply of dairy milking equipment.

Cape Country Rural and Garden Pty Ltd (N90361) (Allowed to stand)

Entering into agreement with Alfa Laval Agri Pty Ltd in relation to the supply of dairy milking equipment.

Agri Tech (TAS) Pty Ltd (N90363) (Allowed to stand)

Entering into agreement with Alfa Laval Agri Pty Ltd in relation to the supply of dairy milking equipment.

Alfa Laval Agri Pty Ltd (N90364) (Allowed to stand)

Entering into dealership with Agri Tech (TAS) Pty Ltd in relation to the supply of dairy milking equipment. Also an offer of a dealership (subsequently rejected) to United Milk Tasmania Rural Pty Ltd on the same terms.

Optus Vision Pty Ltd (N90365) (Allowed to stand)

Offer of a \$40 allowance to subscribers of Optus Vision pay TV services, toward 1997 membership fees of Essendon, North Melbourne or Collingwood Football Clubs.