

# THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION

(Federal Office)



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29 February 2024

Grocery Code Review Secretariat  
Market Conduct and Digital Division  
The Treasury, Langton Crescent  
PARKES ACT 2600

Dear Dr Emerson,

Thank you for the opportunity to attend the ministerial roundtable into the grocery code of conduct last week. I **attach** to this letter a copy of the AMIEU submission to the Senate Inquiry into Supermarket Pricing, which may have some probative value for your report (particularly the recommendations).

With respect to some of the matters discussed at the roundtable, in my view it could be beneficial to consider (in the event the Code is made mandatory) some kind of a framework to prevent and or stop retaliatory conduct. In the employment law space, this is dealt with through the adverse action provisions (mainly ss 340 – 352 of the *Fair Work Act 2009* (Cth)).

The adverse action framework prohibits (with respect to employees) dismissal, injury in the course of employment, alteration of an employee's position to the employee's prejudice and discrimination between employees for a prohibited reason. Similar protections apply for prospective employees and independent contractors.

In the context of your review, the closest provision that may be of assistance is ss 340 – 341, which protects an employee (or otherwise) in the event that they exercise a workplace right. This is a complicated area of law and one which is constantly evolving. For example, in *Qantas v TWU* [2023] HCA 27 the High Court of Australia found that the decision to outsource baggage handlers was in part motivated by a desire to prevent future industrial action (a future workplace right) – this meant that the relevant redundancies and or dismissals were for a prohibited reason.

It may be worthwhile considering a similar protection for those to whom the Code applies (if it is made mandatory), such that if a farmer were to exercise a right similar to a "workplace right", that retaliatory conduct cannot be taken against them and or the availability of other compensatory remedies. Depending on the provisions in the Code, that might include orders that require supply and purchase to continue for a certain period of time, though unlimited interference in contractual arrangements would be undesirable.

If I can be of any further assistance to your review, then please do not hesitate to contact me.

Yours faithfully

Brendan Swan  
National Industrial Officer



# THE AUSTRALASIAN MEAT INDUSTRY EMPLOYEES' UNION

(Federal Office)



Federal Secretary  
MATTHEW JOURNEAUX

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

**2 February 2024**

Dear Committee Secretariat,

## Submission to Inquiry

The Australasian Meat Industry Employees' Union ("AMIEU") represents workers in the meat industry from across Australia. This typically includes slaughterers, boners, and those who prepare case ready meat from the meat production stage through to stacking the shelves with meat at the supermarkets.

### Terms of reference

**a. the effect of market concentration and the exercise of corporate power on the price of food and groceries;**

The existence of only two major supermarket retailers in Australia provides real issues with competition, fairness and proper regulation of the grocery industry. Since floatation of the dollar and the exit of government from all markets, this is a theme that continues to grow and persist in a host of other industries such as air travel, telecommunications, hardware and tools, news, banking and fuel.<sup>1</sup>

This continued monopolisation of goods and services has provided corporate Australia with all of the levers to control markets – leaving consumers, farmers, workers and others with no genuine alternative but to participate in the existing system.

The meat processing industry is no exception: Teys' Brothers, Nippon and JBS likely control upwards of 70% of the beef market.

Recently there has been a significant reduction in the price of lamb roasts in supermarkets back to 2013 levels, which is a welcome addition for the community. Despite this, the price of beef remains very high, and other more novel meats that have continued to gain popularity have surged despite there being no issues of supply and demand. For example:

- In 2021 Kangaroo mince was retailing for \$7 per kg, and that same product is now retailing for \$14 per kg. Australia does not have a supply and demand problem in respect of Kangaroos.
- In 2013, 4-star beef mince at Coles was being sold for \$8 per kg. That same product is now retailing for \$16.00 - \$18.00 per kg.

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<sup>1</sup> The same can be said of housing whereby the government left the market and accordingly prices have continued to skyrocket.



- In 2014, freshwater basa was being sold at Coles for \$5.50 per kg. In June 2016, farmed basa was being sold for the same price. Now, freshwater basa is being sold at Woolworths for \$11.00 per kg.
- In 2013, Beef blade steak was being sold at Woolworths for \$7.95 - \$8.06 per kg. Today, that same cut is between \$24 - \$30 per kg.
- In 2013, Beef rump steak was being sold at Woolworths for \$12.99 per kg, and it now retails for \$32 per kg.
- Offal, which is typically low in fat and high in nutrients has doubled in price in the previous 2-3 years.

In June 2016, Coles was selling whole chickens for \$4 per kg, and that same product is being sold today for \$4.50 per kg. Meanwhile, the price of chicken breast virtually remains unchanged over the last ten years. The price of chicken has either kept pace with wages and or the supermarkets were likely profiting off chicken to higher levels back in 2016 (and earlier). Typically, chicken meat is a domestic commodity and therefore is not at the influence of global markets.

Generally, the corporate argument is that supply and demand is the only formula that is required to dictate prices. In some cases this might be true, but the price of poultry has remained at the same price for over a decade yet demand has increased (consumption has doubled in the last 30 years)<sup>2</sup> – largely due to the price increase of beef.<sup>3</sup>

Simple patterns of supply and demand do not account for the price changes and rises that Australia is seeing, and it is more likely that the supermarkets (and corporations generally) have been incredibly opportunistic and profiting beyond what might otherwise be considered reasonable (just as many other businesses have as regulation and competition has further relaxed).

With respect to meat prices, 70% of meat goes to the overseas export market, which ultimately dictates domestic pricing. This is the inherent challenge with the present system and the continued reliance on the globalisation of goods and services as opposed to protectionist law making and policy that protects and supports the community.

**b. the pattern of price setting between the two major supermarket chains;**

This is not within the AMIEU's expertise, but in our broad experience, the prices between both supermarkets appear very similar.

**c. rising supermarket profits and the large increase in price of essential items;**

Meat is a staple in the diets of most Australian families and while the price of meat has fallen at the wholesale level, this has not translated to price decreases for the consumer. Indeed, even some of the healthiest affordable alternatives such as kangaroo and offal have increased 100-200% in the space of 2-3 years.

**d. the prevalence of opportunistic pricing, price mark-ups and discounts that are not discounts;**

This is not within the AMIEU's expertise.

<sup>2</sup> <https://chicken.org.au/our-product/facts-and-figures/>

<sup>3</sup> [Meat consumption - DAFF \(agriculture.gov.au\)](https://www.agriculture.gov.au/Meat-consumption)



**e. the contribution of home brand products to the concentration of corporate power;**

This is not within the AMIEU's expertise.

**f. the use of technology and automation to extract cost-savings from consumers and employees;**

While not strictly technological or automation related, Coles and Woolworths have closed nearly all of their meat departments across Australia in a continued bid to centralise services.

In 2021 (depending on which supermarket chain), the number of workers made redundant accounted for somewhere around 1-1.5% of their entire workforce. Woolworths' reason is that demand has reduced for butchery style products in favour of prepackaged meat. This was plainly a cost cutting measure in circumstances where Woolworths and Coles were already making significant profits in their meat departments.

The current practices are also more harmful to the environment through the creation and distribution of excess plastics, and with such an extensive monopolisation of meat products (and products generally), it will only serve to continue to put independent butchers further out of business (unless they can compete with the pricing & structure of the supermarkets).

The change in business model by the supermarkets has also extinguished the traditional relationship that consumers had with their butchers and customer service representatives. Unless steps are taken to decentralise production processes in favour of the customer, then the community will invariably suffer further in the quest for profit over people.

**g. improvements to the regulatory framework to deliver lower prices for food and groceries;**

Please see (h) as below.

**h. frameworks to protect suppliers when interacting with the major supermarkets;**

Following the gradual exit by the Commonwealth from all markets, it has become clear that the Australian legal and political system has failed to protect suppliers (and the public) from unconscionable and other conduct with respect to the supply and retailing of products. The AMIEU suggests the following that could improve competition and frameworks:

- Transparency of both supply and purchase costs by farmers and supermarkets with appropriate enforcement mechanisms for failure to comply.
- Require financial reports of all medium and large (50 employees or higher and/or based on revenue testing) companies publicly available.
- The establishment of a nationwide farmers co-operative (run by farmers and government) with support from the Commonwealth to provide start-up funding to directly compete with Coles and Woolworths.<sup>4</sup>
- More direct government involvement in regulating the economy.
- Public reporting of farmgate and wholesale prices of staple and other agricultural products such as meat.
- Require supermarket tickets to disclose the prices to which the supermarket pays for items.

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<sup>4</sup> This invariably has the risk though that farmers (collectively) will benchmark their price based on Coles and Woolworths' existing prices, which would see the situation significantly worsen. If such a venture was undertaken, price setting by government would likely need to occur.



- Farmers (collectively) could consider organising themselves such that they put themselves in a better position to negotiate. The current legislative framework would likely consider this to be cartel conduct (and accordingly could be amended for certain limited purposes) which effectively places the individual supplier at the mercy of the large corporation, which is in stark contradiction to the power that workers have at the bargaining table.

**i. the role of multinational food companies in price inflation; and**

This is not within the AMIEU's expertise.

**j. any other related matters.**

Should the Committee wish to hear from the AMIEU at a public hearing, then we would be pleased to assist.

Yours faithfully,



Matt Journeaux  
Federal Secretary  
AMIEU