



Submission to the

Senate Economics Legislation Committee

regarding the

**Competition and Consumer Amendment
(Misuse of Market Power) Bill 2016**

9 January 2017

Comments regarding this Bill

The Australian vegetable industry comprises a wide range of commodities and is made up of growing operations of all sizes. Australian vegetable and potato growers contribute significantly to the national economy, and employ tens of thousands of workers across the country.

With vegetable and potato growers facing increasing costs of production and price pressure from trading partners, a firm, effective approach to competition regulation in Australia is vital for the future success and growth of the industries which AUSVEG represents.

As such, AUSVEG appreciates the opportunity to make a submission to the Committee and welcomes the Federal Government's proposed changes to Section 46 to increase its ability to capture and prosecute anti-competitive behaviour. While these reforms will not protect growers from unfair treatment in all their trading relationships, their anticipated impact in decreasing anti-competitive behaviour should result in a more open and fair market throughout the supply chain.

In particular, AUSVEG has concerns about potentially anti-competitive behaviour enabled by the use of plant breeders' rights to effectively control access to key buyers of vegetable crop commodities. We believe that the reform process for Section 46 presents an opportunity for the Australian Competition and Consumer Commission (ACCC) to consider this behaviour and its impact on competition, and any issues it may present in future.

AUSVEG would also like to emphasise that when considering the effect of conduct on competition in a market, it is vital to take into account prices paid to suppliers, and not just price competitiveness for the end consumer. Australian growers are struggling with price pressures, and conduct which may result in lower prices for consumers should not necessarily be considered beneficial when it will reduce the margins available for growers, which could lead to growers leaving the industry and higher costs for consumers over the longer term.

Queries

If you wish to speak with AUSVEG about this issue, please contact AUSVEG National Manager – Public Affairs Jordan Brooke-Barnett on [redacted] or at [redacted].

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