

MEDIA RELEASE

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67% of greenlife growers say Bunnings trade terms are not good enough

Greenlife Industry Australia (GIA) is calling on the Federal Government to protect greenlife growers from unfair trading practices by including them in the Food & Grocery Code of Conduct and making the Code mandatory. Dr Craig Emerson is reviewing the Code and is said to be considering extending it to retailers such as Amazon and Costco. GIA is asking for big box retailers of plants with a turnover of \$1bn+ to also be included.

Bunnings should be included in the Supermarket Code because:

- plants are already covered by the Code and Bunnings sells more plants than anyone else in Australia
- Bunnings is an unregulated monopoly in this space
- Bunnings sells a range of goods from household cleaners to pet food – just like a supermarket.

Agriculture Minister Murray Watt said, “Frankly, I wasn’t aware that plant growers were not currently covered by the Food & Grocery Code. It seems reasonable to me that Bunnings would be added to the Code.”

GIA CEO, Joanna Cave said, “More than two thirds of growers are dissatisfied with their trading arrangements with Bunnings. A third of growers say the retail giant pressures them to accept a price that’s less than fair, and 20% say they sell to Bunnings at a loss. A third of growers say they fear losing business if they ask for a price increase.”

“Some growers who have challenged these arrangements say that, at best, Bunnings ignores or dismisses their complaints. At worst, they are punished – sometimes to the point of bankruptcy,” said Ms Cave.

Senator Ross Cadell observed at the Senate Supermarket Inquiry hearing, “...if this was a relationship it’d be coercive control, wouldn’t it?”

An industry representative, Lucy*, said, “I worked as a rep for three large nurseries supplying Bunnings. The conduct and terms and conditions I was witness to were appalling!! I think the way Bunnings conducts their business is borderline criminal! And senior management condones and encourages their buyers’ disgusting behaviour. I really got a sense that they were trying to break people down. Multiple nurseries closed down, saying pressure from Bunnings was a large part of it. In the seven years, I watched Bunnings go from being a somewhat reasonable company to appalling.”

GIA estimates that Bunnings has a 70% share of the plant retail market in Australia, greater than the combined grocery market share of 60% enjoyed by Coles and Woolworths.

Allan Fels, former Chair of the Australian Competition and Consumer Commission (ACCC) said, “Suppliers always have reason to be concerned when they’re at the mercy of big players like Bunnings, and there needs to be a watch on their weak bargaining position not being exploited by Bunnings.”

“Greenlife growers want to supply big box retailers such as Bunnings. But as things stand, Bunnings controls prices, supply and trading terms – and growers have no bargaining power and no viable alternative markets.”

As well as including big box retailers in the Food & Grocery Code of Conduct, both growers and consumers will benefit from strengthening the Code to make it mandatory, setting meaningful penalties for breaches and including independent dispute resolution to protect growers from retribution.

Ms Cave said, “The Food & Grocery Code already includes plants – but it doesn’t include plants’ biggest retailers. Bunnings says it should be excluded from the Supermarket Code because it offers a broad range of products and services to its customers – not just plants. This is true. Everyone knows Bunnings sells a variety of items, including dog food, laundry detergent, light globes and kitchen utensils – just like a supermarket.”

*To ensure the growers she worked with are not identifiable, ‘Lucy’ has chosen not to publish her full name.

– ENDS –

More information

Read the:

- submission to the Select Committee on Supermarket Prices at
- www.greenlifeindustry.com.au/submission-supermarket-pricing-inquiry
- submission to the Review of the Food and Grocery Code of Conduct at www.greenlifeindustry.com.au/food-and-grocery-code-submission

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About GIA

GIA is the national peak body representing commercial growers of plants (known as nursery products) across all states and territories of Australia. The nursery products industry is a significant component of the

Australian horticultural sector, employing over 25,000 people and generating a farm gate value of \$2.8 billion annually.