



*Australian Dairy Industry Council Inc.*

## Media Release

---

**Tuesday 15 January 2019**

---

**Draft clauses for a Dairy Code of Conduct addresses key contracting issues**

---

**For Immediate Release**

---

The Australian Dairy Industry Council welcomes the release of the draft clauses for a Dairy Code of Conduct by the Department of Agriculture and Water Resources yesterday.

Terry Richardson, ADIC Chair said 'generally, the draft clauses proposed by the department are consistent with the draft clauses released by ADIC in November last year. We commend the department for recognising our industry code of practice review work by using our draft code as a basis for its industry consultation and analysis.'

The draft clauses include requirements for dairy farmers and processors to have written contract agreements, deal with each other in good faith, maintain contract records and resolve disputes via mediation or arbitration. These apply in addition to a number of more specific requirements relating to pricing, loyalty payments, exclusivity of supply, and contract entry and exit.

'A successful code will be one that addresses the issues identified by the ACCC in its *Dairy Inquiry* and the gaps identified by ADIC in its industry code review,' Mr Richardson said. 'We believe the department's draft clauses achieve these outcomes.'

The department also released a *Regulatory Impact Statement* based on voluntary or mandatory application of the draft clauses across the entire or some parts of industry. This predicts an annual cost impact up to \$900,000 depending on application extent. 'This confirms our view that the higher the level of regulation, the greater the burden or cost to industry. At this stage we are not clear what level of change is required to achieve optimum benefit and risk mitigation. This will be subject to further ADIC analysis and member consultation,' Mr Richardson said.

Yesterday's release opens the department's second round of industry consultation on the code. Three meetings have been scheduled from 29 January to 1 February 2019 in the Victorian towns of Warragul, Echuca and Warrnambool. These will run in parallel with receipt of online submissions until 15 February 2019.

Further details on the department's process, including access to the draft clauses and *Regulatory Impact Statement* can be found at <https://haveyoursay.agriculture.gov.au/dairy-code-conduct>.

**For further information, contact:**

Australian Dairy Farmers

Email: [media@australiandairyfarmers.com.au](mailto:media@australiandairyfarmers.com.au)

Twitter: [@AusDairyFarmers](https://twitter.com/AusDairyFarmers)

The Australian Dairy Industry Council (ADIC) is the dairy industry's peak policy body. It co-ordinates industry's policy and represents all sectors of the industry on national and international issues through its two constituent bodies, Australian Dairy Farmers Ltd (ADF) and the Australian Dairy Products Federation (ADPF). It aims to foster, promote and protect the interests of the Australian dairy industry by driving a whole of industry approach to dairy policy and the development of the dairy industry.