

Opinion piece

### **Regulatory level playing field essential for WCB decision**

Australian Dairy Farmers (ADF) welcomes the heightened interest in the acquisition of the Warrnambool Cheese and Butter Factory (WCB), with the latest bid from Australian farmer-owned dairy co-operative Murray Goulburn (MG).

Three competing offers for WCB, at this stage, is a strong sign of the confidence being shown in our industry for future prospects and growth, both at home and abroad.

MG is a significant player in the Australian dairy landscape and as a farmer-owned co-operative understands the opportunities as well as challenges that regularly confront supplier shareholders.

Farmer co-operatives play an important part in the industry in key dairy regions around the world, with four of the top eight dairy companies globally co-operatives.

With the future of WCB and Australian dairy in mind, this should be an important consideration for our regulatory authorities.

With Bega, Canadian dairy products company, Saputo and MG all bidding for WCB, it is essential the regulatory approval processes they will be subject to, are seen to be fair and equitable.

By this we mean that the timeframes involved in the various regulatory processes do not end up having the unintended effect of advantaging one bid ahead of its rivals.

With local processors Bega and MG, their offers are conditional upon the non-objection by or authorisation of the relevant competition authorities (ACCC and Australian Competition Tribunal), while Saputo's offer is similarly conditional upon approval by the Foreign Investment Review Board (FIRB).

In each case, the non-objection, authorisation or approval of one bid ahead of its rivals has the potential to influence WCB shareholders in the decisions they make.

This is problematic given the regulatory process bidders must go through and the potential of further bids emerging.

Our regulatory system should provide a level playing field for all bidders to ensure a foreign company is not advantaged at the expense of an Australian company.

Given the gravity of the decision to the industry as a whole, it is inconceivable that the relevant regulatory authorities could be blind to this potential consequence, and must carefully consider their timing and its potential influence.

As such, ADF strongly believes that an outcome influenced by timing factors would not be in the interests of the bidders, WCB shareholders and most importantly of all, local dairy farmers.

**Noel Campbell**

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