

Introduction

Reference of the Bills to the Committee

- 1.1 On 22 September 2011 the House of Representatives Selection Committee referred the following Bills to the Committee for inquiry and report:
 - Constitutional Corporations (Farm Gate to Plate) Bill 2011; and
 - Competition and Consumer Amendment (Horticulture Code of Conduct) Bill 2011.
- 1.2 The Bills were both introduced into the House on 19 September 2011 by the Hon Bob Katter MP. The text of the Bills can be found on the Committee's webpage.¹
- 1.3 This Chapter outlines the objectives of the Bills and the inquiry process. Chapter 2 considers the Constitutional Corporations (Farm Gate to Plate) Bill 2011. Chapter 3 deals with the Competition and Consumer Amendment (Horticulture Code of Conduct) Bill 2011.

1 <<http://www.aph.gov.au/house/committee/arff/horticultural/index.htm>>.

Objectives of the Bills

- 1.4 Both Bills share common ground through broadly attempting to improve transparency and accountability within the fresh fruit and vegetable supply chain in Australia. The impetus for improvement has arisen due to concerns that, in general, growers are continually receiving low returns on produce that is eventually sold to consumers at substantially higher prices. Upon introducing the Constitutional Corporations (Farm Gate to Plate) Bill 2011, Mr Katter stated:

...the village is paying twice what they should be paying for their fruit and vegetables in Australia and the farmer is getting half. In other words, the people in the middle are arguably getting 400 per cent more than they should be getting.²

- 1.5 In relation to the Competition and Consumer Amendment (Horticulture Code of Conduct) Bill 2011, Mr Katter contended that the supply chain does not allow for prices to be traced:

A lot of farmers are very nice and very trusting people - foolishly trusting people, in my opinion. They do not know what their product is sold for, so, quite frankly, an agent can tell them anything. He could sell mangoes for \$40 a box and tell the farmer he sold them for \$20 a box.³

- 1.6 Speaking on the same Bill, he added:

The other issue is the supermarket giants: Woolworth and Coles. Again, we do not know what they pay for produce.⁴

Inquiry Process

- 1.7 Due to the related nature of the two Bills, the Committee decided to seek submissions that addressed both Bills. The Committee called for submissions on 12 October 2011 with a deadline of 16 December 2011. The Committee also wrote to relevant State, Territory and Federal Ministers and contacted interested stakeholders, notifying them of the inquiry and inviting submissions.

2 House of Representatives Hansard, 19 September 2011, p. 10425.

3 House of Representatives Hansard, 19 September 2011, p. 10428.

4 House of Representatives Hansard, 19 September 2011, p. 10428.

- 1.8 The Committee adopted five focus areas for the inquiry:
- the practicalities of implementing the Bills' provisions, both for practitioners and regulators, taking into account the whole supply chain;
 - the cost of implementation;
 - domestic and international linkages;
 - the interaction of any potential issues between related Federal, State and Territory laws in this area; and
 - possible amendments to the Bills, or other alternative measures, to achieve the objectives of the Bills.
- 1.9 The Committee received 21 submissions and one confidential supplementary submission. Details of submissions can be found in the Appendix.
- 1.10 While supporting the intent of the Bills, in general, submissions refrained from advising that the House should pass the Bills. This was based upon concerns that practical implementation would be difficult with some possible undesirable outcomes. One exception was the submission from the Horticulture Taskforce, a collective of peak horticulture industry bodies, which offered support for the Competition and Consumer Amendment Bill, but this position was still 'subject to some clarifications and extra considerations'.⁵

5 Submission 11, Horticulture Taskforce, p. 5.