

To the Senate Committee enquiring into the milk pricing issues,

The issues being faced by the dairy industry at present are the same issues that have been experienced by fruit and vegetable growers for several decades. As a market gardener I have a different view than the ACCC on the issue of competition. The ACCC only focuses on what is in the interest of consumers. The absence of equity to suppliers of dominant retailers and the absence of equity to less dominant retailers is just as important as what is in the interest of consumers.

I am proposing a remedy. Any entity or collective that exceeds 20% of the national or of a state market should have to separate their wholesale division from their retail division and provide access to their wholesale division for others on the same terms, conditions and prices that their own retail stores have access to. The precedent has been set by the forced separation of Telstra's wholesale and retail divisions and this concept should be extended to the over dominant retailers as well.

This remedy would provide other smaller retailers access to (for example) Coles brand milk on the same terms and conditions as Coles supermarkets have and reduce the excessive market power that leads to under pricing and underpayment to producers for their labour which occurs when retailers get excessively dominant. Also the converse is true where as a vegetable producer I have witnessed numerous occasions when the large retailers have maintained high retail prices relative to wholesale prices which reduces consumer demand and thereby maintains collapsed wholesale prices to producers and which is very profitable for the retailer.

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