

13 March 2015



Dr. Kathleen Dermody
Committee Secretary
Economics Legislation Committee
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Dear Dr Dermody,

Re: Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015

Thank you for the opportunity to make a submission to the Economics Legislation Committee Inquiry into the Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015.

Australian Dairy Farmers (ADF) is a not-for-profit organisation that represents the interests of dairy farmers nationally.

ADF has welcomed the announcement of the Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015 as a positive first step toward addressing the imbalance in market power between retailers and suppliers.

ADF is pleased to note that many aspects of the draft Mandatory Code of Conduct, which ADF developed in collaboration with Queensland Dairyfarmers' Organisation, have been adopted in the Food and Grocery Code.

We recognise the important role the Government has played in securing this outcome and the additional protections provided through the Food and Grocery Code are most welcome. The Code will foster a fairer supply sector going forward, and we thank the Government for working persistently with retailers to achieve this Code.

The Food and Grocery Code is not perfect, but it does address several key imbalances with regard to major retailer power over suppliers.

ADF will be watching the implementation of the Food and Grocery Code carefully over the next three years, with an intention to strengthen regulation if necessary.

ADF has long advocated for a Mandatory Code of Conduct with an Ombudsman, to ensure compliance through significant financial penalties if necessary.

ADF continues to work with the Government to strengthen competition policy through submissions to the Harper Review of Competition Law and Policy, the Agricultural Competitiveness White Paper and the Small Business and Family Enterprise Ombudsman legislative consultation process. Our aim is that this will help balance market power, provide fairness in the market and end unjust practices such as the \$1 per litre campaign.

Please find attached ADF's submission to the Competition Policy Review. It recommends further changes to the Competition and Consumer Act to balance the market power of the major retailers.

Yours sincerely,

Noel Campbell
President