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**ADF welcomes the introduction of 'effects test'**

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**For Immediate Release**

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Australian Dairy Farmers (ADF) has today welcomed the introduction of the s46 'effects test' legislation 2016 into the Federal Parliament.

ADF President David Basham said 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.

"This will ensure that supermarkets and firms who enter into contractual arrangements which cause others in the supply chain to be adversely effected will now be captured for the first time by competition law."

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

ADF has advocated strongly for this change since 2011 which will assist in preventing damaging practices, including predatory pricing in future.

"The reforms will support consumers' interests as well as dairy farmers by moving towards a more objective measure to assess the impact of anti-competitive behaviour," said Mr Basham.

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

'We also want to thank the Queensland Dairy Farmers Organisation and other state dairy farmer organisations for their tireless work in highlighting the issues within industry," said Mr Basham.

The introduction of an effects test is in line with competition policy around the world – Australia has joined the clear majority of developed nations who already have established effects tests.

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*Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation representing the interests of Australian dairy farmers. We are a strong collective voice to Government and the community on national issues affecting dairy farmers and their profitability. The ADF has a long history of successfully lobbying for the rights of dairy farmers on many fronts – including trade, value chain, water, carbon and animal health and welfare issues.*