

# Joyce warns farmers will get walked over without code

Claire Stewart

Nationals Senator **Barnaby Joyce** is pushing for a government-imposed mandatory code of conduct to regulate the allegedly bullying behaviour by large retailers in the \$86 billion grocery market.

But it is understood the Liberal party would prefer retailers and industry to continue negotiating a voluntary code, meaning the Coalition could face some issues when it comes to setting policy on the future of the supermarkets.

Senator Joyce has warned that leaving negotiations for a code to retailers and industry meant farmers would "get walked over", and that it was quite obvious that **Coles** and **Woolworths** will exploit their strength in the marketplace. "My argument is if you believe you can abide by a code of conduct, why would you have a problem with it being mandatory?"

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fairness, and believe government is there to bring about fairness, then to say we will let the farmer determine his livelihood against Coles and Woolworths, that's an absurdity."

Negotiations for a voluntary code between the two retailers and the Australian Food and Grocery Council have been going on for nearly eight months, but are at the end stages of drafting. Both retailers have given feedback on the latest draft. Progress on finessing the final issues is expected after the AFGC's board meeting on Wednesday before the draft is taken to government for review.

If a code cannot be agreed between the parties or by government before Labor transitions to caretaker mode in August, the matter will have to be stood over until after the election.

With a Coalition or at least right-of-centre crossbench expected to rule the Senate, the power of the Nationals to sway the Liberal party's policy on a

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grocery code could be heightened. A fourth party to the negotiations, the National Farmers' Federation, withdrew from the process in April after declaring it wouldn't settle for anything less than a mandatory code, labelling voluntary negotiations a waste of time for anyone wanting tougher protections for farmers.

"I know absolutely that Coles and Woolworths will be frenetically lobbying people to make sure no mandatory code of conduct will be brought in,"

Senator Joyce said. He blames a failure by the Green and Independent politicians, including **Tony Windsor**, who he is challenging for the seat of New England, to use their clout with the Labor party to push through some kind of mandatory code sooner.

"We will try and bring about an agenda that brings a better outcome for farmers, knowing that we have very few friends. And even the ones who say they will stand up for farmers, such as Mr Windsor, are nowhere to be seen on these issues."

Opposition small business spokesman **Bruce Billson**, who will oversee a touted review into Australia's competition regime after the election, told *The Australian Financial Review* last month that any code should at least include penalties for non-compliance and an independent dispute resolution process. Nationals Senator **John Williams**, who has been discussing the matter with Mr Billson and Parliamentary

Secretary **Scott Ryan**, said he is confident the Coalition can work through the issues. He agrees fines need to be available as a deterrent against bullying tactics by the large retailers.

"You can set out a basic set of principles, for instance if you sign a contract, you must abide by that contract and [not change terms unilaterally]. If you breach it, then you face the adjudicator, who can impose a fine."

But some lawyers involved are concerned suppliers may end up facing retaliatory use of the code, as retailers crack down on every instance of a supplier's failure to meet their contractual obligations, including for delivery time, product quality and volumes.

"It would have to be a two-way street," Senator Williams said. "You don't set a code of conduct for one side; it must be binding for both sides. If suppliers agree to supply a product at a certain price and volume, then they must do that."