



**Australian
Competition &
Consumer
Commission**

GPO Box 3131
Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
fax: (02) 6243 1199

www.accc.gov.au

Our Ref: C2012/768
Contact Officer: Tess Macrae
Contact Phone: (03) 9290 1835

21 September 2012

Dear Sir/Madam

**Collective bargaining notifications CB00208 – CB00226 lodged by
Remote Retail Services Pty Ltd**

I refer to the above collective bargaining notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 27 August 2012.

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

The notified conduct

Remote Retail Services Pty Ltd proposes to negotiate terms with targets on behalf of six independent remote indigenous stores in the Northern Territory and Queensland, namely:

- Arlpuurrulam Community Store (Warte Alparayete Aboriginal Corporation)
- Haasts Bluff Community Store (Kanparrka Store Aboriginal Corporation)
- Papunya Community Store (Papunya Store Aboriginal Corporation)
- Hermannsburg Community Store (Lutheran Church of Australia Incorporated)
- Kintore Community Store (Pulikutjarra Aboriginal Corporation)
- Mt Liebig Community Store (Amundurrngu Mt Liebig Community Store Aboriginal Corporation).

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.

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.

The proposed collective bargaining arrangement is voluntary and does not involve a collective boycott.

The immunity conferred by the notifications commenced on 10 September 2012.

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 of the *Competition and Consumer Act 2010* 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 that the proposed collective bargaining arrangement is likely to result in public benefits by enabling the stores to obtain a reliable supply of essential grocery items (and other items), fostering sustainable food security for members of the relevant remote communities.

Moreover, the ACCC considers that the potential for anti-competitive detriment is limited, given the limited number of stores located in different remote communities and the voluntary nature of the arrangement.

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 notifications 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 Tess Macrae on (03) 9290 1835.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal stroke extending to the right.

Dr Richard Chadwick
General Manager
Adjudication Branch