

27 June 2012

Tanya Hobbs  
Senior Project Officer Adjudication  
Australian Competition & Consumer Commission  
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Canberra ACT 2601

Email: Tanya.Hobbs@acc.gov.au

Dear Ms Hobbs

## Queensland Newsagents Federation collective bargaining application

We refer to your email dated 7 June 2012 inviting Tatts Group Limited (**Tatts Group**) (of which the Target, Golden Casket Lottery Corporation Limited (**Golden Casket**) is a subsidiary) to provide comments on the application lodged by the Queensland Newsagents Federation (**QNF**) for authorisation to collectively bargain with Golden Casket on behalf of QNF members (**Application**). We also refer to Dr Richard Chadwick's letter dated 19 June 2012 extending the time frame for submissions until 27 June 2012.

We have reviewed the Application and understand that QNF is seeking authorisation in order to conduct negotiations on behalf of its members in relation to the terms and conditions of agency agreements and arrangements with Golden Casket including (amongst other matters) "the impact on current Golden Casket agents when new agencies are being proposed by Golden Casket". For the reasons set out below, Golden Casket is of the view that the proposed conduct will not result in any public benefit and may, in fact, be detrimental as existing agents may have an incentive to deter new entry into the market if they are involved in negotiations regarding new agencies. Accordingly, Golden Casket requests the ACCC to deny the grant of authorisation.

### Members of QNF are already represented in negotiations with Golden Casket

In the Application QNF notes that the ACCC has previously authorised and re-authorised the Lottery Agents Queensland (**LAQ**) to collectively bargain with Golden Casket. Golden Casket notes that many QNF members and QNF directors are also members of LAQ (and in some cases have been members of the LAQ Executive Committee). This already provides a direct avenue for QNF members to express their views on particular matters which are considered by Golden Casket in voluntary negotiations with LAQ.

Golden Casket already negotiates with LAQ in relation to the terms and conditions of agency agreements and arrangements (ie the same matters for which QNF is now also seeking authorisation). Golden Casket believes that authorising another group to collectively bargain with Golden Casket will introduce confusion and complexity into the collective bargaining system. Depending on the matters under consideration, it may be necessary for Golden Casket to have separate meetings with QNF and LAQ which may further complicate the negotiation process rather than providing a single negotiation process which is the underlying principle that the ACCC is striving to achieve (see attachment A of the Application).

Further, Golden Casket is also concerned that situations may arise where QNF seeks to negotiate matters which it has already satisfactorily negotiated with LAQ. This will increase the amount of time spent by Golden Casket in such negotiations and is also likely to result in Golden Casket negotiating the same matters on more than one occasion which again may reduce the efficiency of the collective bargaining system.

Golden Casket believes that where the conduct to be authorised is likely to reduce the efficiency of the collective bargaining system and produces no countervailing benefit, that authorisation of the proposed conduct cannot be justified.

## **Nature of negotiations between Golden Casket and LAQ**

Golden Casket strongly refutes the statement in the Application that Golden Casket "has a reputation of not negotiating and the only way that negotiations might arise is if they are collective". Golden Casket has, and will continue to, consult with LAQ on a range of issues in accordance with the relevant authorisation. In addition, Golden Casket consults widely on other matters with LAQ and with individual agents and seeks feedback from lottery agents through several avenues, including via the call centre and through its retail territory managers. Accordingly, we believe that Golden Casket has a long standing reputation for being consultative and receptive to feedback from lottery agents, including QNF members.

QNF has also commented that *"LAQ is authorised to collectively bargain on behalf of its members but QNF cannot do so legally. This causes a competitive disadvantage between newsagents who provide the same services to Golden Casket but will have differing negotiation facilities. This competitive disadvantage has been exploited"*. Golden Casket strongly disagrees with this statement and believes there is no "competitive disadvantage". QNF members are able to (easily) become members of LAQ which represents its members in respect of all lottery matters and is representative of all lottery agents, including newsagents and non-newsagents.

## **Scope of the proposed conduct**

Golden Casket understands that QNF also wishes to conduct negotiations on behalf of members in relation to the impact on current Golden Casket agents when new agencies are being proposed by Golden Casket. Golden Casket is of the view that authorisation of this conduct will lead to substantial public detriment and may provide another avenue for existing agents to use their influence to deter new entry into the market by opposing the establishment of new agencies. For the reasons discussed above, Golden Casket believes that it is inappropriate for the scope of the conduct to extend to such negotiations.

## **Interim authorisation**

In light of the above, Golden Casket requests that the ACCC does not grant interim authorisation pending its final determination. In the event that the ACCC decides to grant interim authorisation, Golden Casket requests the ACCC to exclude "other issues that may arise from time to time that are currently unforeseen" from the scope of the conduct. Golden Casket believes it is inappropriate to authorise such broad conduct prior to this being considered by the ACCC. If the ACCC grants interim authorisation in respect of this conduct, Golden Casket requests the ACCC to consult it prior to making a final decision on this issue.

If you wish to discuss this letter or require any further information, please contact me on (07) 3877 1115 or by email [bill.thorburn@tattslotteries.com](mailto:bill.thorburn@tattslotteries.com).

Yours sincerely



**Bill Thorburn**  
Chief Executive