



A.C.C.C. NOT TO OPPOSE THE ACQUISITION OF GIPPSLAND SALEYARDS BY VICTORIAN LIVESTOCK EXCHANGE

The Australian Competition and Consumer Commission will not oppose recent saleyard acquisitions by Victorian Livestock Exchange Ltd (VLE), ACCC Chairman, Mr Graeme Samuel, said today.

"The ACCC has now reached the view that the existence of alternative saleyard facilities in the Victorian Gippsland region, particularly Warragul and Bairnsdale, and to a lesser extent the potential and existing use of alternative livestock selling methods would provide a degree of competitive constraint on VLE".

The acquisitions included the Sale and Korumburra saleyard businesses and Yarram saleyard property.

On 15 June 2006 the ACCC issued a Statement of Issues in relation to the acquisitions which invited further information and comment on the provision of saleyards and saleyard services in the Gippsland region and across Victoria.

Market responses confirmed that regular users of saleyard services, including agents, buyers and some large sellers, are able to exercise countervailing power in their dealings with VLE.

"This was one of the important factors which led the ACCC to decide not to intervene in the VLE acquisitions", Mr Samuel said.

Other responses indicated that consolidation in the industry, along with a higher standard of service, would be likely to attract more livestock buyers and sellers, making the auction system more competitive.

However, responses also raised concerns about the lack of capacity at VLE's newly refurbished Koonwarra saleyard (VLE Leongatha) once the Korumburra business is transferred, and a likely increase in expenses for livestock producers (saleyard fees and transport costs) to use the alternative Koonwarra facility.

Some concern was expressed about the initial sale process of the Korumburra saleyard facility by the South Gippsland Shire Council. However, this issue did not fall under the ACCC's scope for assessment under section 50 of the *Trade Practices Act 1974*.

VLE owns and/or operates saleyards at Pakenham, Koonwarra (Leongatha), Traralgon and Yarram and provides other livestock services throughout Gippsland and neighbouring regions.

A Public Competition Assessment will be available on the ACCC's website, www.accc.gov.au, later.

Media inquiries

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