

## PRODUCE AND GROCERY INDUSTRY CODE ADMINISTRATION COMMITTEE

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### Statement of Outcomes

The Produce and Grocery Industry Code Administration Committee (PGICAC) held its twenty-second meeting on 28 June 2007 in Melbourne.

The Committee has finalised resolutions to amend the code and will update code on the Produce and Grocery Industry Code of Conduct (PGICC) website this month ([www.produceandgrocerycode.com.au](http://www.produceandgrocerycode.com.au)).

The Produce and Grocery Industry Ombudsman, Mr David Newton, reported to the Committee on the number and type of dispute enquiries and mediations undertaken from 20 September 2006 to 21 June 2007. The Committee has supported the Ombudsman's practice of encouraging informal resolution of disputes prior to undertaking formal mediation procedures. This practice has proven to be successful with six out of 52 dispute enquiries requesting formal mediation, of which two have been withdrawn, three in the process of arranging mediation and one successfully mediated. This reflects the effectiveness of the codes mediation process in resolving disputes and emphasises its efficiency compared to costly litigation.

The Committee established a Membership Sub-Committee to develop recommendations for implementing criteria and guidelines to accept new Committee members. The sub-committee, consisting of Mr Colin Gray, Ms Meg Parkinson and Mr Ken Henrick, will examine how the Committee can continue to represent a cross-section of the produce and grocery industry.

The Committee noted that the code will be independently reviewed to assess the achievements, effectiveness and level of awareness of the code and Committee as well as potential alternative approaches. The review will be managed by the Australian Government Department of Agriculture, Fisheries and Forestry and is anticipated to begin in August 2007.

The Committee noted that the PGICC has been referred to as 'an example of a successful scheme aimed at addressing concerns about supplier-retailer relationships', in a *Working Paper on Supply Chain Practices and the Supermarkets Code of Practice* for the Groceries Market Review being undertaken by the United Kingdom Competition Commission.

At the June meeting, the Committee recognised the importance distinguishing between roles and responsibilities of the PGICC and the Horticulture Code of Conduct. The PGICC encourages fair trading practices along the vertical produce and grocery industry supply chain, whilst the Horticulture Code of Conduct only covers transactions between growers and wholesalers of fresh fruit and vegetables. Dispute resolution mechanisms are provided under both codes by a single provider contactable on Freecall 1800 206 385.

### Background

The Produce and Grocery Industry Code Administration Committee was established in 2000 by the Australian Government to administer the Retail Grocery Industry Code of Conduct. The code covers all industry participants in the produce and grocery industry in their vertical supply relationships, from primary producers and growers to supermarket retailers and provides a mechanism for dispute resolution through the Produce and Grocery Industry Ombudsman. In February 2005, the code was renamed the Produce and Grocery Industry Code of Conduct to better reflect the coverage of its scope within the industry.

For further information, contact PGICAC Chairman, Ian Davis on (03) 8608 2897 or visit [www.produceandgrocerycode.com.au](http://www.produceandgrocerycode.com.au)

2 July 2007

Code signatories include: Aldi Stores; Australian Chamber of Fruit and Vegetable Industries Limited; Australian Dairy Farmers, Australian Chicken Growers Council, Australian Egg Corporation Ltd; Australian Food and Grocery Council; Australian Retailers Association; Coles Group Limited; Murray Valley Winegrape Growers; National Association of Retail Grocers of Australia; National Farmers Federation; National Retail Association; Horticulture Australia Council; Queensland Retail Traders and Shopkeepers Association; and Woolworths Limited.