

PRODUCE AND GROCERY INDUSTRY CODE ADMINISTRATION COMMITTEE

Statement of Outcomes

The Produce and Grocery Industry Code Administration Committee (PGICAC) held its twenty-fourth meeting on 13 December 2007 in Melbourne.

The Produce and Grocery Industry Ombudsman, Mr David Newton, reported that 12 dispute enquiries have been received for the period 1 July 2007 to 3 December 2007.

Of the 12 dispute enquiries, five related to overdue payments for goods supplied. Other disputes related to discrepancies between the prices agreed to and the payment received, non-adherence to payment terms agreed and unreasonable business terms and conditions placed on the suppliers.

In the first instance, the Ombudsman encourages parties to discuss the dispute initially and utilise any internal dispute resolution procedures a business may have established. This approach has been effective in encouraging cooperation between two disputing parties and to help maintain their business relationship. As a result, no applications for mediation have been received for the period mentioned.

The Committee considered the final report of the Produce and Grocery Industry Code of Conduct review developed by Garland Outcomes Pty Ltd. The Committee regards the code as an important tool in promoting fair trading practices and providing valuable dispute resolution services to the industry. The Committee will provide comments on the review to the Minister for Agriculture, Fisheries and Forestry, the Hon Tony Burke MP, for his consideration.

The Committee agreed to develop a 'Standards and Specifications Sub-Committee' to consider the use of produce standards and specifications within the produce and grocery industry. The sub-committee will initially evaluate the standards and specifications used within the horticulture industry. The aim is to determine whether the number of standards and specifications available are impacting on the transparent and fair trade of produce.

The Committee discussed the Government's election policy commitment to direct the Australian Competition and Consumer Commission to evaluate the effectiveness of the Horticulture Code of Conduct. The Committee considered that the outcome of this evaluation may have implications for the voluntary code in terms of its scope and coverage of the produce and grocery industry supply chain.

For further information, contact PGICAC Chairman, Ian Davis on (03) 8608 2897 or email info@produceandgrocerycode.com.au

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.

18 December 2007