

# Submission on Competition Policy Review draft report from ALM Group

As pointed out in the draft report, the aim in a market economy is 'to allow success to emerge in response to market-driven factors'. Businesses need to base their activities on the needs and preferences of consumers, whether individuals or other businesses. Therefore effective competition policy in the widest sense depends on individual action, with the laws and institutions a backstop rather than the main game.

For example, farmers will benefit most from any changes to competition law and its administration if they improve their own position through a continuous improvement approach to all facets of their production, marketing, and land and animal management, aimed in part at facilitating any changes needed to meet new circumstances and to embrace new technologies, for example, ever improving communication and knowledge sharing systems.

Anything that farmers can do that

- increases their returns (higher prices from better marketing, higher quality products, differentiated products),
- reduces input costs (more efficient energy use, better capital investments, more precise and effective use of inputs),
- simplifies compliance (build confidence in regulators, fewer checks and audits by regulators, better record keeping and reporting)
- fosters innovation (putting ideas into practice)
- increases their capacity to respond to changes (natural, eg, climate change, laws and their administration, consumer preferences, technology, eg, the digital economy),
- fosters co-operative and collective action (knowledge sharing, opportunities for joint marketing and selling, collective bargaining), and
- improves public perceptions of farming (recognizing and meeting rising demands for improved environmental management and animal welfare, contributions to regional economic and social wellbeing)

will see them better placed to take advantage of changes arising from the report, and in turn help the regions to grow and prosper.

Continuous improvement systems will go a long way to improve the situation, as they can accommodate all of the issues canvassed above. Certified Land Management (CLM), described in detail on the website <http://www.almg.org.au>, is such a system. It is run on a not for profit basis, and is:

- whole of farm based, and so covers all activities and enterprises on the farm
- compliant with ISO 14001, and so has international credibility
- customised by each farmer in accordance with personal circumstances, aspirations and resources
- able to accommodate the requirements of more specific product or land use schemes

- externally auditable, thus providing credible verification for environmental and animal welfare claims, eg, to support 'clean, green' claims, domestically and internationally,
- able to provide verifiable product differentiation, and
- a contribution to meeting increasing community demands for continuing good environmental and animal welfare management..

There are currently many schemes that may lead to one off, temporary gains. When included in a CLM system they can become long term and sustained.

CLM is currently the only scheme in Australia with all these feature and advantages. Australia, and its farmers in particular, would benefit from the spread of this and any comparable new systems across Australia.

Research supports the concept of continuous improvement as a success measure for industries and businesses, eg, see *Critical Success Factors for New Rural Industries* RIRDC Publication No 09/002. Research and development, knowledge sharing and innovation are all factors facilitated by systems such as CLM.

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