

PRODUCE AND GROCERY INDUSTRY CODE ADMINISTRATION COMMITTEE

Statement of Outcomes

The Produce and Grocery Industry Code Administration Committee (PGICAC) held its twenty-third meeting on 6 September 2007 in Melbourne.

With the Produce and Grocery Industry Code of Conduct review underway, the independent review consultants, Ms Vicki Woodburn and Mr Bob Granger of Garland Outcomes Pty Ltd, attended the Committee meeting and led discussion on the key achievements of the Committee and Code.

The review's terms of reference are:

- Assess the extent to which the code, and its committee, has achieved their objectives and terms of reference;
- Evaluate the level of awareness of the code within the produce and grocery industry and the extent to which the code has been adopted by the industry;
- Evaluate the strengths and weaknesses of the code and its administration; and
- Assess whether any alternative approaches would be more effective, efficient and appropriate.

The Committee encourages industry participants to provide input into the review and can email info@produceandgrocerycode.com.au for further information.

The Committee identified the Produce and Grocery Industry Ombudsman (PGIO) dispute resolution service as an important mechanism in achieving improved trading conditions in the produce and grocery industry. The Committee emphasised the effectiveness of the PGIO in facilitating disputes prior to formal mediation processes being undertaken. The PGIO, Mr David Newton, report to the Committee reinforced this point with only six out of 43 dispute enquiries resulting in formal mediation.

The Committee also noted the importance of being able to bring industry participants together, including producers, wholesalers and retailers, to foster collaboration on issues affecting the industry. The Committee values the need to increase communication and understanding between supply chain participants as an important tool for improving business relationships.

The Committee noted its development of the Terms of Trade Checklist to improve contract negotiations and industry's knowledge of what to consider when entering contracts, particularly addressing payment terms, produce price and quality which are the main causes of disputes addressed by the Ombudsman.

The recommendations of the Membership Sub-Committee regarding procedures for accepting new Committee members and code endorsers were tabled at the meeting. The Committee considered the recommendations and agreed to develop a pro-forma that would provide a simple process for industry organisations to register their endorsement of the code. The pro-forma will outline the roles of endorsing organisations, such as the promotion of the code and advising their membership of code and Committee progress.

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

7 September 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.