

## **EXPLANATORY STATEMENT**

### **Issued by authority of the Treasurer**

#### *Competition and Consumer Act 2010*

#### *Competition and Consumer (Price Inquiry— Perishable Agricultural Goods) Direction 2020*

Section 95H of the *Competition and Consumer Act 2010* (the Act) provides that the Minister may require the Australian Competition and Consumer Commission (ACCC) to hold an inquiry into a specified matter or matters.

The *Competition and Consumer (Price Inquiry— Perishable Agricultural Goods) Direction 2020* (the Direction) is made under subsection 95H(1) of the Act and provides a direction to the Chairperson of the ACCC requiring the ACCC to hold a price inquiry into the markets for the supply of perishable agricultural goods.

The inquiry will support the Government's commitment to ensuring the right domestic policy settings are in place to support growth of the Australian agricultural sector. The ACCC will be required to recommend options to enhance competition in the markets for the supply of perishable agricultural goods. In particular, the inquiry will focus on assessing imbalances in power along the supply chains for perishable agricultural goods and any harmful outcomes for participants in the market as a consequence. The inquiry will also assess the effectiveness of the *Competition and Consumer (Industry Codes—Dairy) Regulations 2019*.

Part 1 of the Direction provides the machinery provisions of the instrument, including the definitions.

Part 2 of the Direction provides the terms of reference for the inquiry, including directions about the matters to be taken into consideration. The inquiry will be held in relation to perishable agricultural goods, comprising meat products (such as pork, lamb, beef and chicken), eggs, seafood, dairy products and horticulture goods. The inquiry will not extend to reviewing the operation or scope of the *Competition and Consumer (Industry Codes—Horticulture) Regulations 2017*. The ACCC will be required to recommend options to enhance competition in the markets for the supply of perishable agricultural goods, including options to amend the *Competition and Consumer (Industry Codes—Dairy) Regulations 2019*.

The Direction also ensures that the ACCC is able to receive confidential written submissions to the inquiry.

The ACCC must provide a report to the Treasurer by no later than 30 November 2020.

In accordance with section 17 of the *Legislation Act 2003*, the ACCC has been consulted on the terms of this Direction.

The Direction is a legislative instrument for the purposes of the *Legislation Act 2003*. However, the instrument is not disallowable and does not sunset (see *Legislation (Exemptions and Other Matters) Regulation 2015*).

The Direction commences immediately after the instrument is registered.

A statement of Compatibility with Human Rights is at [Attachment A](#).

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

***Competition and Consumer (Price Inquiry— Perishable Agricultural Goods) Direction 2020***

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Legislative Instrument**

The *Competition and Consumer (Price Inquiry— Perishable Agricultural Goods) Direction 2020* (the Direction) is a direction to the Chairperson of the ACCC to hold a price inquiry into the markets for the supply of perishable agricultural goods.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.