

Q&A - BIG BOX INQUIRY



Greenlife Industry Australia

THERE'S A LOT TO GET YOUR HEAD AROUND.
HERE'S SOME INFO ABOUT WHAT'S GOING ON.

1 Q. WHAT IS THE BIG BOX INQUIRY?

A. On 14 August Parliament launched an inquiry into Australian 'big box' retailers to find out more about how they set prices and treat suppliers.

2 Q. WHAT IS GIA HOPING TO ACHIEVE FROM THE BIG BOX INQUIRY?

A. We will show that the power imbalance between Bunnings and growers has created an unfair trading environment for growers. We will ask to government to address this, either by including Bunnings in the Food & Grocery Code of Conduct or establishing a new Code of Conduct that protects growers.

3 Q. WHAT WILL A CODE OF CONDUCT OR A FRAMEWORK CHANGE FOR GROWERS?

A. The rights in either a Code of Conduct or a Framework would be automatically granted to growers. Growers can choose to assert their rights, or to ignore them. Evidence shows that growers who understand their rights and apply them see the greatest benefits in their businesses. However, growers don't have to take up any rights provided in either a Code of Conduct or an Industry Framework.

There are many other examples of rights that work in this way: as consumers, we all have rights under consumer laws that entitle us to a refund for a faulty item we purchase. But if we don't want to go the effort of returning the item and claiming the refund, we don't have to.

4 Q. HOW IS IT DIFFERENT FROM THE SUPERMARKET INQUIRY?

A. The Supermarket Inquiry focused on major grocery retailers like Woolworths, Coles and Aldi while the Big Box Inquiry will concentrate on major retailers such as CostCo, IKEA, Mitre 10 and Bunnings.

5 Q. WHAT WOULD A CODE OF CONDUCT MEAN FOR BIG BOX RETAILERS?

A. If a Code was introduced, big box retailers would likely need to change the way they operate and accept new rules on how complaints are handled. Some Codes include financial penalties for breaches.

6 Q. HOW IS GIA DEVELOPING THE FRAMEWORK?

A. A Drafting Group that includes one Bunnings supplier from each state is working with a retail expert to draft the Framework based on parts of existing Codes of Conduct and extra elements to make the document suitable for the greenlife industry. Once the draft is ready, GIA will consult growers.

7 Q. WHAT ARE CODES OF CONDUCT?

A. Codes of Conduct regulate trading relationships, especially when there is an imbalance of power between the parties. They set out the rules retailers must follow when dealing with suppliers.

8 Q. WOULD A CODE OF CONDUCT CREATE NEW OBLIGATIONS FOR GROWERS?

A. All parties subject to a Code of Conduct must act in good faith and within the law. While growers would gain new rights and protections, most obligations fall on the retailer.

9 Q. HOW WILL THE CONSULTATION WORK?

A. GIA is working closely with the state associations to ensure growers are informed about the consultation and can access it when it opens. We are committed to ensuring that you have time and opportunity to have your say about it before the deadline.

10 Q. WHAT IS THE DIFFERENCE BETWEEN MANDATORY AND VOLUNTARY CODES OF CONDUCT?

A. If a Code of Conduct is voluntary, it only applies to those retailers who volunteer to sign it. If it mandatory, the government decides which retailers must abide by it.

11 Q. WHY IS GIA ALSO NEGOTIATING WITH BUNNINGS?

A. The government has recommended that GIA and Bunnings work together to agree on an Industry Framework that sets out the rules of trade between Bunnings and suppliers. While a Code of Conduct would provide more certainty for growers, we are discussing a Framework with Bunnings as an alternative way of improving the trading environment for growers.

12 Q. HOW DO WE KNOW BUNNINGS WILL ACCEPT THE FRAMEWORK?

A. We don't. But GIA and Bunnings have been meeting regularly and we feel optimistic that together we can negotiate an outcome that is better for growers and tolerable for Bunnings.

13 Q. ARE GROWERS SUPPLYING PLANTS TO BUNNINGS PROTECTED?

A. No. Growers of fruit and vegetables supplying Woolworths, Coles and Aldi are protected by the Food & Grocery Code of Conduct. Growers supplying plants to Bunnings are not protected by a Code of Conduct.

14 Q. HOW WOULD AN INDUSTRY FRAMEWORK DIFFER FROM A CODE OF CONDUCT?

A. An Industry Framework and a Code of Conduct would aim to do the same thing, but an Industry Framework would not have the same power as a Code of Conduct.

A framework can be tailored to meet the needs of the greenlife industry.

15 Q. WHERE CAN I GET MORE INFORMATION?

A. For more information:

- visit www.greenlifeindustry.com.au/grower-protection
- call 1300 95 95 13
- email hello@greenlifeindustry.com.au