

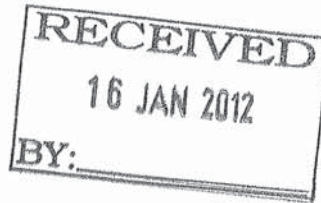
**SUBMISSION NO. 21  
Horticultural Code and  
Farm Gate to Plate**



THE HON KON VATSKALIS MLA  
MINISTER FOR PRIMARY INDUSTRY, FISHERIES  
AND RESOURCES

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The Hon Dick Adams MP  
Committee Chair  
Standing Committee on Agriculture,  
Resources, Fisheries and Forestry  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Minister Adams

Thank you for your letter of 14 November 2011 and for providing the opportunity to comment in relation to your inquiry into the Competition and Consumer Amendment (Horticulture Code of Conduct) Bill 2011 and the Constitutional Corporations (Farm Gate to Plate) Bill 2011.

Following discussions between my Department of Resources (DoR) and our regional horticultural associations and other interested parties, I have formed an opinion that while the current Bill is not working, the proposed new regulatory arrangements would be a retrograde step towards less suitable arrangements.

I am aware that the Horticulture Business Code of Conduct was first proposed in 2004 with the intention of encouraging good practice in the relationship between growers and merchant/agents in the market, and to address some of the issues which have always existed because of the tremendous power imbalance that exists between the two parties.

The Australian Competition and Consumer Commission reviewed the proposal in 2005 and at that time sought input from government agencies and industry.

Many years later and despite the Code, good practice is still the exception rather than the rule.

Horticultural enterprises which have strong business relationships with merchants/agents or direct to the retailer, do not have a need for a Code of Conduct as all the principles within the Code can be covered by good business practices.

Yours sincerely

KON VATSKALIS

29 DEC 2011