

MEDIA RELEASE

WFA welcomes Government commitment to bring in 'effects test'

The Winemakers' Federation of Australia has welcomed proposed changes to the Competition and Consumer Act (CCA) to help protect business and encourage healthy competition in the market place.

Federation Chief Executive Officer Paul Evans said the changes included adopting an "effects test" to strengthen competition law and protect businesses against those with the power to misuse their market dominance.

"The Federation has made numerous submissions to Government that a rethink was needed to the way the provisions operated to ensure a better balance in commercial arrangements between suppliers and buyers," Mr Evans said.

"Today's announcement is consistent with our recommendation," he said.

"Currently The CCA has a 'purpose' test whereby misuse of market power is proved only if it can be demonstrated that the purpose of an entity's actions was to exercise undue market power.

"The Federation advocated a move from the 'purpose' test to an 'effects test' to ensure behaviors by those with substantial market power that has, or is likely to have, the effect of substantially lessening competition in the market will be within the proposed new provisions of the CCA."

Key aspects of the Government's proposed changes announced by the Prime Minister and Assistant Treasurer include:

- access to remedies, with Government supporting the Australian Competition and Consumer Commission to take steps to improve its communications with small business and to more actively connect small businesses to alternative dispute resolution schemes;
- improving collective bargaining regime under competition law to provide more flexibility and increased information for small businesses to help improve their bargaining position;
- encouraging state, territory and local governments to review their competitive neutrality guidelines to ensure their commercial operation would not negatively affect commercial businesses; and
- reviewing the anti-competitive impact of regulations, including standards and licensing, freeing up trading restrictions that apply to many businesses.

"The Federation looks forward to seeing the detail of the Exposure Draft legislation in due course and encourages all political parties to support the Government in implementing this important initiative," said Mr Evans.

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