

Recommendations

Recommendation 1

3.102 The committee recommends that the Australian Competition and Consumer Commission (ACCC), as part of its inquiry into the Australian dairy industry, evaluate the extent to which the code of conduct will reduce power imbalances between farmers and processors, and recommend improvements to the code may better achieve this outcome. Any outcomes from the ACCC inquiry should be incorporated in the proposed review of the code after its first year of operation.

Recommendation 2

3.103 The committee recommends that the ACCC consider how collective bargaining in the dairy industry could be strengthened to enable these provisions to be more widely used and assist in addressing the power imbalance.

Recommendation 3

3.104 The committee recommends that any review of the code of conduct for contractual relationships should be undertaken by an independent party that can objectively assess whether the code is working as intended and consider if a mandatory code would be more appropriate.

Recommendation 4

4.52 The committee recommends that representative organisations of the dairy industry, together with retailers, develop an education campaign to promote awareness about the dairy industry so consumers can make informed choices when purchasing dairy products.

Recommendation 5

5.72 The committee recommends that dairy processors set opening prices conservatively so that any downward pressure from market forces will not result in retrospective price step-downs that have devastating impacts on dairy farmers.

Recommendation 6

5.73 The committee considers that an independent review of the government's dairy support package be undertaken to determine whether it has been effective in improving outcomes for affected dairy farmers and whether it has delivered value for money.

Recommendation 7

6.26 The committee recommends that the ACCC specifically address the issue of unfair contract terms within the dairy industry and provide guidance as to whether milk supply contracts, in-principle, fall under the scope of the unfair contract term laws. Further, the ACCC should provide guidance as to how milk supply agreements and contracts could be developed under a code of conduct for contractual relationships to be compliant with unfair contract term laws.

Recommendation 8

6.37 The committee recommends that the House of Representatives pass the Competition and Consumer Amendment (Small Business Access to Justice) Bill 2017.

Recommendation 9

6.49 The committee recommends that the government prioritise action to reduce the regulatory burden across the cooperative sector and support programs to facilitate the establishment of new cooperatives.

Recommendation 10

6.63 The committee recommends that regulatory agencies, particularly the ACCC and ASIC, review their approach to publicly releasing information about investigations, with a view to providing greater general information about current enforcement activities and relevant issues of public concern.

Recommendation 11

6.75 The committee considers that the proposed Dairy Commodity Price Index is of limited value and its development should not be continued.

Recommendation 12

6.83 The committee recommends that an independent review of the Dairy Services Levy and Dairy Australia be undertaken by government to provide assurance to dairy farmers that they are receiving value for money from the Dairy Services Levy and the benefits of the levy are being fairly distributed across farmers in all dairy producing regions.