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“SYDNEY MARKETS CEO SLAMS MANDATORY CODE”

“The announcement on 19th September by Agriculture Minister McGauran advising that the Australian Government will immediately introduce a Mandatory Code for the Wholesale Horticulture Sector came as a huge disappointment for all concerned” said Sydney Markets Limited CEO, Brad Latham

“It is hard to fathom why a decision to favour a Mandatory Code over the proposed Voluntary Enforceable Code has taken place. A survey conducted by Roy Morgan in late 2005 concluded 78% of Growers nationally were satisfied with the trading relationship they had with their Market Wholesaler/s”.

“Our Market has an annual turnover of over \$2.5 billion and is an integral link in the Australian Fresh Food Supply Chain. This is made evident by the fact that over 800,000 pallets of fresh produce are delivered to Wholesalers each year. In contrast, on average only 16 complaints are received per annum from Growers and half of these complaints don’t even involve Market Wholesalers. This only emphasizes the fact that our Wholesalers have built and maintain strong relationships with their Growers.

“The implementation of a Voluntary Enforceable Code as proposed by Government last week would have given Wholesalers and Growers realistic trading options. In turn, this would have provided Growers with the choice to deal with Wholesalers who are members of the Code – how is this unfavourable to Growers? In fact, this would only have strengthened the already positive relationship they currently have.

“It has taken more than three years for the Government to come to this decision and follows a round table meeting of industry representatives, which took place on Thursday 14th September. This meeting was highly influenced by a minority of Grower representatives who refused to even discuss the Government’s proposals. So I ask, how is this a fair decision by Government?”

“The Government has clearly failed to justify the need for a Mandatory Code ahead of other less costly regulatory approaches. The result will be an outcome that will undoubtedly impose increased transaction costs within the entire supply chain, with follow-on effects to hit the consumer’s pocket”

About Sydney Markets

Sydney Markets Limited owns and operates Australia’s largest market and is recognized as a world leader in fresh produce and community market management. Approximately 130 wholesalers, 400 produce growers, 170 flower growers and over 160 supporting businesses are located on site at Flemington. More than 5000 people work in businesses at Sydney Markets.

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