



Greenlife  
Industry Australia



# **GROWER PROTECTION FROM BUNNINGS MEDIA PACKAGE APRIL 2024**

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## Media release – growers to share harrowing experiences as Bunnings suppliers at Senate Inquiry



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### **MEDIA RELEASE 11 April 2024**

#### **Growers to give evidence of harrowing experiences as Bunnings suppliers at Senate hearings**

Today, two greenlife growers will be appearing before the Senate Select Committee on Supermarket Prices to give evidence about their experience as suppliers to retail giant, Bunnings.

Karen Brock of Brocklands Nursery in Winkleigh, Tasmania and Peter Smith of Boomaroo in Lara, Victoria, have both submitted statements to the Inquiry detailing their experiences supplying Bunnings for many years which resulted in huge losses and mental anguish. Both report a relationship that started positively but became harder to manage as Bunnings exerted their dominance.

“After ten years of supplying Bunnings without receiving any price increase at all, despite our own costs going up, we requested a price increase. It was refused. In total, Brocklands supplied plants to Bunnings for 13 years. In all this time, we succeeded in negotiating only one price increase which meant that we were selling plants at a loss for much of the time,” said business owner, Ms Brock.

Bunnings sells more plants in Australia than any other retailer, maintaining an estimated national market share of 70%, which outstrips the market power of the two major supermarkets, Coles and Woolworths, combined. Yet the Food and Grocery Code of Conduct that regulates supermarkets does not cover Bunnings and other big box retailers, even though the Code includes plants in its definition of groceries.

Over many years, growers like Ms Brock have reported their concerns about Bunnings to peak industry body GIA saying they cannot complain to Bunnings, because they fear retribution from the retailer that could imperil their livelihoods.

Ms Brock said “We noticed that whenever we raised a concern or challenged Bunnings’ behaviour, they reduced the plants they purchased from us. I have no doubt that this was a form of punishment and a way of reminding us that Bunnings held all the power in the relationship.”

“In 2016, our business was on the brink of collapse. We took the difficult decision to stop supplying Bunnings. This was a huge risk as we had to rebuild the business almost from scratch. It was a gamble to break from Bunnings; in our fifties we were effectively starting again. But we don’t regret it: it saved our mental health, our livelihood and our marriage.”

Boomaroo is one of Australia’s most prominent and successful growers, employing 140 staff and operating from sites in Queensland and Victoria. A few weeks ago, they walked away from Bunnings after supplying the retailer for over ten years.

“We were carrying out a thorough analysis of why we were losing money, and in doing so



identified the impact that Bunnings were having on the mental health of our team, the quality of our range and our profitability,” said Peter Smith, Boomaroo CEO.

“The absence of a commitment [from Bunnings] to purchase was the biggest challenge. We were effectively growing huge volumes of plants entirely speculatively,” said Mr Smith.

“Eventually, we made the decision to stop producing greenlife products. We redeployed as many staff as we could but there were inevitable redundancies. One worker who we made redundant had been a valued employee for over 20 years. It was a heartbreaking time for us. I know Bunnings is a business and needs to make a profit – but they can surely balance making a lot of money with treating growers fairly and professionally”.

In 2023, the government announced its intention to review competition regulation and more recently, the price setting practices and market power of major retailers such as supermarkets.

GIA CEO Joanna Cave said “It is in the public interest for such big retailers to face some scrutiny to ensure they don’t abuse their market dominance. The evidence that Karen and Peter are giving today illustrates that growers are unreasonably disadvantaged by the power that Bunnings holds.

“Our ask of the government is a simple one: to include Bunnings in the same Code of Conduct that regulates Coles and Woolworths. Bunnings has nothing to fear from signing such a Code. Whilst it’s too later to help growers like Karen and Peter, admitting Bunnings to the Code would enable growers to continue supplying Bunnings, safe in the knowledge that they are protected from abuses of power.”

When asked why he was prepared to give evidence at the Senate Inquiry, Mr Smith said “Boomaroo stands to gain nothing at all from sharing our story. But we know others in the greenlife industry who experience the same poor treatment from Bunnings. If there is a chance that our account influences the government to support smaller business owners that supply to Bunnings and improve and secure the future of the Australian Greenlife industry, then we are glad to contribute”.

– ENDS –



## “Bunnings almost broke us: why we had to walk away,” as told by Karen Brock, Brocklands Nursery

Brocklands Nursery is a wholesale nursery supplying plants grown in our laboratory in Winkleigh, Tasmania. We grow a wide range of berry plants, fruit rootstocks and ornamentals.

Established in 1996, Brocklands is managed by my husband Tim Phillips and me. Today we employ eight regional staff and turn over \$750,000 per year. We are an accredited nursery with a reputation as a high-health specialist grower, using the latest technology to propagate plants of a consistently high standard to supply to the agribusiness sector.

In 2003, we started supplying plants to Bunnings. We quickly became a preferred Bunnings supplier: we grew high quality plants which were locally produced rather than imported from the mainland. Demand grew quickly as Bunnings expanded across the state, opening new stores in Burnie and North Launceston and later in Mornington and Kingston. At the peak of our activity with Bunnings, our plants occupied 26% of the available store space in Tasmanian Bunnings stores.

Although Bunnings consistently purchased high volumes of plants from us, they did this without any contractual commitment. What this meant in practice was that we were encouraged by Bunnings to grow huge volumes of plants whilst they reserved the right to buy only some – or none - of these. At the peak of our business with Bunnings, 95% of the plants we produced were set aside for Bunnings – but without any certainty at all. This was a huge source of worry for us: if Bunnings didn't buy the plants we had grown for them, there was nowhere else for us to sell them.

Bunnings asked Brocklands to start growing water lilies for them. We were reluctant to do this as it required investment from us to set up the right growing facilities without any certainty that Bunnings would take the plants. Over three years, Bunnings pressurised us and eventually we gave in and agreed to invest \$10,000 and started growing water lilies. Bunnings praised the quality of the plants and purchased every water lily we could grow in the first year. In the second year, we experienced a shock when, having allocated 5,000 water lilies to Bunnings due to their popularity, they purchased only 500 of these, despite having opened new stores in the meantime.

This was not the only time we risked an investment without any certainty of being able to recoup it. At the peak of our activity, we spent \$150,000 on a robotic planter so we could produce the volume Bunnings said it needed. Making such investments on the basis of informal arrangements posed a serious risk to our business: at one point we had \$750,000 of plant stock grown for Bunnings without any contract from them to buy any of it.

On another occasion, Bunnings asked us to grow 700 plants for a special promotional campaign. There was huge build up to the campaign and we were put under pressure to ensure we had the plants ready on time. We were devastated when they took only six plants – and obliged us to deliver them to store, at our own cost. Obviously, we made a huge loss on that campaign: the 'no-ties' relationship with Bunnings hurt us again.

The obligations Bunnings place on growers to supply plants into stores are very unfair. We were required to deliver to any store in any location in Tasmania, at our own cost. Because Bunnings refused to commit to a minimum order, we sometimes found ourselves delivering only a handful of plants to Hobart (a six hour round trip), should the store require it. We were also required to supply plants at a discount whenever a new store opened or when an

existing store was refurbished. Typically, the discounts demanded were 15%, plus the cost of transport. Often, we made a loss. A variation to the trading agreement requested by us for a minimum order of \$300 was rejected.

When we first started supplying Bunnings, they only agreed to pay us on a monthly basis if we gave them a 'prompt payment discount' on our plant prices. We agreed to do this because we needed the cash flow. Once in place, we were paid promptly by Bunnings every time. The certainty of this payment kept us hooked; we told ourselves it compensated for the money we were losing – but it didn't.

After years of increasing uncertainty, we asked Bunnings for a contract. They refused. After ten years of supplying Bunnings without receiving any price increase at all, despite our own costs going up, we requested a price increase. It was refused. In total, Brocklands supplied plants to Bunnings for 13 years. In all this time, we succeeded in negotiating only one price increase which meant that we were selling plants at a loss for much of the time.

We noticed that whenever we raised a concern or challenged Bunnings' behaviour, they reduced the plants they purchased from us. I have no doubt that this was a form of punishment and a way of reminding us that Bunnings held all the power in the relationship. From 2012, Bunnings adopted an even tougher attitude to us. They became hostile and unpleasant to deal with and we were under enormous pressure to keep growing plants without knowing where we stood. The stress was so extreme I was genuinely worried that it would kill my husband Tim.

Eventually, in 2016 we realised that we could not continue supplying Bunnings. The lack of certainty, the obligations placed on us to give Bunnings discounts all the time and Bunnings' refusal to recognise our own cost increases meant our business was on the brink of collapse. We took the difficult decision to stop supplying Bunnings. This was a huge risk as we had to rebuild the business almost from scratch. As Bunnings dominates the plant retail market in Tasmania there were very few other places we could sell our plants. We opened a seasonal pop-up shop to sell plants directly to the public whilst we expanded our propagation business. We now specialise in growing plants from tissue culture in a lab. It was a huge gamble to break from Bunnings: in our fifties we were effectively starting again. But we don't regret it: it saved our mental health, our livelihood and our marriage.

We know many, many other growers still supplying Bunnings who suffer the same treatment we experienced. Because these businesses rely on Bunnings for their survival and they know that Bunnings has a reputation for being vindictive, they are too scared to speak out. At the time we were dependant on Bunnings, we would have felt the same way. It is only now that we are free of Bunnings that we can tell our story without fear of retribution.

We know that Bunnings exists to make a profit and we have no problem with this. In many ways, their expansion and success have been impressive to observe. However, our experience with Bunnings illustrates that they aggressively chase profit at the expense of growers' viability, well-being and even survival. They can do this because they are all-powerful and are able to exercise this power without any scrutiny at all.

If the government believes the supermarkets warrant regulation, we beg them to also consider the same approach to Bunnings. Just like fruit and vegetables, greenlife products are perishable: they require time and skill to grow and must be sold in high volumes to be profitable. Every grower I know agrees that Bunnings has a huge share of the plant retail sector in Australia: we estimate it to be 70% nationally and probably higher than that in Tasmania.

Government-mandated accountability is the only way Bunnings will do the right thing for the

growers they rely on to put plants in their stores, for the benefit of home gardeners everywhere.

**Karen Brock, owner, Brocklands Nursery, 28 March 2024**

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## “Stepping off the Bunnings cliff,” as told by Peter Smith, Boomaroo Nurseries

Starting as a small family market garden, Boomaroo Nurseries has grown into one of Australia’s most prominent and thriving vegetable seedling and greenlife suppliers. In over 30 years of business, we have opened facilities in Lara, Victoria and Southbrook, Queensland, spanning over 17 hectares and employing 140 employees, with customers in Victoria, New South Wales, Queensland, South Australia and Tasmania.

In 2013 a decision was made to expand into greenlife products, starting with Cyclamen and later increasing the range to indoor foliage, ferns and succulents, which we supplied to Bunnings as the predominant retailer of plants in Australia.

In the beginning, Boomaroo’s established vegetable seedling business arm subsidised the fledgling greenlife business unit. Bunnings actively encouraged us to expand our greenlife production, saying the more products it grew, the more likely Bunnings was to order from us. However, Bunnings refused to enter into contracts with us and instead asked us to grow plants for them in “good faith”.

This gave us no security whatsoever and was not the way that we usually did business, but as newcomers to the greenlife sector, we accepted it. We were confident that as a sophisticated and experienced operator, we would be able to make it work. Ten years later our greenlife business was generating \$8.5 million in annual sales, producing over 1.3 million units, 80% of which went to Bunnings. However, even though Boomaroo’s plants were among the best quality on the market, the greenlife side of the business continued to run at a loss: our analysis showed us that it was break-even at best, and more typically ran at a loss.

We were carrying out a thorough analysis of why we were losing money, and in doing so identified the impact that Bunnings were having on the mental health of our team, the quality of our range and our profitability. The absence of a commitment to purchase was the biggest

challenge. This way of working does not provide the clarity required to grow a living product to specification, in the correct volumes and at the right time. We were effectively growing huge

volumes of plants entirely speculatively, which is in complete contrast to the way our vegetable business works.

### **Endless discounts**

Bunnings operates a system of discounts (or rebates) which eroded our profit margins. For example: We had a 2% volume rebate and 1% marketing allowance, effectively a 3% deduction. We had to discount any plants purchased by Bunnings to supply a new or refurbished store, usually at a rate of 15%. We had to discount our plants by 5% if we wanted Bunnings to pay within 14 days, 3% payment in 30 days. If we accepted 60-day payment terms, no discount was required – but this meant the plants had likely sold to a consumer before we were paid for them.

The more Bunnings purchased from us (% level above last year), the greater the price discount we had to make. 0.5% volume discount (known as LTI (Long Term Incentive) was not unusual, and as high as 1.5% in some years.

Some of these discounts might have been acceptable had we received from Bunnings a commitment to purchase from us but in the absence of this it made it very difficult to plan with accuracy and preserve profit margins.

### **Unreasonable demands**

Bunnings also imposed operating requirements on us that we regarded as unreasonable. For example:

Bunnings preferred that we used their transport system to get stock into store. This required us to deliver our plants to their nominated cross dock by whatever means possible and at our own cost. Bunnings then charged us an “agreed greenlife logistics fee” for transporting our plants into their individual stores by imposing further discounts on our plant prices, ranging from 15% to 28% depending on the requested store

location. These costs and discounts were hard to predict and had a major impact on our margins.

Over the years there were constant rule changes. We were asked by Bunnings to change pots and labels at the drop of a hat and at our own expense, and although we always agreed, these demands were disruptive and costly.

We were encouraged by Bunnings to invest in the business to become more productive. We discussed with Bunnings our idea to invest in a new \$4.5 million greenlife production facility, potting shed and equipment. They encouraged the investment and on this basis we went ahead. However, when we proudly invited them to tour our new facilities, they were completely disinterested. We were utterly deflated by this response which felt like a power game: it seemed to us that Bunnings didn't want us to feel in any way important to them.



## **Price increases**

During and after COVID, Boomaroo's labour costs and input costs increased significantly, which was driving the need for a price increase in products we were losing money on. In August 2023, which was much later than we hoped, we met with Bunnings and openly explained the basis of our rising costs. We requested clarity from Bunnings on their planned orders (especially on plants with lead times of six months plus grow time), which we should have received by this time, and we requested feedback on our request for an increase in our plant prices which had been submitted some weeks earlier, acknowledging that if some were not achievable we would remove them from our range.

In response to the pricing issue, Bunnings advised that they were "not offended" by the proposal, and they gave us the impression they would strongly consider it, which gave us hope for the future. However, at the same meeting, Bunnings instructed us to cease production of indoor plants. This came as a shock to us and left with a stockpile of the inputs we had purchased to grow the indoor plants, including plugs that we are still taking delivery of 8 months later. Bunnings' decision, which came unexpectedly, immediately stripped \$2.7 million of forecast revenue from our bottom line. We were also informed that the SA and NSW Bunnings stores would be taking considerably less volume from us as they had found local supply, and we would need to focus on Victoria from now on. During the same meeting Bunnings advised that our 'delivery in full on time' performance (known as DIFOT) had been poor over the last 12 months and that if it failed to improve, we could be dropped as a supplier. It's an unreasonable stipulation: without firm orders or prices, it's almost impossible to deliver in full on time.

By November 2023, nothing had improved for us and the losses on the products we supplied to Bunnings continued to accumulate. We were also carrying over \$700k of stock that we had grown but had not been taken by Bunnings. Despite multiple requests to Bunnings, we had still not received a response to our requests for firm orders or feedback on a price increase. By November 2024, our losses were in excess of \$600k and the nursery was in an untenable position.

The next team meeting at Boomaroo was grim. We made the decision to stop producing greenlife products. Over the following four weeks, we redeployed as many staff as we could but there were inevitable redundancies. One worker who we made redundant had been a valued employee for over 20 years. It was a heartbreaking time for us.

## **The end of Boomaroo Greenlife**

Finally, after months of ignoring us, we received a phone call from Bunnings demanding to know why we had not told them about our plans to shut down the greenlife branch and insisting Bunnings would have helped us, had they known. This response seemed ludicrous, given how candid we had been about our situation at the August meeting. Bunnings had actively avoided our numerous requests for feedback ever since.

We explained that the actions of Bunnings had forced us into a decision to stop greenlife production and to issue over 20 redundancies in total, as well as mothballing the facilities we had only recently invested in. Bunnings warned us, in cold and threatening language, against

letting others in the industry know what had happened and said if we used words like 'closure' we "would never be let back in." We understood the message to be a threat and we realised we were facing a potential blacklisting.

In a call the following day, Bunnings adopted a more conciliatory tone and asked us to continue trading. We said that the only way we could consider this would be if Bunnings make substantial changes including issuing us with a fair, written contract that outlined products and quantities, with a shared responsibility for the waste generated through orders not taken. We said any future relationship would need to be a true partnership.

I made a note of the chilling response I received: "We are Bunnings. We do not do partnerships. We have suppliers. We think about our customers". I was appalled by this attitude and said so.

Our final engagement with Bunnings happened when they contacted us to offer the price increase we had requested months before and that they would purchase our remaining stock. This was insulting, in the circumstances, and felt an act of damage control on Bunnings' part rather than a genuine gesture. Nonetheless, we felt we had no option but to accept it to help mitigate our losses, as there are no other retailers large enough to purchase the volume of stock that we had grown for Bunnings. This was how our relationship with Bunnings ended.

I really thought we could build a solid relationship with Bunnings – but they are like an abusive partner who makes you feel like you're inadequate all the time, and then, when confronted, tries to make you feel small. Bunnings 'cliffs people'. That is, it constantly keeps you on the edge – emotionally and financially – and you can never be sure when they might push you off. I know Bunnings is a business and needs to make a profit – but they can surely balance making a lot of money with treating growers fairly and professionally and ensuring the future supply to their business.

Boomaroo continues to have a successful vegetable seedling business and we will survive our experience with Bunnings. But our experience took its toll on the business, our suppliers, and our staff. Boomaroo stands to gain nothing at all from sharing our story. But we know others in the greenlife industry who experience the same poor treatment from Bunnings. If there is a chance that our account influences the government to support smaller business owners that supply to Bunnings and improve and secure the future of the Australian Greenlife industry, then we are glad to contribute.

**Peter Smith, CEO, Boomaroo Nursery, 29 March 2024**

Senate Select Committee, Supermarket Prices Broadcast - Thursday,  
11 April 2024

Karen Brock and Peter Smith will speak to the Senate at **3:45pm on 11 April 2024**.  
The hearing can be watched live [here](#).

# Submission to the Select Committee on Supermarket Prices



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16 February 2024

Select Committee on Supermarket Prices  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [supermarketprices.sen@aph.gov.au](mailto:supermarketprices.sen@aph.gov.au)

FAO the Select Committee

## **Re: Price setting practices and market power of major supermarkets**

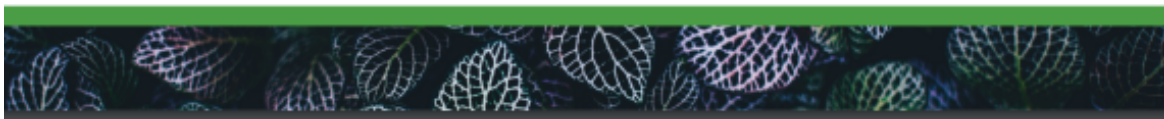
Greenlife Industry Australia (GIA) is pleased to contribute to the inquiry established by the Senate to examine and report on the price setting practices and market power of major supermarkets.

GIA is the peak national 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. GIA belongs to the NFF Horticulture Council and is a committee member of its Competition Taskforce; a body that is engaged in making the case for improved regulation of the domestic markets for suppliers of fruit, vegetables and plants.

### **The dominance of big box stores**

Whilst growers of nursery products do supply plants to many supermarkets to sell in their stores, our bigger concern is with the supply of plants to what are commonly described as big box stores. Bunnings is by far the biggest of these, maintaining a national market share of 70%, rising to over 80% in some regions and towns (which outstrips the combined market power of the two major supermarkets, Coles and Woolworths). In 2023, Bunnings reported a revenue increase of 4.4% to \$18.5 billion. By volume of units sold in their stores, plants are second only to tins of paint. Other big box retailers include Mitre 10 and IKEA, with the much smaller remainder of the retail market made up of garden centres, supermarkets, greenlife markets and lifestyle stores.

Nursery growers experience similar trading inequities as those supplying supermarkets and yet are not protected by any code of practice regulating behaviour. The price setting and other associated trading practices of the big box retailers, together with the market power





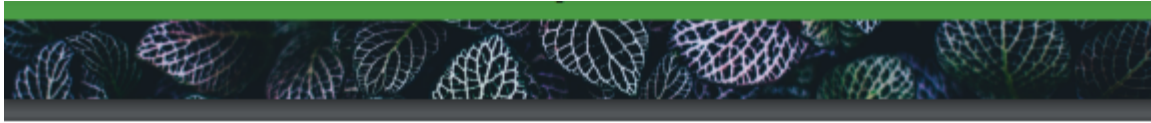
they - and Bunnings in particular - exercise should be of no less concern to this Committee than the behaviour of supermarkets.

The market for nursery products is almost wholly domestic with virtually no export market. Many of the products nursery growers supply such as seedlings, herbs, food plants and annuals are as perishable as fresh fruit and vegetables and must be dispatched within days of reaching maturity. Given the extent to which Bunnings dominates the plant retail market, the vulnerability of plants, and the high volume and low value of nursery products, there are few viable alternative markets for nursery growers. If a grower is determined to make a living growing plants commercially in Australia for the retail supply chain, it is likely that they will supply Bunnings, as the majority of growers do, either directly or via third party suppliers.

The Food & Grocery Code includes in its definition of groceries “plants, flowers and gardening equipment” and whilst many supermarkets sell these products, it is Bunnings that is Australia’s biggest retailer of plants, yet this retailer, and other big box retailers, are not bound by the Code. It follows that nursery growers do not benefit from protection from the Food & Grocery Code, or any other Code. This needs urgent rectification to correct some of the trading inequities nursery growers experience in their dealings with the big box stores, including:

- Asymmetry of information about price: whereas the big box retailer has access to every price offered by every grower of each product line they stock and can make use of this information to exert downwards pressure on price, the growers themselves cannot discuss or share information about their prices, costs or terms without risking collusion. This often encourages a “take it or leave it” attitude on the part of big box retailers and without alternative markets for their products, growers typically take the price – even if this means selling at a loss.
- Absence of meaningful commitments from big box retailers to volumes by, for example, limiting their buying commitment to one single plant or requiring growers to re-tender (at short notice) to become a preferred supplier. This means that growers are obliged to bear all the risks of investing in their businesses and plant large volumes of nursery products, often with the encouragement of the big box buyer, in the hope - rather than expectation - that they will be sold.
- Current big box retail strategy to commoditise nursery products by for example, requiring growers to repackage their plants in generic black unbranded containers and replace their own branded plant labels with home brand labels. This denies the grower the ability to control their brand, capitalise on investments they may have made in sustainable growing methods and promote their best practice accreditations. It is not unusual for such demands to be made at short notice with the entire cost burden of changing to home branding falling on the grower.





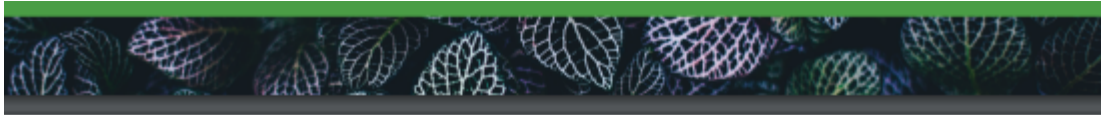
- Questionable behaviour by big box retailers through action such as asking growers to sell at or below cost of production from time to time to demonstrate that they are a “team player” with the implication that if they don’t agree, they will be excluded from the team.
- The prevalence of informal, verbal arrangements in the behaviour of buyers for big box retailers and their reluctance to document variations to supplier agreements and trading terms leaving the growers exposed to uncertainty.
- Third line forcing, for example in relation to freight, home brand packaging and in-store promotions.
- Complete imbalance of power in the big box retailer-nursery grower transaction. Fear of retribution is genuine and widespread amongst growers: being dropped as a supplier has the potential to be catastrophic for their business.

#### **Importance of plants to consumers**

Whilst plants might not be regarded as staple groceries, they are still very important for consumers. In recent years the number of people growing their own food, investing more in their gardens and establishing indoor and balcony gardens in urban environments has increased – and grew exponentially during the COVID pandemic. The importance of plant life and gardening in the well-being and overall health of human beings is well-documented. There is no doubt that consumers want ready access to a wide range of good quality, affordable plants for their gardens, farms, homes and allotments as facilitated by Bunnings and other big box stores.

As such, these retail giants are an essential part of the market and growers have a keen and vested interest in the ability of Bunnings and other big box stores to thrive and prosper. In the absence of meaningful competitors however, big box retailers are able to dictate terms of trade, set the prices and control the supply of nursery products in the retail supply chain. The ability of individual growers to challenge any of these arrangements and find last minute alternative markets for their plants is almost nil. The fear of retribution leading to loss of business is genuine and deeply felt: growers are completely powerless in their relationship with big box retailers.

We appreciate that the focus of this inquiry is supermarket pricing. However, we would ask the Committee to also consider the price setting practices and market dominance of the major retailers of nursery products, namely the big box stores. There is no better opportunity to help level the playing field for nursery growers than through this inquiry (and the others that are currently taking place).



### Recommendations

1. Recognise that the Food & Grocery Code already includes plants in its definition of groceries and that it should therefore protect growers of these products in the same way that growers of fruit and vegetables are protected by the Code.
2. Include the big box retailers of plants, namely Bunnings, Mitre 10 and IKEA and other retailers of nursery products, with a turnover of \$1bn+, in the Food & Grocery Code of Conduct.
3. Support the Code of Conduct becoming mandatory, rather than voluntary, and ensure that it contains significant penalties – at corporate and individual level – for breaches.
4. Create a robust dispute resolution mechanism that protects complainants from retribution and is overseen by a genuinely independent arbiter.
5. Provide the Australian Competition and Consumer Commission (ACCC) with sufficient powers to initiate inquiries into the trading relationship between nursery growers and big box retailers.

GIA would welcome further engagement with the Committee through the course of its inquiry. We urge the Committee to seek the direct testimony of nursery growers and to put in place arrangements for them to do anonymously. To receive assistance with this, or any other aspects of this submission, please contact Joanna Cave, Chief Executive either by email [jo.cave@greenlifeindustry.com.au](mailto:jo.cave@greenlifeindustry.com.au) or phone on 0468 368961.

Yours faithfully



**Joanna Cave**  
Chief Executive

Infographic – FAQ's

# A FAIR GROW FOR GREENLIFE

## SUPPORT OUR GROWERS

WE'RE ASKING THE GOVERNMENT TO INCLUDE BUNNINGS IN THE SAME FOOD & GROCERY CODE OF CONDUCT THAT REGULATES SUPERMARKETS, AND PROTECTS THE FARMERS SUPPLYING COLES AND WOOLWORTHS.

GET MORE INFO AT  
[GREENLIFEINDUSTRY.COM.AU/  
GROWER-PROTECTION](http://GREENLIFEINDUSTRY.COM.AU/GROWER-PROTECTION)

### 1 HOW WILL A CODE OF CONDUCT HELP GROWERS?

Growers need more protection.

Like farmers supplying major supermarkets, greenlife growers are disadvantaged by Bunnings, which controls prices, supply and trading terms. Growers have no bargaining power and no viable alternative markets.

We also want the government to:

- make the Code of Conduct mandatory
- set meaningful penalties for breaches
- include independent dispute resolution to protect growers from punishment.

### 2 WHAT ARE GROWERS UNHAPPY ABOUT?

Growers want fair treatment. They say Bunnings:

- makes deals verbally rather than in writing
- won't commit to buying the plants they order
- pressures growers to use Bunnings' freight, even if it's more expensive
- demands growers use Bunnings' own brand packaging at short notice and at growers' cost
- refuses to pay fair prices for plants.

### 3 WHY DON'T GROWERS SPEAK UP?

Without real competitors or export markets:

- most commercial plant growers must supply Bunnings to stay in business
- Bunnings can dictate terms of trade, set prices and control the supply of plants
- growers can't challenge these arrangements because they fear losing their businesses.

KEEP THE CONVERSATION GROWING. YOUR STORIES ARE OUR MOST POWERFUL TOOLS! #FAIRGROW

### 4 CAN'T GROWERS JUST SELL TO INDEPENDENT RETAILERS?

They do. The independent retail sector is important but it has shrunk dramatically as Bunnings has expanded, and there are not enough independent retailers left.

Independent retailers also want Bunnings to be subject to more regulation.

### 5 BUT BUNNINGS IS NOT A SUPERMARKET, SO...?

Bunnings should be included in the Code of Conduct because:

- plants are already covered by the Code and Bunnings sells more plants than anyone else in Australia
- Bunnings controls 70% of the plant retail market
- Bunnings also sells a range of groceries from household cleaners to pet food – just like a supermarket.



IF THIS BRINGS UP ANY ISSUES FOR YOU, CALL LIFELINE ON 13 11 14 OR BEYOND BLUE ON 1300 22 4636.

### 6 AREN'T SOME GROWERS HAPPY WITH BUNNINGS?

For years, growers of all sizes in every state and territory have asked GIA for help with Bunnings. Some growers are happy with their arrangements with Bunnings – but most growers are not.

### 7 DOES BUNNINGS REALLY HAVE A MONOPOLY IN PLANT RETAIL?

Yes.

Using accurate data and grower knowledge, GIA estimates that Bunnings has a 70% share of the plant retail market in Australia. This is more than the combined grocery market share of 60% that Coles and Woolworths have.

Bunnings says it only has 30% of the greenlife market – but they are basing this on the wrong figures and including other products they sell, besides plants.



IF BUNNINGS ONLY SELLS 30% OF RETAIL PLANTS, WHO SELLS THE REST???

### 8 IS GIA TRYING TO HURT BUNNINGS?

No.

Growers want to supply Bunnings – they just want a fair trading environment. Bunnings has nothing to fear by signing the Code of Conduct.

It is in the public interest that businesses like Bunnings are subject to scrutiny to make sure they are not abusing their market power.

HELP GIVE GREENLIFE GROWERS A FAIR GROW - SIGN THE PETITION AT [CHANGE.ORG/GROWERPROTECTION](http://CHANGE.ORG/GROWERPROTECTION)

Greenlife industry Australia (GIA) is the national peak body representing commercial growers of plants (known as greenlife products) across all states and territories of Australia.

The greenlife industry employs over 25,000 people and generates a farm gate value of \$2.8 billion a year.

P: 1300 95 95 13 | E: [hello@greenlifeindustry.com.au](mailto:hello@greenlifeindustry.com.au) | W: [greenlifeindustry.com.au/grower-protection](http://greenlifeindustry.com.au/grower-protection)



Greenlife Industry Australia

## Grower Protection Petition

Find our petition at: [www.change.org/growerprotection](http://www.change.org/growerprotection)

### A fair grow for greenlife – support our growers



Started 4 April 2024

#### Why this petition matters

Started by [Greenlife Industry Australia \(GIA\)](#)

[Media Inquiries](#)

**Greenlife growers need protection.**

Like farmers supplying supermarkets, greenlife growers are disadvantaged by Bunnings which controls 70% of the plant retail market & sells more plants than anyone else in Australia.

**Bunnings' market power enables it to control prices, supply and trading terms. If growers speak up, they fear they will lose their businesses.**

724 1,000

Signatures Next goal

 people signed today

#### Sign this petition

First name

Last name

Email

Hobart, 7018  
Australia

Display my name and comment on this petition

**Sign this petition**

By signing, you accept Change.org's [Terms of Service](#) and [Privacy Policy](#), and agree to receive occasional emails about campaigns on Change.org. You can unsubscribe at any time.



Media release - growers justified, Bunnings on notice – interim report into supermarket powers



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## **MEDIA RELEASE 8 April 2024**

### **Growers justified, Bunnings on notice – interim report into supermarket powers**

Greenlife Industry Australia (GIA) is pleased that today's Interim Report for the Food and Grocery Code of Conduct Review has acknowledged that for the Code of Conduct to regulate the major grocery retailers, it must be mandatory, with new protections against retribution and serious penalties for breaches.

Dr Craig Emerson's interim report also acknowledges that, like farmers supplying supermarkets, greenlife growers are disadvantaged by Bunnings, which controls 70% of the plant retail market in Australia. However, GIA is disappointed that the Report has not taken the crucial step of recommending that the government protects these growers in the Code of Conduct, instead suggesting that Bunnings be invited to develop its own voluntary code of conduct.

'We are encouraged that Dr Emerson's report demonstrates a good understanding of the power imbalance between growers and retailers. However, we are puzzled by his suggestion that Bunnings participates in a new, separate code of conduct that is voluntary,' said GIA CEO, Joanna Cave.

'The report acknowledges that the current supermarket Code is ineffective, largely because it is voluntary. So, we struggle to understand how creating a new voluntary code would improve things for greenlife growers.

'Plants are already covered by the Code of Conduct. Coles and Woolworths sell plants. These retailers have signed up to the current Code of Conduct. The better and fairer solution is to include the biggest plant retailer – Bunnings – in the new, improved Code of Conduct.'

Bunnings has a lot in common with the major supermarkets and sells other groceries such as pet food, cleaning products, household goods, electrical appliances, kitchenware and DIY products – as well as plants.

Perhaps this is why a Woolworths' spokesperson said in today's *Guardian* that the Code should apply to all major retailers operating locally, including global retail giants Amazon and Costco, as well as Australian retailers Bunnings and Chemist Warehouse, who also compete in grocery categories.



On behalf of greenlife growers, GIA urges Dr Emerson to include Bunnings in the strengthened Food and Grocery Code of Conduct. It makes sense to include Bunnings now and it is the right thing to do. Not taking this opportunity to protect suppliers of plants would be a betrayal of greenlife growers – and an easy win for Bunnings.

Those in support of including Bunnings in the Code of Conduct can sign our petition at:  
**[www.change.org/growerprotection](http://www.change.org/growerprotection)**

*Greenlife industry Australia (GIA) is the national peak body representing commercial growers of plants (known as greenlife products) across all states and territories of Australia.*

*The greenlife industry employs over 25,000 people and generates a farm gate value of \$2.8 billion a year.*

– ENDS –

#### **More information**

Visit: [www.greenlifeindustry.com.au/grower-protection](http://www.greenlifeindustry.com.au/grower-protection)

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Phone: 0447 000 311

#### **Available for interview**

- Joanna Cave, CEO
- Greenlife growers – Tasmania and Queensland

#### **About GIA**

*Greenlife industry Australia (GIA) is the national peak body representing commercial growers of plants (known as greenlife products) across all states and territories of Australia.*

*The greenlife industry employs over 25,000 people and generates a farm gate value of \$2.8 billion a year.*

## Media release – 67% of growers say Bunnings trade terms not good enough



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### **MEDIA RELEASE**

18 March 2024

### **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](http://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](http://www.greenlifeindustry.com.au/food-and-grocery-code-submission)

### Media contact

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Phone: 0447 000 311

### Spokesperson available for interview

Joanna Cave, CEO

### 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



## Media release – growers need protection from Bunnings and other 'big box' retailers



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### **MEDIA RELEASE 12 March 2024**

#### **Growers need protection from Bunnings and other 'big box' plant retailers**

Today, Greenlife Industry Australia (GIA) is appearing at the Senate Supermarket Pricing Inquiry to call on the Federal Government to protect greenlife growers from unfair trading practices by including them in the Food & Grocery Code of Conduct and to make the Code mandatory.

Like farmers supplying supermarkets, greenlife growers are disadvantaged by big box plant retailers' price setting and associated trading practices.

Growers report unfair treatment including:

- receiving no binding commitment from big box retailers to purchase the plants they order – meaning sometimes half of growers' (highly perishable) total annual stock is unusable
- being pressured to use big box mandated freight, even though it is much more expensive than the growers' own
- experiencing constant downwards pressure on prices with some growers expected to sell at a loss to demonstrate that they are 'team players'.

Because there are no meaningful competitors or export markets:

- most professional plant growers must supply Bunnings to remain sustainable
- Bunnings can dictate terms of trade, set prices and control the supply of plants
- growers can't challenge these arrangements because they fear losing their businesses.

As well as including big box retailers in the Food & Grocery Code of Conduct, GIA is urging the government to strengthen the Code to make it mandatory, set meaningful penalties for breaches and include independent dispute resolution to protect growers from retribution.

Bunnings sells more greenlife products than any other retailer, maintaining a national market share of 70%, which outstrips the market power of the two major supermarkets, Coles and Woolworths, combined. Yet the Food & Grocery Code of Conduct that regulates supermarkets does not cover Bunnings and other big box retailers, even though the Code includes plants in its definition of groceries.

'Roy Morgan recently named Bunnings Australia's most trusted brand. The same research says the number one reason Australians distrust companies is corporate greed. I wonder if consumers would rate Bunnings so highly if they knew how Bunnings treats the growers supplying them,' said GIA CEO, Joanna Cave.

'By volume of units sold in Bunnings stores, plants are second only to tins of paint. Big box stores are an essential part of the greenlife market, and we have a keen and vested interest in these retailers prospering – but not at the expense of greenlife growers.

'Consumers deserve a wide range of quality, affordable plants. However, it is also in the public interest to ensure that monopolies like Bunnings do not abuse their power,' said Ms Cave.

The importance of plant life and gardening for people's wellbeing and overall health is well-documented. Particularly post-COVID, more people are establishing indoor and balcony gardens, and growing their own vegetables, fruit and herbs. Many people treat these plants as groceries.

'Growers are simply asking for a fair go, so they can make a living from growing plants. The Code of Conduct provides the framework for a fair and equitable trading environment. If Bunnings is committed to doing the right thing, it has nothing to fear from signing up to the Code,' said Ms Cave.

– ENDS –

#### **More information**

Read the:

- submission to the Select Committee on Supermarket Prices at [www.greenlifeindustry.com.au/submission-supermarket-pricing-inquiry](http://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](http://www.greenlifeindustry.com.au/food-and-grocery-code-submission)

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#### **Spokesperson available for interview:**

Joanna Cave, CEO

#### **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.



## Official Senate Hearing Recording with CEO Joanna Cave – March 12

**LIVE audio only coverage  
from Orange, NSW**

Senate  
Select Committee on  
Supermarket Prices

Listen to GIA CEO Joanna Cave speak in the official recording of Senate Committee Proceedings from the Australian Parliament.

Joanna's testimony begins at 13:21.

Listen [here](#).

## More information

Go to: <https://www.greenlifeindustry.com.au/communications-centre/grower-protection>

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### **Available for interview**

Joanna Cave, CEO