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Introduction of 'effects test' will foster stronger competition

For Immediate Release

[Australian Dairy Farmers \(ADF\)](#) has applauded the introduction of an 'effects test' by the Federal Government, which will strengthen competition across the grocery supply chain.

ADF has advocated strongly for the change since 2011. The provision, which will be included in section 46 of the Competition and Consumer Act 2010, will address the current unequal distribution of market power and encourage transparency to the benefit of producers, consumers and retailers.

ADF President, Simone Jolliffe said she looked forward to working with the government to ensure that the legislation prevents firms with significant market power from engaging in conduct that has the purpose, effect or likely effect of substantially lessening competition.

"The effects test is another tool to help provide integrity and transparency regarding the impact of retailer actions on suppliers," Mrs Jolliffe said.

"In conjunction with the government's introduction of the Food and Grocery Code, which included a large number of ADF's recommendations, this is a constructive step toward fostering a more competitive business environment."

"Further, the appointment of Mick Keogh OAM as the Australian Competition and Consumer Commission's first Agricultural Commissioner and an Agricultural Engagement and Enforcement Unit, highlights that the government is committed to strengthening competition across the supply chain."

Mrs Jolliffe said the reforms will support consumers' interests as well as dairy farmers.

"Moving toward a more objective measure to assess the impact of anti-competitive behaviour will build a more open and transparent marketplace."

ADF is hopeful that this will assist in preventing damaging practices, including predatory pricing in future.

ADF thanked the Prime Minister, Deputy Prime Minister, the Treasurer, the Minister for Small Business and the National Party for their strong support and action on this important reform.

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