

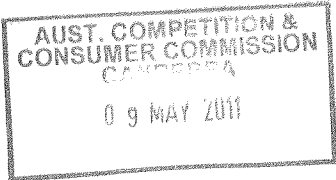
4 May 2011

Dr. Richard Chadwick  
 General Manager  
 Adjudication Branch  
 Australian Competition & Consumer Commission  
 GPO Box 3131  
 CANBERRA ACT 2601

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Dear Dr Chadwick,

### Our meeting on 14 April 2011

We appreciated the opportunity to meet with you and your colleagues on 14 April 2011 at your offices in Sydney. As you are aware the NSW Farmers' Association represents a substantial number of dairy farmers across all regions in New South Wales.

During our meeting we discussed a number of matters including the existing and proposed Authorisation that allows dairy farmers to negotiate (lawfully) on a collective basis subject to certain Conditions set out in the Authorisation itself.

We welcome the chance to comment briefly on one of these existing Conditions which we think needs to be slightly modified to ensure dairy farmers are not unfairly disadvantaged in contract negotiations. Our comments in respect of this Condition are outlined below:

### Condition 1

Existing Condition 1 states as follows:

*"Collective bargaining groups may be represented by a member (or members) of the collective bargaining group or by (one or more) third parties. However, a collective bargaining group must not be represented by the ADF or by a third party who represents or has represented another collective bargaining group in the previous 2 years."*

We propose an alternative version of this Condition 1 as follows (the underlining is ours):

*"Collective bargaining groups may be represented by a member (or members) of the collective bargaining group or by (one or more) third parties. However, a collective bargaining group must not be represented by the ADF or by a national and / or state-wide dairy or farm group, such as associations, who represents or has represented another collective bargaining group in the previous 2 years."*

Briefly we believe the Condition should be modified as set out above for the following reasons:

1. The Condition as presently drafted might have the unintended effect of preventing a collective bargaining group from obtaining legal or other professional advice and assistance. These services are available to processors who may have relationships with a range of farmers and collective bargaining groups.
2. Professionals such as legal practitioners are subject to their own professional obligations (e.g. client confidentiality) which limit information sharing.

3. The proposed amendments reflect the recommendation raised (para. 11.14 of the 2006 Determination) by processors such as National Foods in relation to representation of collective bargaining groups.

As we also raised during the meeting, the ability of third parties such as a industry associations to provide support services (e.g. negotiation training and/or administrative support) to collective bargaining groups could improve the functionality of these groups and provide greater benefits to the supply chain. The Association notes the commentary in the existing Authorisation at paragraph 11.16 which is set out below:

*The ACCC also considers that industry associations and third party experts can add significant value to a collective negotiation process, for example by improving the negotiation skills of dairy farmers or by providing high level of administrative or secretariat support to the group.*

The Association submits that paragraph 11.16 of the Authorisation confirms the ACCC's intention that industry associations should not be prevented from providing practical support to its members in the context of contract negotiations. The Association will be providing this kind of support to its dairy farmer members over the coming months.

If you have any further questions please feel free to contact me on 8251 1876.

Yours sincerely



Angus Gidley-Baird  
**Policy Manager, Livestock**