
From: Darryl Wilson
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To: Adjudication
Subject: Collective bargaining class exemption - submission

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I have a rental car business called **Family Car Rentals** with two outlets: (<https://www.familycarrentals.com.au>)

Gold Coast Family Car Rentals at Burleigh Heads in the Gold Coast (5 permanent employees, plus 2 principals) and Northern Beaches Family Car Rentals at Newport in Sydney (2 principals)

Northern Beaches Family Car Rentals is the first of an intended line of franchisees.

I have extensive franchising experience within the motor vehicle retailing and insurance brokerage industries and I am currently the vice-chairman of the Rental Vehicle Industry Division of the Motor Trader's Association of QLD.

I have recently been considering either an application or notification for collective bargaining on behalf of small rental companies in dealing with motor vehicle insurers.

Generally, motor vehicle insurers use a major national company as the preferred supplier of temporary replacement vehicles when the insurer is required to provide such a facility – this is on the basis of “it’s easier to deal with one organisation, rather than a lot”.

The effect is that whilst the national operators can cover the whole country, they are not necessarily effective at a micro level where proximity of the rental office to a consumer without a car can become an issue. I have not yet moved on this matter and I expect not to do so until October or November 2018.

I now offer my comments on the matters that you have asked us to consider:

Determining a basis for class exemption:

I understand the ACCC's concern for not making a class exemption for large organisations, however the arbitrary creation of a size ceiling may produce some unfair outcomes.

I think that a direct involvement of 20 people, including principals and a turnover of less than \$10million are both workable and easily measurable.

Whether the value of the contract is a good marker, is not so clear in my mind. I can envisage that there would be many circumstances where at the commencement of negotiations, outcomes may not be known. It seems that anyone could comply with this by simply downgrading their (disclosed) expectations.

My clear preference would be that class exemption should apply where the numeric majority of intended participants had either less than 20 people or less than \$10 million in turnover. This would still be controlled by the requirement to demonstrate no lessening of competition and public benefit.

As a franchisor, I would have no problem with a class exemption being granted to all franchisees irrespective of size. In fact, if I were approached by a group of franchisees to discuss a particular issue, I would very much prefer to have all franchisees who could be affected by the issue participate in the negotiations.

Do I suggest that the ACCC make it compulsory for the group seeking class exemption to be fully representative of those who could be affected?

I don't think so, given that the franchisor has the right of refusal of participation, so if it is an issue in any particular example, there is already a solution built in.

Darryl Essington-Wilson
Essington-Wilson Family Group Pty Ltd
P.O. Box 592
MUDGEERABA QLD 4213