

Produce and Grocery Industry Code of Conduct

**ANNUAL REPORT OF THE
PRODUCE AND GROCERY INDUSTRY OMBUDSMAN
(PGIO) TO THE PRODUCE AND GROCERY INDUSTRY
ADMINISTRATIVE COMMITTEE (PGIAC)**

For the period of

**1 July 2007
to
30 June 2008**

Operation and Effectiveness of the Code

There have been 26 enquiries received by the PGIO between 1 July 2007 and 30 June 2008. Four of these enquirers were referred to either the ACCC, the Department of Agriculture, Fisheries and Forestry or to a solicitor where they were outside the role of the PGIO.

In regards to these 26 enquiries it has been the philosophy of the PGIO to attempt to facilitate resolution before an application for mediation is received. We have found that by bringing the respondent's attention to the complaint received and allowing them a set period of time in order to negotiate directly, the matters raised can be settled in full or partially settled to the point that no further action has been required by the PGIO.

For each enquiry received, our office has forwarded an information pack to the enquirer and explained our role as PGIO. Nine enquirers have requested the PGIO to take their matter further and to contact the other party to inform them of an issue being raised with the PGIO and to encourage direct negotiation within a set period. One of these nine enquirers proceeded to make an application for mediation. Of the other eight there has been no further action taken and in some cases we have received positive feedback of resolution being reached.

There has been one application for mediation received during this reporting period. However, on the day that a mediator was to be appointed the respondent contacted our office to request our assistance to resolve this matter prior to mediation. A staggered payment arrangement was agreed between the parties to resolve this matter with our help.

There has been one mediation conducted during this period that related to an application fee received at the conclusion of the previous reporting period. This mediation did not result in settlement.

The success rate of the PGIO's facilitative approach to disputes within this industry remains encouraging. Given the low level of mediation applications and the positive feedback received, it would seem that this approach is working well within the produce and grocery industry at this point in time. Enquirers seem to feel at ease knowing that the PGIO exists and that there is a procedure for dispute resolution when it is needed.

We have not perceived there to be any problem with the operation or effectiveness of the Code.

Recent telephone enquiries indicate that the industry is well informed of the existence of the Code and that participants seem to value the safety net that it provides in the confidential nature of the dispute resolution service.

In addition, through the education activities of the PGIO and the role of various industry groups, industry participants seem to be increasingly informed of the role of the PGIO. Representative bodies that contact our office are given our information pack so that it can be distributed to those that may require information on resolving disputes.

There does not seem to be any emerging trend or issue at this point in time other than a consistent level of enquiries specific to this Code. The level of enquiries has not decreased with the presence of the mandatory Horticulture Code.

Nature of Enquiries

Of the 26 enquiries received the majority (11) related to issues of non-payment for produce supplied. Another enquiry had elements of non-payment as well as an issue relating to the disputed quality of produce supplied. An additional enquiry related solely to a dispute over the quality of the produce in question.

Four enquirers raised the issue of value of produce, whereby the amount initially quoted (and often verbally) differed from the amount ultimately paid and displayed on the invoices.

Two separate enquirers did not raise a particular issue with us but wished to obtain further information on the service that our office could provide.

A further two enquiries related to concerns regarding the conduct of the packing houses used in the supply chain.

The additional enquiries related to a variety of issues including terms of the agreement, pricing levels, care of produce during transport, price variations and auditing.

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Identification of Systemic Problems Faced by the Produce and Grocery Industry that Conflict with the Operation of the Code

We have not identified any such problems during this period.

David Newton
The Accord Group
Produce & Grocery Industry Ombudsman
July 2008