



**Australian
Competition &
Consumer
Commission**

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30 August 2012

Dear Sir/Madam

**Collective Bargaining Notifications CB00208-CB00226 lodged by
Remote Retail Services Pty Ltd – request for submission**

The Australian Competition and Consumer Commission (the ACCC) has received collective bargaining notifications from Remote Retail Services Pty Ltd (Remote Retail Services). Remote Retail Services proposes to collectively bargain on behalf of six independent remote indigenous stores with 19 wholesale suppliers of groceries, petrol and other goods.

The purpose of this letter is to ask for your comments on the collective bargaining notifications lodged by Remote Retail Services on behalf of the six remote stores.

Collective bargaining notification process

The ACCC is the Australian Government agency responsible for administering the *Competition and Consumer Act 2010* (the Act). The broad objective of the Act is to benefit all Australians by promoting competition and to ensure consumers are treated fairly.

The competition provisions of the Act prohibit certain forms of anti-competitive agreements or conduct including agreements which typically occur during collective bargaining.

Collective bargaining refers to an arrangement where one or more competitors in an industry come together to negotiate terms and conditions (including price) with a supplier or a customer.

While the Act prohibits certain forms of anti-competitive conduct, it does recognise that conduct which may otherwise breach the Act may, in some circumstances, be of benefit to the public. The Act accordingly allows businesses that are considering engaging in anti-competitive arrangements to seek immunity from legal action. One way businesses may obtain immunity to engage in collective bargaining and collective boycott conduct that may be at risk of breaching the Act is to lodge a notification with the ACCC.

Once a notification has been validly lodged with the ACCC, immunity from legal action in respect of the notified conduct commences 14 days after the notification was lodged, unless

the ACCC issues a draft objection notice proposing to prevent the immunity coming into effect.

The ACCC may proceed to remove the immunity provided by a collective bargaining notification where it is satisfied that the likely benefit to the public from the proposed conduct will not outweigh the likely detriment to the public from the proposed conduct.

Collective bargaining notifications lodged by Remote Retail Services

On 27 August 2012, Remote Retail Services lodged collective bargaining notifications on behalf of six independent remote indigenous stores in the Northern Territory and Queensland, namely:

- Arlpuurrulam Community Store
- Haasts Bluff Community Store
- Papunya Community Store
- Hermannsburg Community Store
- Kintore Community Store
- Mt Liebig Community Store.

The 19 targets are wholesale suppliers of groceries, fresh fruit and vegetables, bakery products, beverages (soft drink, milk and juice products), clothing and variety goods, electrical goods, fuel, CDs/DVDs and telecommunications products. A list of the targets is attached to the notifications.

Remote Retail Services proposes to negotiate all terms including:

- price (including payment terms, rebates or discounts)
- delivery charges
- service levels (including quality of goods and services and timeliness of delivery)
- ordering procedures.

Remote Retail Services submits that the arrangements will foster sustainable food security for members of remote communities by:

- facilitating reliable access to items in remote locations
- helping to improve the quality of goods or services supplied, together with the diversity of items made available within the remote community
- helping to achieve more efficient and affordable pricing for the supply of items which will lead to better retail pricing for community members.

Remote Retail Services submits that the arrangements are unlikely to result in any public detriment as:

- the six remote stores do not compete in the retail supply market
- the targets will continue to have access to other wholesalers or consumers
- the remote stores remain free to purchase from suppliers other than the targets
- the arrangements will have no impact on consumers at the retail level and may result in a direct decrease in prices and increase in quality and diversity.

The immunity from legal action provided by notifications CB00208-CB00226 will commence on 10 September 2012 provided the ACCC does not issue a draft objection notice proposing to prevent the immunity coming into effect.

A copy of the collective bargaining notifications lodged by Remote Retail Services is enclosed for your information and is also available from the ACCC's website at www.accc.gov.au/CollectiveBargainingRegister.

Request for submissions

To assist the ACCC in its consideration of the notifications it would be helpful to obtain your comments on the likely public benefits and the likely effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to the notifications lodged by Remote Retail Services, please do so by **COB 6 September 2012**.

Recognising the tight timeframe, if you would like to provide comments orally, please contact Tess Macrae on (03) 9290 1835.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion.

Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register in certain circumstances. Submissions which are excluded from the public register may still be taken into account by the ACCC in conducting its assessment of the notified arrangements. Guidelines for seeking exclusion from the public register are attached for your information.

If you wish to lodge a submission, please send it to adjudication@acc.gov.au or by facsimile on (02) 6243 1211.

Submissions can also be addressed to:

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

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 Tess Macrae on (03) 9290 1835.

Yours sincerely



for Darrell Channing
Director
Adjudication Branch