



**Australian
Competition &
Consumer
Commission**

Our Ref: C2010/426
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14 May 2010

Mr Les Hadley
Group Manager Operations Tasmania
Inghams Enterprises Pty Ltd
PO Box 21
SORELL TAS 7172

Dear Mr Hadley

**Collective Bargaining Notification lodged by the
Tasmanian Chicken Growers Association**

I refer to the above collective bargaining notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 22 April 2010.

I am writing to inform you of the outcome of the ACCC's assessment of the notification.

The notified conduct

The Tasmanian Chicken Growers Association (TCGA), on behalf of its six chicken grower members, proposes to negotiate with Inghams Enterprises Pty Ltd (Inghams), the terms and conditions of grower contracts, including a grower fee.

The arrangement does not involve a collective boycott.

The immunity conferred by the notification commenced on 6 May 2010.

Previous arrangement

On 8 December 2003, Inghams on its own behalf and on behalf of Tasmanian chicken growers lodged an application for revocation of authorisation A90659 and substitution with authorisation A90888 to continue to collectively negotiate the terms and conditions of chicken grower agreements between Inghams and chicken growers. Authorisation was granted on 19 May 2004 for six years. The authorisation expires on 9 June 2010.

Notification CB00142 relates to the same collective bargaining arrangement and target as authorisation A90888, however the composition of the group has changed.

ACCC consideration

The ACCC may revoke the immunity provided by a collective bargaining notification, at any time, if the ACCC considers the relevant tests in section 93AC are satisfied.

Generally, if the ACCC concludes that the benefit to the public likely to result from the collective bargaining arrangement will not outweigh the detriment to the public, the ACCC can remove the immunity provided by the notification.

The ACCC considers the collective bargaining arrangement may result in public benefits in the form of transaction cost savings and may allow the participants to have more effective input into grower contract terms and conditions.

Further, the ACCC considers that the potential for anti-competitive detriment is limited, in particular by the size of the collective bargaining group and the voluntary nature of the arrangement for both Inghams and participants of the group. The arrangements do not include a collective boycott.

On the basis of the information available, the ACCC considers that the likely benefit to the public from the collective bargaining arrangement will outweigh the anti-competitive detriment to the public. The ACCC does not intend to take any further action in relation to the notification at this stage.

A copy of 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 Gina D'Ettorre on 03 9290 1483.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch