



COLLECTIVE BARGANING NOTIFICATION BY:

(AVBA)

AUSTRALIAN VENDING BUYING ASSOCIATION INCORPORATED ABN:84 857 050 219





1. Notifying Party:

Australian Vending Buying Association Incorporated (AVBA)		
ABN: 84 857 050 219		
Contact Details:		
Name: Tony Hlaihel (President of AVBA)		
Name: Ehab Shalabi (Vice President of AVBA)		
Office: 75 Dalhousie Street Haberfield NSW 2045		
Tel:		
Mob: (Tony Hlaihel)		
Mob: (Ehab Shalabi)		
Email:		
Email:		
Email:		
Business Activities:		
Representation/Administration of members who manage and provide services in vending machine businesses/industry		
Email:		



2. Details of the notified conduct:

The AVBA notified conduct is for collective bargaining but does not include a collective boycott.

AVBA represents and is in a position to negotiate collective buying agreements terms/pricing with various current and future potential suppliers of goods to be supplied into micro-markets, vending machines, and unattended retail solutions on behalf of our current and future members.

The purpose of negotiating as a group for these contracts will allow us to represent our members (and future members) and to negotiate with suppliers to receive larger than normal discounts from current and future suppliers than our individual members could not achieve individually as an independent entity or business. This benefits members (and future members) who are smaller and medium sized businesses in particular.

Each contract or purchasing agreement that we enter into will contain detailed terms and conditions as well as pricing that is forwarded onto our members (and future members).

AVBA's Notified Conduct is not mandatory for any member (or future member) and conduct is voluntary.

Contract terms will typically be negotiated for a period of time and generally between 1 to 5 years.

AVBA are seeking a protection period of 6 years to cover planned negotiation periods and contract terms.

AVBA confirms its members (and future members) are individual business entities, and all AVBA members (and future members) will have access to all planned negotiated buying group agreements/terms.



A current members list will be submitted for the purpose of this notification in Appendix A. (This list may expand as future members are added)

A current planned suppliers list will also be submitted outlining whom AVBA will be negotiating supply contracts with for the purpose of this contract as outlined in Appendix B. (This supplier list may expand as future suppliers are added)

We intend to commence collective bargaining at least 14 days after the submission and notification is validly lodged.



3. Market information and concentration:

AVBA and its members provide micro-markets, vending machines, and unattended retail & industrial solutions, advertising/promotional vending solutions.

Our members we estimate represent 7.5% of the total micro market, vending machine, unattended retails and industrial solutions as well as advertising / promotional vending solutions.

They include 6000 vending machines/Advertising, Gift and PPE machines that stock a variety of products

Other direct competitors include IVMOA that are approximately 3x size of AVBA membership today and we understand hold a further 15% market share of the total micro market, vending machine, unattended retail and industrial solutions as well as advertising / promotional vending solutions with 12,000 vending machines approximately.

Other sectors our members compete include:

- other outside vending and unattended retail companies
- traditional retail channels (including convenience stores, petrol stations, other retail outlets).
- Other vertical distribution channels /including charity offerings, tuck shop trucks and other door to door offerings, roadside and event cart suppliers and similar)
- Other fragmented supply channels e.g., network marketing channels, pyramid sales and similar



These Other sectors make up the majority of the remaining supply chains.

Products our members provide include (but are not limited to) PPE safety products, ice creams and associated frozen refreshments, beverages (both hot/cold), meals (both hot/cold), snacks & confectionary, healthy snacks, fresh food, general groceries, electronics & novelty items, general necessities/toiletries, advertising/promotional gift vending products.

Services provided (including but not limited to), restock/refilling & servicing/maintenance of vending equipment for client's requirements/needs, reporting, customisation, and support for of all the above-mentioned products, services & equipment.

AVBA members (and future members) operate and cover all Australian States and Territories.

There are multiple Individuals & Companies who compete or offer the same (or similar) services / products as AVBA members (and future members), and they exist in all areas AVBA members are located in.

The sales & supply chain process is where Vending and Unattended Retail operators/members will purchase products & equipment from the various manufacturers, suppliers, or wholesalers/distributors to stock in their unattended retail solutions they supply under this AVBA arrangement.

Generally, these products/goods cost between 50 to 60% of the sale price, as the cost of products/goods are a large portion of our members (and future members) overheads.

For this reason, many members will obtain several quotes from various suppliers (where possible).

Members will potentially save 5-35% on purchases through collective bargaining contracts.



AVBA will assist in this process by placing a significant and considerable emphasis on collective bargaining with current and future suppliers they will approach to benefit members.

Our attempts to obtain relevant statistics in our core markets led us to realise there is limited data available for the various products we supply.

Our feedback from our various suppliers on market statistics confirmed that their vending industry sales are in contrast to other channels an extremely small portion of their supply channels (less than few percentage points).

We do not foresee any notable factors that can infect (or affect) the channels for example: price fixing, reduced quality or influencing / affecting product innovation.

This feedback is based on our existing channels which is continually growing from with our member base and is also expanding and includes new vending operators and new vertical markets.

The purpose of the notification exists purely to allow us to secure competitive terms for the benefit of our members and future members.

We do not expect nor foresee any other relevant factors that may impact the assessment of this notification.

Other large vending industry operators that compete in our industry and are not members of AVBA are:

- COKE VENDING
- IVMOA (Independent Vending Machine Association of Australia)
- IVEND GROUP
- ROYAL VENDING
- AUSBOX VENDING
- BENLEIGH VENDING SYSTEMS
- SVA VENDING



PROVENDOR VENDING

4. Public Benefit:

AVBA collectively will negotiate with all of its suppliers and future potential suppliers.

Contracts will be negotiated on behalf of all current (and future) AVBA members.

This will allow us to negotiate volume discounts and pricing rebates with all our suppliers in line with economies of scale and collective bargaining will assist in price reduction depending on member take up of offers and volume rebates

It also provides the opportunities for all suppliers under contract to gain access to our members (and future members) across Australia.

While we directly negotiate on behalf of all members, we also encourage and allow our members to negotiate directly with all current and future suppliers.

This allows greater competition in the vending industry which in turn benefits the consumer.

We do not expect the value of any AVBA contract to exceed AUD \$3 million in any 12-month period. (There has been no contract above 1.5million to date)

Overall, the vending and unattended retail options benefit the public through convenience, accessibility available across various locations.

AVBA current and future members compete with other members as well as other outside vending and unattended retail companies and traditional retail channels (including convenience stores, petrol stations, other retail outlets).

To remain price competitive with these other retail channels who also have substantial buying power, our members (and future members) need to keep the cost of goods as low as possible and at a profitable return.



AVBA will try to stay price competitive on behalf of its members through substantial buying power.

Collective bargaining will allow us to enable our members to sell more competitively.

Without AVBA, our members (and future members) would not be able to be as competitive in the market and provide product choice, accessibility, and convenience which all benefit the public consumer.



5. Public Detriment (including likely competitive effects):

The AVBA does not foresee any detriments whatsoever, likely to result to the public, from the notified conduct.

Since AVBA members product offerings only represent a tiny fraction of our supplier's volume, no detriments or competitive affects are expected.

All AVBA negotiated contracts are voluntary and members are open to negotiate their own contracts.

6. Contact Details of Relevant Market Participants:

Details of other relevant market participant would be:

Member list is attached in Appendix A

Australian Vending Association (AVA)
Phillip Barry, AVA President
Darryl Stephen, AVA Vice President
Independent Vending Machine Association of Australia (IVMOA)
Larry Warner, President
Darren Yen, Vice President
IVEND Group
Darren Yen, President
AVBA Members



7. Any Other Information:

We have supplied all relevant information available to us to meet the requested feedback.

8. Additional Information for collective bargaining (with or without a collective boycott) conduct only:

It is not foreseen that our contracting parties would engage in a collective boycott with respect to the targets.

We can confirm each of our AVBA members would reasonably expect to make at least one or more contracts with suppliers for the acquisition of the relevant goods/supplies.

This is mainly due to the variety of product options offered through our vending and other unattended retail channels.

We confirm that AVBA is not a trade union or affiliated with any officer of a trade union or acting at their direction.

We request our current suppliers and members be excluded from the public register as the information is of a confidential nature.

We do not see any value publicly displaying our suppliers and / or members and / or alerting our competitors of our supplier collective bargaining initiatives.

We request within the ACCC rules of disclosure you advise AVBA in writing whether our request is permissible and / or the minimum we can limit disclosure i.e., name of contacts or company if not none of these.

Feel free to contact me to further discuss via email to

AUSTRALIAN VENDING BUYING ASSOCIATION

Members Maxi Vend	EMAIL	Contact Ehab Shalabi	Phone
United Vending Services		Tony Hlaihel	
Repenish vending		John Macris	
OzVend		Chris Gromen	
Royal Vending		Trent Sullivan	
<u>AlphaVend</u>		Savvas Koshoshi	
AlexLimo Services Pty Ltd		Alex Yao	
Advance Vending Services		Jim Fotopoulos	
<u>F&Sons</u>		Fadi Trabulis	
C&H Karlos Vending		Chris Karlos	
Honey Badger Vending		Kelvin Barrie	
<u>David Hatte</u>		David Hatte	
Xvend		Lara Madden	
Mamdouh		Mamdouh Gindi	
On site Food Services		Jade Sullivan	
<u>Vendatreat</u>		Mark Petkovski	
Autoserve Vending		Ash Christou	
Vending Trends		Karl Armstrong	
Free Soul Enterprise		Neelam Lal	
Queensland Drink and Snack		Geoffrey Borthwick	
N.Kacarov-Petrovic <u>P Milovanovic</u>		P Milovanovic	
GetGo Necessities 24/7		Milvan Muto	
Acacia's		Tim Weyman	

Pauls Vending	Paul Zhu	
Dr Vending NSW	Yoonsei Ju	
All-ways Vending	Simon Langford	
Ultim8 Group Pty Ltd	Ali Habib	
South East Qld Vending Machines	lan Scarvell	
Sydney Smart Vending	Shane Hayter	
A& E Vending	Adam Murphy	
David Bolton	David George Boton	
AMG Import Distributions	Harris Goonetileke	
Arcade Trader Pty Ltd	Matherw Psaltis	
Psaltis Operations Pty Ltd	Michael Psaltis	
Club Entertainment(AUST)	Allan Jones	
Seven star Vending	David Foster	
Vendr HQPty Ltd	Duayne Christou	
Simple Vending Solutions	Stephanie Qiu	
Joad Vending	Adam Bartly	
Paramount Vending	Steven Gallagher	
CPVL Enterprises Pty Ltd	Carmine Frangiosa	
Hunter Vending Services	Robert Alan Kearines	
C&C Vending Services	Charlie Matta	
Justice Group Pty Ltd	Jason Justice	
Daily Delight Vending	obaidullah Zafar	
Vending Smart 786	Hassam Afzal	
Community Grocery Solutions Pty Ltd	Donald De Bush	

Vami Pty Ltd	Paul O'Sullivan
GBT Imports	Heather Gleeson
Sydney Healthy Vending	Mathew Wilson
Tarleton Management	Matthew Tarleton
Nicolaou Vending	Matthew A Nicolaou
Munch time vending	Sonney Mellor
G & S Prestia Pty Ltd	Giulio Prestia
Combined Vending Solutions	Margaret Zbaras
Charles Enua Disability Service	Ephraim Enua
Vend Friend	David Page
Brand Vending	Andre Maccartney
23 Enterprise Vending	Gareth Miggins

Appendix B

SUPPLIERS AVBA DEAL WITH CURRENTLY AND IN FUTURE

1. Maruzza Fine Foods e:	ph:
2. Azuria Fresh e:	ph:
3. Oz Bake e:	ph:
4. Oliver's Real Food e:	ph:
5. My Muscle Chef e:	ph:
6. Hungry Baker e:	ph:
7. You Foodz e:	ph:
8. The Distributors e:	ph:
9. Inter Trading Pty Ltd e:	ph:
10. Trident Beverages e:	ph:
11. Sydney Freezers E:	PH:
12. Sydney Wide Distributors ph:	
13. Future Bake e:	ph:
14. Frucor Suntory e:	ph:
15. Red Bull Australia e:	ph:
16. Aashi beverages e:	ph:
17. True Blue Beverages ph:	
18. Darrel Lea e:	ph:
19. The Smith's Snackfood Company	ph: 1300 764 847
20. Sunny International e:	ph:
21. AAA water e:	ph:
22. International Foods e:	
23. Kiss Chocolates e:	ph:
24. Natures Best Water e:	.ph:
25. Nutty Squirrel e:	ph:
26. Rockman Australia ph:	
27. Socrates Distribution e:	ph:
28. Steel City Beverages ph:	
29. Schweppes Australia e:	ph
30. Sweet Craft e:	ph:
31. Nongshim Australia e:	ph:
32. Remedy Drinks e:	ph:
33. Wholesome Bake e:	ph:
34. The Green Grocer ph:	

35. Global Health Foods ph:	
36. Tixana Foods e:	ph:
37. Active Organic Beverages e:	ph:
38. Mama Kaz Foods e:	ph:
39. The Muffin Man ph:	
40. Campbells ph:	
41. Sweets n More ph:	
42. Costco ph:	
43. Cedar Beverages e:	ph:
44. New Line Beverages e:	ph:
45. Nippys ph:	
46. Hype Energy Beverages e:	ph
47. Coca-Cola Amatil e:	ph:
48. Snackbrands e:	ph:
49. Mars Australia ph:	<u> </u>
50. Arnott's Biscuits Ltd e:	ph:
51. Nestle ph:	
52. Mondelez Australia ph:	
53. Freedom Foods Group Ltd e:	ph:
54. Sanitarium ph:	
55. Carman's Fine Foods Pty Ltd e:	ph
56. Rite Bite Group Pty Ltd e:	
57. Lion Dairy Drinks ph:	
58. Peters Ice Cream ph:	
59. Streets Ice Cream ph:	
60. Hennesy Coffee e:	ph:
61. Betta Foods e:	ph:
62. Funtastic ph:	
63. Icon Foods e:	ph:
64. Nepean river dairy e:	ph:



Notification of proposed collective bargaining with or without a boycott or exclusive dealing or resale price maintenance

Guidance in completing your notification to the ACCC

To lodge a notification of proposed:

- · collective bargaining with or without a boycott or
- exclusive dealing or
- · resale price maintenance

(the **notification**), you should include the information, data and documents outlined in this form. Where possible, each question should be answered fully and be substantiated with evidence. If a question is not relevant or where information is not available and cannot be reasonably estimated, please provide a brief explanation.

If the ACCC is not satisfied that the statutory test is met, it cannot allow the notification.

It is an offence to knowingly provide false or misleading information to the ACCC. Refer to section 137.1 of the *Criminal Code* (Cth).

Key points for lodging your notification

- We encourage you to consult the relevant guidelines and contact the ACCC at <u>exemptions@accc.gov.au</u> for a pre-lodgement discussion to clarify what information and evidence may be needed to assess your notification.
- Failure to provide sufficient information may render the notification invalid or otherwise impact the ACCC's ability to assess your notification.
- · You should provide all relevant information and evidence you intend to rely on.
- Less weight will likely be given to a statement or submission that is not supported with corroborating evidence.
- · A valid notification must contain:
 - a public version of your notification for publication on the public register. You should provide a clearly marked confidential version if you wish to claim confidentiality for parts of your notification. All confidentiality claims must be substantiated. The public version must contain sufficient information to enable public consultation on your notification
 - a signed declaration by the notifying party
 - payment of the relevant fee (\$1,000 collective bargaining; \$2,500 exclusive dealing; \$1,000 resale price maintenance).

Information

Notifying party

- 1. Provide details of the notifying party, including:
 - 1.1 name, address (registered office), telephone number, and ACN
 - 1.2 contact person's name, telephone number, and email address
 - 1.3 a description of business activities
 - 1.4 email address for service of documents in Australia.

Details of the notified conduct

- 2. Indicate whether the notified conduct is for:
 - exclusive dealing (s. 47 of the Competition and Consumer Act 2010 (Cth) (the Act);
 - 2.2 resale price maintenance (s. 48)
 - 2.3 collective bargaining (s. 93AB). If the notified conduct is for collective bargaining, whether the notified conduct includes a collective boycott.
- 3. Provide details of the notified conduct including:
 - 3.1 a description of the notified conduct
 - 3.2 any relevant documents detailing the terms of the notified conduct
 - 3.3 the rationale for the notified conduct
 - 3.4 any time period relevant to the notified conduct.
- 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.¹
- 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.

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

¹ Notifying parties are encouraged to consult with the ACCC prior to lodgement to discuss the scope and range of documents needed in the context of the proposed conduct the subject of the notification.

- 9. In assessing a notification, the ACCC takes into account competition faced by the parties to the proposed conduct. 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. For example, describe:
 - 9.1 existing competitors
 - 9.2 likely entry by new competitors
 - 9.3 any countervailing power of customers and/or suppliers
 - 9.4 any other relevant factors.

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.

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.

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.

Any other information

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

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.
- 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.
- 16. Confirm each contracting party:
 - 16.1 reasonably expects to make one or more contracts with the targets for the supply or acquisition of the relevant goods or services and
 - 16.2 the value of each contract will not exceed A\$3 million (or any other amount prescribed by regulation) in any 12 month period.
 - 16.3 Provide details of the basis for that expectation.

- 17. If the contracting parties propose to engage in a collective boycott with respect to the targets, provide details of:
 - 17.1 the event/s that would trigger a collective boycott
 - 17.2 the process that would be followed
 - 17.3 any proposed notice period to be given to the target/s prior to commencing a collective boycott and
 - 17.4 any proposed dispute resolution procedure between the contracting parties and the targets.

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

Vice President (AVBA)

Office held

Ehab Shalabi (Print) Name of authorised person

8/6/202\
This [insert day] day of [insert month] [insert year]

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.