

# Anzac biscuit maker falls into administration

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**PHOTO:** [A manufacturer of Anzac biscuits has been placed in voluntary administration.](#) (Flickr: tristanf)

**Another famous Australian business brand is suffering and again jobs are on the line.**

**MAP:** [Broadmeadows 3047](#)

A maker of Anzac biscuits has been placed into voluntary administration, jeopardising 170 jobs in Melbourne.

Unibic is Australia's fourth-largest biscuit maker. The company has been producing biscuits, cakes and pastries since the 1950s.

But production of biscuits at Unibic's Broadmeadows plant has come to a halt.

Only two years ago, Unibic spent \$44 million upgrading its factory in Broadmeadows.

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But the refit coincided with a steep increase in the price of commodities - up 60 per cent.

Late yesterday, chief executive Michael Quinn told his 170 employees that the factory would be closing down after the company appointed administrators on Wednesday.

The administrators say the rising cost of raw ingredients may have contributed to the company's failure.

"The priority is to complete a contract of sale with a prospective buyer so that production can resume and the business can return to normal," administrator Glenn Franklin said in a statement.

To make matters worse the company's creditors are taking legal action over unpaid labour hire and ingredient bills and asking the Federal Court to wind the company up.

Jennifer Dowell, the national secretary of the food and confectionary division of the Australian Manufacturing Workers Union, says food manufacturers are doing it incredibly tough.

"What we are actually seeing is cost-down pressures coming back from both supermarkets," she said.

"[We're seeing] the increase of their own label products which means that private labels are being pushed off the shelves and what it is resulting in is a reduction in market access for Australian food processors.

"So the stranglehold that the two supermarkets have and the control over the market which enables them to put their own products in there, regardless of if they are better quality or cheaper or if consumers actually want them, is actually having a very detrimental effect on food processing."

## Supermarket price wars

Ms Dowell says there are a number of factors at play.

"This was one of them and it is a very important one but what we are seeing is the systematic closure of factories, loss of jobs and in our discussions with food manufacturers, almost impossible pressures coming back on the food processing industry right across the board," she said.

A fortnight ago, Mr Quinn told a newspaper that the price war between Coles and Woolworths had made it impossible for Unibic to pass on soaring commodity costs.

Australian Food and Grocery Council chief executive officer Kate Carnell says the answer is a supermarket ombudsman.

"First and foremost we need to try to level the playing field," she said.

"Coles and Woolworths have a level of market concentration in Australia that, along with New Zealand, is the highest level of market concentration in the world."

Unibic's administrators are hoping to find a new owner for the state-of-the-art biscuit factory at Broadmeadows.

Unibic's Anzac Biscuits brand was developed in 1999 with the approval and partnership of the RSL.

**Topics:** [food-and-beverage](#), [industry](#), [business-economics-and-finance](#), [broadmeadows-3047](#), [melbourne-3000](#), [vic](#), [australia](#)

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