



**National Farmers'**  
F E D E R A T I O N

**National Farmers' Federation**

**Submission to the  
The Australian Government competition policy  
review**

NFF Member Organisations



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Competition Policy Review Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600

10 June 2014

Dear Review Secretariat

The National Farmers' Federation (NFF) welcomes the Government's commitment to conduct a "root and branch" review of Australia's competition policy including the *Competition and Consumer Act 2010* (CCA).

The NFF recognises this review as a significant opportunity to provide advice to government on the importance the sector places on an effective competition policy framework. An equitable and transparent competition legislative framework will promote a strong and innovative agribusiness sector and deliver better outcomes for consumers. The NFF is of the view that it is a vital element of a strong economy that drives continued growth in productivity and living standards.

The Australian farming and agribusiness community faces unique challenges in economic and commercial dealings. An increasing concentration across the demand side of the supply chain means farmers can be disadvantaged when negotiating terms and conditions of supply. In contrast, the farming sector is fragmented, made up largely of small to medium sized businesses in remote areas with limited access to market information and opportunities for collective organisation. Further to this, fluctuations in input costs, the impact of climatic variations, limitations in infrastructure and the perishable nature of produce leave some farmers in an economically vulnerable position operating under extremely tight margins. In simple terms the farm sector has specific and unique characteristics that mean the impacts of ineffective competition legislation can have a more detrimental bearing than other businesses in the economy.

The inequality of market and or bargaining power means that farmers are largely price-takers in the market and susceptible to at times questionable business practices. Farmers may be forced to accept standard form contracts on a "take it or leave it" basis or to operate under arrangements without the benefit of contractual security. They may be influenced to act in certain ways based on predictions or promises which later do not come to fruition.

The NFF recognises that efficient and effective markets must also be allowed to operate without unnecessary constraints. In accordance with this the NFF is of the view that a balance must be developed to ensure a clear distinction is made between the misuse of market power and the use of market power. Competition legislation must be designed and implemented in a way that does not un-necessarily separate small to medium sized agribusinesses from the normal and transparent business environment but should incorporate provisions that

safeguard them from unconscionable, harsh and oppressive conduct or misuse of power by dominant stakeholders in the supply chain. The NFF view is that competition legislation in Australia must provide both a remedy to farmers who fall victim to unfair conduct in their individual dealings but must also provide a means to proactively address the issues of concern through the supply chain to ensure the farm sector can continue to be profitable through investment, innovation and certainty in business practices.

Bearing in mind that farm businesses are not homogenous in their size, nature, structure and capacity or bargaining power, a flexible but strong competition policy approach from government is fundamental to the ongoing viability of the sector in Australia. Bearing in mind that farm businesses are not homogenous in their size, nature, structure and capacity or bargaining power, a flexible but strong competition policy approach from government is fundamental to the ongoing viability of the sector in Australia. The NFF role as the peak body representing the farm and agribusiness community is to not only advocate for an equitable, transparent and robust legal framework that recognises farmer's interests, but also provide relevant advice for farmers on their rights and responsibilities under the legislation.

The breadth of demands for reform and issues of interest vary enormously across the agriculture sector. The Issues Paper released in April 2014 identifies a number of areas of potential reform. The following 'key questions' in the Issues Paper are most relevant for the agribusiness purposes:

- *What should be the priorities for a competition policy reform agenda to ensure that efficient businesses, large or small, can compete effectively and drive growth in productivity and living standards?*
- *Are the current laws working effectively to promote competitive markets, given increasing globalisation, changing market and social structures, and technological change? and*
- *Are competition-related institutions functioning efficiently and promoting efficient outcomes for consumers and the maximum scope for industry participation?*

The NFF has engaged with its members and key agricultural stakeholder groups across the supply chain to identify key reforms to the Competition and Consumer Act 2010 (CCA) and other aspects of the nation's competition framework. Given the critical nature of the issue to the farm sector the NFF has sought specific expertise and worked closely with competition law experts Minter Ellison to review the areas of relevance in the existing legislation.

The resulting submission has identified the major priority areas of reform which are necessary to ensure that farmers and agribusinesses are able to benefit from competitive markets for their produce. This submission should be read in conjunction with specific advice as attached at [Appendix A](#) which provides background and further detail on the issues of concern and necessary areas for reform.

## **1. Unconscionable conduct**

The Issues Paper poses the following specific question in relation to unconscionable conduct:

*Are existing ... unconscionable conduct provisions working effectively to support small and medium sized business participation in markets?*

Unconscionable conduct has not been a helpful source of protection to producers in the agricultural sector. The ultimate priority of the agricultural sector is to make unconscionable behaviour a relevant, practical and available avenue for relief. Most importantly, this would also result in behaviour being modified so that:

- a) there is a move away from producers being 'price takers';
- b) supply chain transparency is increased;
- c) there is no longer such an extremely imbalanced bargaining position between suppliers and purchasers;
- d) price pressure is relieved at the farm gate and absorbed throughout the supply chain;
- e) purchasers can no longer pressure suppliers into unfavourable contract positions; and
- f) there are no more 'surprises' for producers when engaging with the retail sector (ie: price renegotiation and non-compliance with contracts).

## **Necessary reforms**

In summary, the reforms proposed seek to either extend protections under the existing legislative framework, re-categorise farming interests or suggest a new regime to provide transparency in the supply chain.

### Definition of 'unconscionable conduct'

Greater certainty in the form of a legislative definition could assist producers' access to relief from unconscionable conduct. This topic has been considered at length through a 2008 Senate Committee, and the legislators preferred to steer away from this model because of the additional uncertainty it would likely create and limited anticipated assistance it would provide to the market.

### Statutory recognition of disadvantage

Given the unique nature of primary production, a possible area for reform is for legislators, rather than the courts, to prescribe that certain classes of suppliers are predisposed to suffering from a special disadvantage, primarily those in the perishable goods industry.

## **2. Misuse of market power**

The Issues Paper poses the following specific question in relation to misuse of market power:

*Given structural changes in the economy over time, how should misuse of market power be dealt with under the CCA?*

Similarly to the priorities of the agricultural sector when considering unconscionable conduct, the priorities when considering the misuse of market power are focussed on providing a legal framework that effectively deters such conduct, including:

- (a) levelling the negotiation parameters between contracting parties;

- (b) neutralising the logistical and timing difficulties when dealing with perishable goods; and
- (c) improving the transparency of contract processes to allow for compliance and enforcement 'audits' where misuse of market power has occurred.

## **Necessary reforms**

### Hybrid Purpose or Effects test

An 'effects test' could, if used to replace the existing purpose test, shift the onus of consideration from what a company's purpose in undertaking any conduct was to what effect that conduct has had on any given marketplace.

Alternatively, hybrid purpose-effects test could be introduced into the CCA through the introduction of amendments to subsection 46 (7) that would have the outcome of allowing the purpose of a conduct to be inferred by the effect of the conduct.

### Administrative Monetary Penalties

An administrative monetary penalties system, similar to that in place in Canada would give the ACCC greater power to regulate anti-competitive behaviour. Introducing administrative monetary penalties will shift the power balance away from the highly adversarial judicial system to a regulatory framework. International experience suggests that administrative monetary penalties work and assist to alter business conduct.

## **3. Unfair contract terms**

On 23 May 2014, the Federal Government released a consultation paper on extending unfair contract term protections from consumers to small businesses. The NFF welcomes this announcement and will engage in the review.

The Issues Paper poses the following specific question in relation to unfair contract terms:

*Are existing unfair and unconscionable conduct provisions working effectively to support small and medium sized business participation in markets?*

Unfair contract protections under the CCA currently only exist in relation to consumers and their legal interactions with businesses. They do not apply to business-to-business interactions. There is no statutory relief available to producers or small businesses for contracts considered to be 'unfair' in the same context as applies to consumer contracts under the CCA. There is, however, significant precedent regarding the unenforceability of contracts made void, in part or completely, because of some primary defect in the composition of that agreement, for instance because of:

- a) uncertainty;
- b) absence of consideration;
- c) lack of authority; and/or
- d) there being no 'meeting of the minds'.

It is highly unlikely that certain vulnerable groups of producers fully understand the agreements they enter into or the ability of either party to rely on the terms of the agreement. It seems untenable then that, if in the same circumstances of certain consumers who may

benefit from the current law, these vulnerable groups cannot have access to the same protections. Due to specific market conditions in the agricultural sector, contracts routinely used in the sector have the effect of being unfair, and would be held to be so under the law if it applied in a business-to-business context.

### **Necessary reforms**

The agricultural sector seeks recognition of the competitive disadvantage faced by producers (who are often small to medium sized businesses) which places them in a uniquely vulnerable position. This disadvantage is particularly heightened due to the time pressures and logistical disadvantages in supplying perishable goods. Further, the protection offered to consumers in similar circumstances should be considered for small businesses in similarly vulnerable positions.

The protection against unfair contract terms afforded to consumers ought to be extended to small businesses (including primary producers). This would need to be refined to certain circumstances surrounding levels of vulnerability. Any extension of this provision must be limited. That is, the reform cannot be cast in a way that is generally applicable to all businesses in all markets or cause such a major disruption to retailer operations. Any reforms must be reasonable and only seek to place producers in the position of a reasonable commercial party engaging in routine negotiations. This can be done by limiting the protection to certain classes of small or medium sized businesses or those in particular sectors.

As a result of the above, the NFF welcomes the Coalition Government's commitment to extend unfair contract protections to small businesses. Further consideration should be given to extending unfair contract remedies to intermediary marketers or processors who are subject to unfair contracting caused by dominant market participants further downstream. Where these intermediaries are faced with either lower receipts or higher costs of operation as a result of unfair contracting, this results in depressed farm gate revenues as a result of cost price pass through. Examples of this may be seen in the alleged conduct of Coles that has resulted in prosecution by the ACCC.<sup>1</sup>

#### **4. Collective bargaining**

The Issues Paper poses the following specific questions in relation to collective bargaining: *Do the authorisation and notification provisions of the CCA [including in relation to collective bargaining] operate effectively, and do they work to further the objectives of the CCA?; and*

*How accessible is the collective bargaining process for small businesses, and can they use it without requiring substantial legal assistance or advice?*

In its simplest form, collective bargaining is used as a tool for grouped (though competing) interests to progress their commercial interests in a set of negotiations. A collective boycott occurs when competitors as a group agree not to acquire goods and services from, or supply

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<sup>1</sup> Australian Competition and Consumer Commission, 'ACCC takes action against Coles for alleged unconscionable conduct towards its suppliers' (Media Release, NR 102/14, 5 May 2014) <<http://www.accc.gov.au/media-release/accc-takes-action-against-coles-for-alleged-unconscionable-conduct-towards-its-suppliers>>.

goods and services to, a business with whom a group are negotiating, unless the terms and conditions offered by the collective bargaining group are accepted by the business. While things may have changed slightly since 2006, this was the year in which the only collective boycott arrangement approved by the ACCC was provided for in the Victorian chicken growing industry, it is worth noting that the arrangement was subsequently reversed on appeal to the Australian Competition Tribunal. The CCA restricts the use of either collective bargaining or boycotting, though there are exceptions. The restrictions aim to prevent lessening of competition.

The agricultural sector seeks to improve the collective bargaining and boycott regimes, in particular to influence the following outcomes:

- a) relaxation of the 'public interest' test for boycott approvals, to consider the unique nature of agricultural markets;
- b) increase the threshold for primary production bargaining from \$5million;
- c) allow for a more accessible notification process for primary producers; and
- d) increase the ability for peak bodies to commence and progress collective bargaining and boycott applications, on behalf of their members.

## **Necessary reforms**

### *Public detriment test*

Instead of relaxing the current test for collective boycotts (that is, the public benefit test) an available reform is to seek a reversal of the onus. That is, in considering whether a collective boycott application should be approved, the ACCC should focus on whether that boycott could cause any 'public detriment'.

### *Interim boycott approval*

Reforms allowing interim boycotts in certain/limited circumstances may assist producers' ability to progress negotiations. That said, a fundamental change to the 'public benefit' test is first necessary for this proposal to have any impact.

### *Threshold increase*

The current threshold for primary products is \$5 million. If an increase in this amount would expand its accessibility, this should be sought.

## **5. Codes of conduct**

The Issues Paper poses the following specific questions in relation to codes of conduct:

*Is the code framework leading to a better marketplace, having regard both to the aims of the rules and the regulatory burden they could create? What has been the experience of businesses in the use and implementation of codes of conduct?*

Industry codes regulate the conduct of participants in an industry in their dealings with each other or with consumers. They can be mandatory or voluntary. Mandatory industry codes bind all the participants in the industry. Voluntary industry codes only bind those persons who agree to be bound by it. To date, no voluntary codes have been gazetted.

The Horticulture Code of Conduct is a mandatory code. The proposed Food and Grocery Code is proposed to be voluntary.

Codes of conduct are intended to influence the behaviour of market participants where an imbalance of power or inequity exists. However the experience of the HCC provides evidence of the need for strong third party enforcement to provide the level of deterrent effect necessary to ensure compliant behaviour. In the case of the HCC this can be seen in the low uptake of dispute resolution with the Horticulture Mediation Advisor Service, with many growers unwilling to bring disputes forward due to fear of market retaliation. As such, codes require a mixture of compliance mechanisms that range from voluntary dispute resolution services through to the use of modern compliance mechanisms by the ACCC to remedy code breaches.

The priorities of the agribusiness sector include:

- a) to encourage more equitable trading in central markets;
- b) to introduce meaningful punitive provisions for code infringements;
- c) to ensure automatic acceptance of goods where rejection does not occur within 24 hours;
- d) that any dispute resolution process be practical and efficient; and
- e) to ensure equitable pricing procedures are codified.

### **Necessary reforms**

The NFF is of the view that in the absence of relevant initiatives or developments that provide additional strength and accountability in this area, Australian agriculture needs a mandatory Food and Grocery Code. This could be modelled on the UK Grocery Code, including its contractually binding nature. There must also be more robust dispute resolution options if it is to have any real impact. The HCC ought to also include a more robust and accessible dispute resolution procedure, such as Expert Determination. This would encourage uptake of resolution procedures.

An Expert Determination process would provide a more level playing field in resolving disputes. At the moment a small producer is highly unlikely to take private action in court against a much larger purchaser. Modern enforcement mechanisms, such as those recommended by the Review of the Franchising Code of Conduct should be implemented in both the HCC and the proposed Food and Grocery Code.

### **6. Statutory duty of good faith**

The Issues Paper poses specific questions in relation to unfair and unconscionable conduct, the poses the following question in relation to other potential measures, within which a statutory duty of good faith would fall:

*Are there other measures that would support small and medium sized business participating in markets?*

Currently, Australia does not have a generalised statutory duty of good faith in commercial dealings. The role that 'good faith' currently plays in Australian law in this context can be broken down into two broad categories:

1. good faith as relevant to the unconscionable conduct provisions in the ACL; and
2. good faith as an implied obligation in contract law.

Overall, the role that consideration of 'good faith' plays in commercial dealings in Australia is limited, and the law in the area remains uncertain. There is no positive duty on parties to commercial transactions to act in good faith when negotiating, performing or enforcing their contracts.

The agricultural sector generally faces an imbalance of power in contract negotiations. This exposes producers to potential abuse of market power, both in a legal and more importantly practical sense. Producers are often offered standard-form contracts, with limited ability to negotiate terms, or on a 'take it or leave it basis'. The perishable nature of agricultural products heightens the risk of breach of good faith (depending on explicit terms of the contract).

### **Necessary reforms**

The starting point for this protection is a baseline positive obligation of good faith. This obligation should be codified in a stand-alone statutory code (as is the case in other countries, such as the United States and the United Kingdom) or embodied in Australia's existing consumer law.

The clear potential reform in this area is the introduction of a statutory duty of good faith in commercial contracts as well as to the pre-contractual conduct of parties. This could be either in the form of a separate code of conduct or legislation that governs commercial contracting (similar to the separate consumer protection in the UK), or an amendment to the ACL.

### **7. Powers of the ACCC**

The Issues Paper poses the following specific questions in relation to the powers of the ACCC:

*Are the enforcement powers, penalties and remedies, including for private enforcement, effective in furthering the objectives of the CCA? The Panel is interested in whether there are other remedies or powers (for example, in overseas jurisdictions) that should be considered in the Australian context.*

*and*

*What are the experiences of small businesses in dealing with the ACCC? Are there any factors that make it difficult for small businesses to enforce their rights or otherwise take action in relation to competition issues?*

In proposing that the ACCC be granted more stringent and extensive powers in terms of monitoring and divestiture, the agricultural sector's priorities are to:

- a) increase transparency;
- b) prevent price fixing;
- c) Predatory pricing
- d) encourage appropriate and fair transactions;
- e) improve the deterrence impact in the relevant markets for (a) to (c) above.

Small businesses in the agricultural sector are often faced with no market power or capacity to push back when faced with demands that might be unreasonable and damaging to their

business. This is often something that cannot be resolved through normal contractual negotiations, in markets with a broad competitive basis.

Where the competition in the market is fierce, and there is an imbalance in market power, a higher expectation is imposed on businesses to wield that power with care so they are not causing harm or damage elsewhere.

### **Necessary reforms**

#### *Price monitoring*

A potential reform in this area is the consideration of appropriate mandatory price monitoring or regular price surveillance across 'at risk' industries. The 'at risk' industries could include certain primary production industries most vulnerable to anti-competitive behaviour, such as perishable goods.

At present, the ACCC may only undertake price monitoring after a direction by the Minister. This power ought to be expanded to permit the ACCC to conduct 'own motion' price monitoring under Part VIIA of the CCA.

#### *Divestiture powers*

The clear potential reform in this area is for the ACCC to be vested with similar divestiture powers to the Competition Commission in the United Kingdom.

This would provide the ACCC with a much simpler process of divestiture. Appeals against divestiture orders may be made to the Federal Court, to ensure there is judicial oversight of divestiture powers, while reversing the onus of proof from the ACCC to the company in question.

#### *Predatory pricing*

Where a company, in order to drive out competitors from a marketplace, or in an effort to stop new competitors entering the marketplace, engages in price reductions that are available to it due to its market position, it may be found to have misused its market power in contravention of the CCA, by virtue of sections 46(1AA) and 46(1AAA).

There have been very few successful claims alleging misuse of market power via predatory pricing. One reason for this that there are very few corporations facing such limited competition that they are able to benefit from predatory pricing.

### **8. Access to essential services**

The Issues Paper discusses the report on the National Access Regime completed by the Productivity Commission (publicly released on 11 February 2014) and poses the following specific question in relation to access to essential services:

*Should the recommendations in the Productivity Commission's report on the National Access Regime be adopted? Are there other changes that could be made to improve competition in the relevant markets?*

While the CCA sets out considerations the ACCC or Minister must have regard to when considering whether to declare essential services or to accept access undertakings, which includes the general notion of 'public interest', the unique circumstances of primary production are not strictly taken into account.

Where farm gate prices are established by world prices, less supply chain costs and marketers' margins, farmers are reliant on competitive forces ensuring that as much of the global price flows back to the farm gate. However, due to the concentrated nature of the supply chain, particularly in the market for grains, intermediary traders require increased contestability of in supply chain infrastructure to be able to compete with vertically integrated infrastructure owners.<sup>2</sup>

Growers of agricultural produce are further disadvantaged because they will rarely be access seekers to the supply chain infrastructure. Rather, they are reliant on intermediary traders who will in turn be access seekers to the supply chain infrastructure necessary to accumulate and deliver export cargoes. However, farmers ultimately bear the cost of access to this infrastructure, through the application of cost price pass through, in the form of depressed commodity prices; yet do not have any standing in access negotiations or in the dispute resolution mechanisms associated with resolving these negotiations.

The agricultural sector's priorities in relation to access to essential services includes:

- Unfettered access to major infrastructure is essential for the handling of bulk commodities.
- Expansion of volumes and the increase in the concentration of production will exacerbate this problem in the future. In turn, it may be the smaller producers who fail to gain appropriate access to infrastructure which may impact on the investment decisions made by producers in the future.
- Consideration of access concerns and dispute processes must be accessible and practical for all market participants including farmers as upstream price takers.

### **Necessary reforms**

The NFF is of the view that additional reforms are necessary to improve the ability of market participants to compete for farmers' produce. This could be undertaken by enhancing the ability of traders of agricultural produce and other businesses (including small businesses) to utilise access to essential services provisions (including dispute mechanisms). Further, food producers, or their representatives, should have standing in negotiation and dispute resolution over the terms of access.

### **9. Agri-terrorism or intimidation**

Agricultural producers have sought to rely on civil remedies in order to combat animal activists' illegal property entry. To date, such actions have had limited effect in either combating the behaviour or influencing future conduct.

The Issues Paper poses the following general question in relation to competition concerns that are currently not addressed within existing laws:

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<sup>2</sup> Port Jackson Partners 'Greener Pastures: The Global Soft Commodity Opportunity for Australia and New Zealand' (ANZ Insights Report, Issue 3, October 2012) 48-49.

*Are there issues in key markets that raise competition concerns not addressed by existing anti-competitive conduct laws? If so, in which ways might they be addressed through competition-related policies?*

The term 'agri-terrorism' or intimidation refers to behaviour aimed at disrupting agricultural production, including farm invasions, illegal entry, occupation activism, and potentially or knowingly spreading disease and/or pests.

While there are no specific protections from agri-terrorism, there are limited protections provided under legislation and the common law in both the criminal and civil jurisdiction.

Acts of agri-terrorism have the potential to create biosecurity risk, compromise safety practices, cause market disruptions and result in significant financial impacts to producers. The sector seeks greater protection from agri-terrorist behaviour and market disruptions that result.

In particular, the farm community seeks:

- a) specific protections against interruption to standard industry practices by activists;
- b) improved privacy protections from farm invasion/drone use;
- c) penalties for market disruption; and
- d) removal of the secondary boycott protections afforded to environmental groups.

### **Necessary reforms**

There are a number of reforms that could be introduced to overcome agri-terrorism or intimidation issues.

#### Amendment – 'misleading and deceptive conduct'

Section 18 of the ACL makes it an offence to engage in 'conduct that is misleading or deceptive or is likely to mislead or deceive' while engaged in trade or commerce. This is one of the most regularly applied consumer principles in Australia, though it does not currently apply to activist behaviour.

This issue could be overcome by extending the definition of 'in trade and commerce' within section 18 of the ACL to include conduct which intends to or actually causes an impact to 'trade or commerce'.

#### Amendment – secondary boycott

Environmental protection is one of the exemptions for undertaking secondary boycott practices. This exemption should be removed where the conduct constitutes 'agri-terrorism' – ie is conduct that is not based on established facts or is based on material illegally obtained.

#### Market disruption

An additional competition protection should be introduced, with a robust penalty regime, to address parties who, with respect to an agricultural enterprise, engage in illegal conduct which:

- intentionally; or

- recklessly,
- causes or is carried out for the dominant purpose of causing a market disruption.

Such a law ought to place the onus on the alleged party who has engaged in illegal activity (as defined by any written or common law) to prove that the conduct complained of was not performed with an intention to disrupt a market.

## **10. Perishable Goods Commissioner**

The Issues Paper poses the following specific question in relation to competition-related institutions such as the ACCC:

*Are competition-related institutions functioning effectively and promoting efficient outcomes for consumers and the maximum scope for industry participation?*

The agriculture sector is subject to the general laws regarding unconscionable conduct, misuse of market power and other protections outlined in the CCA. However, the understanding in the legislature and judiciary does not assist to overcome the extra burdens when considering the complications of perishable goods.

Producers of perishable goods have limited bargaining power with buyers. Buyers of perishable goods are acutely aware of the limited time producers of perishable goods have to negotiate contract terms before their goods become unsaleable. It is suggested that buyers regularly take advantage of their significantly more powerful bargaining position to the detriment of perishable goods producers.

Due to this highly vulnerable position, the agriculture sector and farmers would benefit from the strengthening of supply chain competition protections across the board. The introduction of a Perishable Goods Commissioner would provide an added level of protection and supervision that would be highly beneficial for the perishable goods industry.

### **Necessary reforms**

Suppliers operating in the perishable goods sector face the harshest bargaining conditions across the agricultural sector; usually culminating in a 'take it or leave it' position from merchants and retailers. This is often in concert with the retailer's ability to assess, reject and revalue produce upon delivery.

The Commissioner ought to have power to:

- receive complaints from producers and peak bodies;
- conduct inspections (both as a result of complaints and as an audit);
- assess produce quality and determine classification/value; and
- issue penalties for improper trading.

It may be most appropriate for the Commissioner role to be within the ACCC, meaning that it can be properly resourced and effectively interact with the other roles of the ACCC.

One of the primary functions of the Commissioner will be to respond to complaints quickly and provide immediate remedy to suppliers if improper practices are identified. It cannot be

defensible for produce to be rejected without oversight and there be no available alternate market.

A mandatory requirement for large industry players to provide transaction or business reports, such as that in existence in the United States, could be introduced in order to drastically increase transparency throughout the supply chain. This would have the complimentary benefit of promoting ethical and fair corporate behaviour.

### **Summary**

An effective, relevant and robust competition legislative framework is fundamental and critical to the farm and agribusiness sector in Australia. The NFF welcomes the commitment from government to undertake this review and recognise it as a significant opportunity to outline areas and issues where the agricultural sector sees the need for change.

The NFF on behalf of the farming and agribusiness community, urges the government to pragmatically consider the issues, and the reality of the current legislative and market environment, and take measures that will address the concerns within that community. In doing so, the government will actively deliver on the public commitment to agriculture being one of the pillars of the Australian economy, and a future driver of growth both domestically and internationally.

Appropriate amendments to the competition legislative framework will underpin the future profitability and competitiveness of the farm sector and align directly with government policy initiatives including the White Papers on Agricultural Competitiveness, Northern Australia and Energy.

The NFF would be available to expand on any of the issues referred to in this submission. In the first instance queries should be directed to:

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