

MEMBER BRIEF

CODE OF CONDUCT ENACTED

The Competition and Consumer (Industry Codes—Food and Grocery) Regulation 2015 – The Food and Grocery Code of Conduct has today passed the disallowance period in the Senate meaning it is now formally a prescribed Code.

Woolworths and ALDI have publicly committed to the code. Coles is also expected to sign.

The Code was prescribed on the 26th of February 2015, and has passed both the House of Representatives and the Senate.

The Code aims to ensure that relationships between retailers and suppliers are built on good faith, improving the operation of the food and grocery sector in the long term interest of Australian consumers.

The Code applies to retailers and wholesalers, and features:

- an obligation to enter into grocery supply agreements in writing
- minimum standards of behaviour in dealings with suppliers, including an obligation to act in good faith and a prohibition against threatening suppliers with business disruption or termination without reasonable grounds; and
- dispute resolution mechanisms to assist suppliers in resolving disputes.

The Code is comprehensive and covers contractual dealings such as supplier funded promotions, labelling, shelf space and positioning, intellectual property and payments for wastage. The ACCC is now responsible for enforcement of the Code.

AFGC continues to host Code training for food and grocery companies. These sessions provide advice and training on how to benefit from the Industry Code of Conduct now that it is officially a prescribed Code.

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