

Australian Dairy Farmers Limited
Level 2, Swann House
22 William Street
Melbourne Victoria 3000

Phone +61 3 8621 4200
Fax +61 3 8621 4280

www.australiandairyfarmers.com.au

ABN 76 060 549 653

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ADF backs calls to strengthen misuse of market power laws

For immediate release

Australian Dairy Farmers (ADF) has supported calls for the Federal Cabinet to adopt stronger misuse of market power laws to foster a more competitive business environment.

While some business groups have suggested that stronger laws about the misuse of market power may have negative impacts on competition and innovation, these claims don't withstand scrutiny.

ADF President, Noel Campbell said concerns that the introduction of an effects test could put consumers at risk were unfounded.

"These changes are about protecting consumers and competition from actions that substantially lessen competition in a market. These reforms are in consumers' interests," said Mr Campbell.

"The Harper Review made it clear, the law as it stand is inadequate. The Government must not let self-interested businesses and organisations with excessive market share further limit competition to the detriment of consumers, farmers and the Government."

ADF strongly supports the Harper Review's recommendations for any updated competition and consumer law to include an effects test. ADF is advocating for certainty that the legal process is able to provide integrity and transparency regarding the impact of retailer actions on suppliers. ADF is hopeful that this will prevent damaging practices, including predatory pricing in future.

Addressing the misuse of market power is crucial in determining the Australian dairy industry's future profitability and sustainability. Farmers need every opportunity to improve their negotiating power for profitability and returns at the farm-gate to be achieved.

ADF looks forward to working with both sides of Parliament, to ensure the unequal distribution of market power is addressed for the benefit of the entire food and grocery sector and for all Australian consumers.

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For further information contact:

Shona McPherson
Media Officer, Australian Dairy Farmers
Tel: (03) 8621 4200
Email: media@australiandairyfarmers.com.au
[@AusDairyFarmers](https://twitter.com/AusDairyFarmers)

