



Australian
**Small Business and
Family Enterprise**
Ombudsman

MEDIA STATEMENT

4 June 2021

New rule paves way for collective bargaining by small businesses

The Australian Small Business and Family Enterprise Ombudsman Bruce Billson says small businesses, franchisees and fuel retailers can join together to enhance their bargaining power, under new rules in place under the Australian Competition and Consumer Commission (ACCC).

Mr Billson says the new arrangement, small businesses can collectively negotiate with the larger companies that buy their products.

“This strengthens the position of small businesses at the negotiating table considerably,” Mr Billson says.

“Collective bargaining is a potential game-changer for small businesses as it boosts their purchasing power and mitigates the risk of predatory tactics sometimes used by larger companies to financially squeeze their small suppliers.

“It also saves time and money for small businesses in contract negotiations, as they can share the cost and resources.

“The ACCC previously only allowed collective bargaining on a case-by-case basis, but now small business groups choosing to engage in collective bargaining simply need to provide a one-page notice to the regulator, that’s free of charge.

“In addition to the cost savings and red tape reduction, the new provisions better accommodate the dynamic pace of the small business economy by allowing participants to enter and exit the group without the need for a new approval.

“Importantly, the arrangement – known as a class exemption – applies to businesses with an annual turnover of less than \$10 million per year. It covers 98% of Australian businesses.

“It’s an initiative that will help small businesses remain competitive and viable, at a time when it is needed the most.”

More information about the ACCC’s small business class exemption can be found [here](#).

Media contact: Donna Acioli, 02 6213 7410 / 0448 467 178