



**Australian
Competition &
Consumer
Commission**

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14 December 2012

Dear Sir / Madam

Collective bargaining notification CB00280 lodged by Victorian Off-Course Agents Association

I refer to the above collective bargaining notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 19 November 2012.

I am writing to inform you of the outcome of the ACCC's assessment of the notification. On the basis of the information available, the ACCC considers that the likely benefit to the public from the collective bargaining conduct 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.

The notified conduct

The Victorian Off-Course Agents Association represents 70 members, who operate stand-alone TAB agencies at 93 locations in Victoria. The Association proposes to negotiate the terms of a Distribution Services Agreement on behalf of its members with Tabcorp Wagering (Vic) Pty Ltd. The proposed collective bargaining arrangement is voluntary and does not involve a collective boycott – that is, TAB agencies can, for example, negotiate their own agreement with Tabcorp Wagering (Vic) Pty Ltd outside the proposed group arrangements.

The immunity conferred by the notification commenced on 3 December 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 in the form of transaction cost savings and by potentially

improving the bargaining strength of TAB agencies and enabling greater input into contract terms which may result in more efficient commercial outcomes.

The ACCC considers that the potential for anti-competitive detriment is limited, including because the collective bargaining arrangement is voluntary for all parties and does not restrict the ability of the parties to compete in other ways such as quality of service.

As stated above, 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 contact Luke Griffin on (02) 6243 1114.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch