



Australian  
Competition &  
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# NEWS RELEASE

## **MANNING VALLEY DAIRY FARMERS TO COLLECTIVELY BARGAIN WITH WOOLWORTHS**

The Australian Competition and Consumer Commission has decided to allow seven dairy farmers from Manning Valley in New South Wales to collectively bargain with Woolworths and Milk2Market for 3 years.

“Collective bargaining arrangements can result in public benefits through transaction cost savings, providing participants with better access to market information and by allowing small businesses to have greater input into contractual terms and conditions, leading to more efficient outcomes,” ACCC Chairman Rod Sims said.

The ACCC notes that any impact on competition will be limited as participation in the arrangement is voluntary for the dairy farmers, Woolworths and Milk2Market. Additionally, the volume of milk to be supplied is relatively small compared to the total volume produced in the surrounding mid-coast region of New South Wales.

“The collective bargaining notification regime was introduced to make it easier and faster for small businesses to collectively bargain with other businesses. The ACCC has consulted with several interested parties and has made a decision about this matter in less than four weeks,” Mr Sims said.

Collective bargaining refers to two or more competitors, typically small businesses, collectively negotiating terms and conditions with a supplier or customer. This type of conduct might raise concerns under the *Competition and Consumer Act 2010*. Where individual farmers have formed a co-operative that negotiates on their behalf, as a single entity, it is unlikely to require notification or authorisation from ACCC.

Small businesses wishing to collectively bargain can lodge a notification with the ACCC and obtain protection from legal action for collective bargaining conduct for three years. If the ACCC does not revoke the notification, protection commences automatically 14 days after lodgement. The ACCC can revoke a collective bargaining notification when it is satisfied that the public benefits of the arrangements would not outweigh the public detriments. The ACCC may review a notification at any time.

### **Media inquiries**

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### **General inquiries**

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