

COLLECTIVE BARGAINING NOTIFICATION

Redcliffe Aerodrome Chamber of Commerce Inc.

Section 1 - Information

Notifying party

- 1 Provide details of the notifying party, including:
- 1.1 name, address (registered office), telephone number, and ACN

Redcliffe Aerodrome Chamber of Commerce Inc. ("RACCI") Nathan Road, Redcliffe 4020

Telephone: Nil ACN: Nil

1.2 contact person's name, telephone number, and email address

c/o Claire Forster | Partner
Norton Rose Fulbright Australia
Level 5, 60 Martin Place, Sydney, Australia
Tel | Mob | Fax

1.3 a description of business activities

RACCI is a registered association and is a representative group of the tenants at the Redcliffe Aerodrome (the "RAH Tenants"). Redcliff Aerodrome is located north of Brisbane and is owned and operated by Moreton Bay Regional Council (the "Target").

Each of the RAH Tenants lease the ground that their hangars are on. Most of the tenants have erected their own hangars, at their own cost.

1.4 email address for service of documents in Australia

Details of the notified conduct

2 Indicate what the notified conduct is for:

The notified conduct is for collective bargaining (under s. 93AB) without collective boycott.

- 3 Provide details of the notified conduct including:
- 3.1 a description of the notified conduct

RACCI intends to negotiate with the Target on behalf of the RAH Tenants, in relation to Redcliffe Aerodrome Hangar lease agreements to be entered into between the Target and each of the RAH Tenants (the "**RAH Leases**").

Participation in the notified conduct is voluntary and each party may independently determine whether or not to enter into a lease on the terms negotiated.

3.2 any relevant documents detailing the terms of the notified conduct

No relevant documents.

3.3 the rationale for the notified conduct

Both the Target and the RAH Tenants have agreed that there would be benefit in negotiating common lease terms to apply to the use of the Redcliffe Aerodrome into the future. Indeed, such coordinated negotiations are necessary to enable efficient negotiation of complex lease terms and conditions with a group of small operators so as not to duplicate efforts and spending on legal advice.

The RAH Tenants see benefit in those negotiations covering matters such as tenure (term), rent (price) and other commercial points.

The RAH Tenants are each small businesses and are mostly captive tenants of the Target. Absent collective negotiation, the RAH Tenants will have limited bargaining power in negotiations with the Target.

By negotiating collectively, RACCI (as the representative of all RAH Tenants) and the RAH Tenants expect to negotiate better terms and conditions with the Target, and create efficiencies that could not be achieved individually.

3.4 any time period relevant to the notified conduct

Initial discussions have commenced amongst RAH Tenants and the Target in relation to potential options for legal drafting of the RAH Lease. However, notification to the ACCC is made to permit immediate collective negotiation on these and other commercial matters, including price.

Negotiations are expected to take around three months but there may be residual matters that require further coordination by RACCI. Accordingly it is appropriate that the notification be in place for the usual period of three years.

4 Provide documents submitted to the notifying party's board or prepared by or for the notifying party's senior management for purposes of assessing or making a decision in relation to the notified conduct and any minutes or record of the decision made.

On 15 June 2020, RACCI held a public meeting of RAH Tenants. Out of the 36 RAH Tenants. 30 RAH Tenants attended the meeting and unanimously approved a resolution allowing RACCI to lodge a collective bargaining notification with the ACCC on their behalf. This has not been officially minuted.

5 Provide the names and/or a description of the persons or classes of persons who may be directly impacted by the notified conduct (including targets in collective bargaining or boycott conduct) and detail how or why they might be impacted.

Beyond the Target, RACCI does not expect that other persons will be materially impacted by the notified conduct.

Market information and concentration

Describe the products and/or services, and the geographic areas, supplied by the notifying parties. Identify all products and services in which two or more parties to the notified conduct overlap (compete with each other) or have a vertical relationship (e.g. supplier-customer).

The RAH Tenants are a diverse group of users of the Redcliffe Aerodrome. The Redcliffe Aerodrome hosts over 30 aviation businesses servicing the Moreton Bay region, offering:

- Pilot training
- Charter services
- Scenic flights and tours
- Club for students and pilots
- Aircraft maintenance and refurbishing services

The RAH Tenants also comprise private users and emergency services organisations, and/or businesses that support emergency services, including the Rural Fire Service, Police, Royal Flying Doctor and Australian Defence Force.

The RAH Tenants are independent entities and acquire services of the Target, including leasing and associated use of the aerodrome. To the extent that RAH Tenants acquire these services, they may compete with each other to do so.

7 Describe the relevant industry or industries. Where relevant, describe the sales process, the supply chains of any products or services involved, and the manufacturing process.

As described above and below, the industry immediately impacted by the notified conduct is general aviation industry in the region of the Redcliffe Aerodrome.

8 In respect of the overlapping products and/or services identified, provide estimated market shares for each of the parties where readily available.

There are no relevant market shares of the parties. As noted, the RAH Tenants comprise a variety of users of the Redcliffe Aerodrome, participating in a variety of markets.

9 Describe the factors that would limit or prevent any ability for the parties involved to raise prices, reduce quality or choice, reduce innovation, or coordinate rather than compete vigorously.

South East Queensland Regional Airports (which include Gympie, Sunshine Coast, Caloundra, Toowoomba and Byron Bay airports) offer equivalent services to the services provided by Redcliffe Aerodrome.

Whilst those proximate airports would offer some constraint to the Target, the Target's unique location, business profile and the longstanding, embedded position held with some RAH Tenants, give it a significant market and bargaining power.

As noted above, concerns of countervailing power of the Target puts individual RAH Tenants at a significant bargaining disadvantage. RACCI-lead bargaining is hoped to assist those tenants counteract that issue so that they can operate at the Redcliffe Aerodrome on more favourable terms.

Beyond competition for leases, there is limited competition amongst RAH Tenants, given their differentiated businesses. Commercial RAH Tenants will face competition from business operating out of nearby airfields to different extents. For example, Licensed Aircraft Engineering provides services such as mechanical and avionic services, paint shop services,

fixed wing training and helicopter training. It may face competition from its counterpart service providers at nearby airfields.

However, RACCI understands that tenants at these other airports are subject to a lower rent than the current rent applicable to the RAH Tenants. This limits the ability for the RAH Tenants to compete effectively with respective service providers at those airports.

There are no factors that would be expected to limit or prevent competition amongst the parties that would be impacted by the notified conduct.

Public benefit

10 Describe the benefits to the public that are likely to result from the notified conduct. Provide information, data, documents or other evidence relevant to the ACCC's assessment of the public benefits.

The RAH Tenants serve various public benefits, including supporting emergency services, offering local employment and supporting tourism and local businesses that use the aerodrome to transport personnel and products.

In rebalancing the bargaining position of the RAH Tenants through the notified conduct, it is hoped that RAH Tenants will be able to negotiate more favourable terms (including price) and so continue to remain viable and support the identified public benefits.

The proposed collective negotiation with the Target is also aimed at ensuring that the RAH Tenants continue to compete effectively in their respective primary markets, by ensuring that a key input cost is kept to a minimum.

Public detriment (including likely competitive effects)

11 Describe any detriments to the public that are likely to result from the notified conduct, including those likely to result from any lessening of competition. Provide information, data, documents, or other evidence relevant to the ACCC's assessment of the detriments.

RACCI does not anticipate any detriments to the public or any reduction in competition in the market place arising out of it collectively bargaining on behalf of the RAH Tenants.

Participation in the notified conduct is voluntary and each party may independently determine whether or not to enter into a lease on the terms negotiated.

As noted above, there is limited scope for a reduction in competition to arise by virtue of the notified conduct, given the diverse markets serviced by the RAH Tenants and the discrete scope of coordination contemplated. Indeed the outcome is more likely to be pro-competitive, insofar as it rebalances the bargaining power between the RAH Tenants and the Target.

Contact details of relevant market participants

12 Identify and/or provide names and, where possible, contact details (phone number and email address) for likely interested parties, such as actual or potential competitors, customers and suppliers, trade or industry associations and regulators.

The contact details of the Target are as follows:

Greg Chemello Chief Executive Officer Moreton Bay Regional Council 220 Gympie Road, Strathpine QLD 4500

P:		
E:		

Any other information

13 Provide any other information you consider relevant to the ACCC's assessment of the notified conduct.

None.

Section 2 - Additional information for collective bargaining (with or without a collective boycott) conduct only

14 Confirm that the notifying party is not a trade union, an officer of a trade union or acting at the direction of a trade union.

RACCI confirms that it is not a trade union.

15 Provide details (name, phone number, email address) of the persons who are current members of the group (contracting parties) on whose behalf the notification is lodged. If relevant, identify the classes of persons who may become contracting parties in the future and on whose behalf the notification is lodged.

Notification is lodged on behalf of the RAH Tenants appearing at **Attachment 1** (contracting parties). It is also lodged on behalf of any other potential or future RAH Tenant, should they seek to participate in the notified conduct.

16 Confirmation

RACCI confirms that:

- (a) each contracting party reasonably expects to enter into an agreement with the Target in respect of the leasing of the relevant RAH as each RAH Tenant is a current tenant of the Target and currently intends to continue to be so; and
- (b) the value of that agreement will <u>not</u> exceed \$3 million in any 12 month period, as the rent is substantially below that figure indeed for each tenant is currently well under \$100,000.
- 17 The contracting parties do not propose to engage in a collective boycott

The notified conduct is for collective bargaining without collective boycott.

Notification of Collective Bargaining Redcliffe Aerodrome Chamber of Commerce Inc.

Section 3 - Declaration by notifying party

Authorised persons of the notifying party must complete the following declaration.

The undersigned declare that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the *Criminal Code* (Cth).

Signature of authorised person

ALAN CARLIS LE

President Redcliffe Aerodrone Chamber of Commerce INC.

Office held

(Print) Name of authorised person

This ____ day of July 2020

Note: If the Notifying Party is a corporation, state the position occupied in the corporation by the person signing. If signed by a solicitor on behalf of the Notifying Party, this fact must be stated.

Attachment 1

Hangar #	Name	Address	Email	Phone No.
35	Davcan Aeronautics P/L and Lynian Family Trust. David Nelson			
38	Davcan Aeronautics P/L and Lynian Family Trust. David Nelson			
39	Davcan Aeronautics P/L and Lynian Family Trust. David Nelson			
5 & 9 (1 lease)	Frank North			
68	Chris Ching			
56	Sunshine Aerobatics. Raja Suri.			
45 h17e	Malcolm Keag			
54	Aircraft Australia. Douglas Heath			
57	Aircraft Australia. Douglas Heath			
B2	Bronwyn Johnston			
	Peter Stephenson			
	Thomas Potter			
49	Keith Schelberg			

Hangar #	Name	Address	Email	Phone No.
62	Ashley Miller			
H6, H10	Ron Ennis			
65	Graham Swannell			
64	Mark Foy			
66	Ted Bullock			
H18a1	Arthur Nommensen			
H18b1	Arthur Nommensen			
H18b2	Arthur Nommensen			
50	Bill McMonagle			
17	Andrew Vann			
1	Chris Kaminski			
25	Eagle. John McClymont			
27	Eagle. John McClymont			
33	Eagle. John McClymont			
34	Eagle. John McClymont			
37	Eagle. John McClymont			
N	Bob Tait Aviation Theory School			
15	Warick (Woc) Woinarski			
2	Flinders Aviation			
61	Scott Bankier			
H1	Redcliffe Aero Club			

Hangar #	Name	Address	Email	Phone No.
H2	Redcliffe Aero Club			
H13	Trojan Air Tech Pty Ltd. Ian Silvester	П		
H17	Trojan Air Tech Pty Ltd Ian Silvester			
41	Cherryglen P/L, Richard Goddard			
42	Cherryglen P/L, Richard Goddard			
63	Stephen Comiskey			
32	Aeropower Pty Ltd Australia. Darryn Carlile	=		
H9	DND Aviation P/L. (David Young)			
40	Michael Redmond Family Trust, Michael Redmond			
53	Gerry Dick			
28	Russell Keag			
30	Russell Keag			
31	Russell Keag			
51	Mark Damman			
52	Mark Damman			
26	Hamish Fraser			