

## *Balmain House*

### **Report by Hon J. Kennett AC as Code Arbiter for Coles Supermarkets Pty Ltd for FY 30<sup>th</sup> June 2023**

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**In compliance with section 36D of the Grocery Code, I submit my Annual Report for the Financial Year ended June 30<sup>th</sup>, 2023.**

#### **History**

Having commenced working as the Arbiter of disputes between Coles Supermarkets Pty Ltd and their suppliers in 2014, that role changed to Code Arbiter for the Coles Group Limited in November 2020 to comply with changes to the Federal Regulations.

#### **Activity in the Financial Year to June 30<sup>th</sup> 2023.**

1. Over the last 12 months I have not had any complaints brought to my attention that were the subject of the Grocery Code.
2. I have had a few discussions with suppliers seeking information about their working relationship with Coles, and these have been productive and helpful to the supplier.
3. As I mentioned in my report last year, I have continued the practice of meeting with Coles Category Managers and Suppliers with the CEO of Coles and/or her senior management to explain my role as Arbiter.

The latest meetings were held just last week on Thursday 27<sup>th</sup> July. Such briefing will occur in the future.

4. I am sure these regular meetings have led to greater understanding of the role of Arbiter by Coles staff and Suppliers.
5. There were no complaints received claiming Coles pay compensation in excess of \$5 million.

The Honourable  
J E F F R E Y G . K E N N E T T A C

**Clause 27B Requirements.**

Please find attached the relevant information required of me regarding price increases received by Coles in the last year and their treatment of those requests.

That said, I have not received one complaint on the issue of price increases during this financial year.

I am available to discuss this report should anyone wish to do so.

With kind regards,



**The Hon Jeff Kennett AC**

Code Arbiter – Coles

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31 July 2023

(a) the total number of notifications given under section 27A(2) by Coles to any supplier during the financial year:	3804
(b) the number of those 3804 notifications that were not given within the 30-day period required by 27A(2):	2*  Both responded to 31 days from notification of the proposed price increases.
(c) the total number of negotiations entered into during the financial year following requests made under subclause 27A(3):	667
(d) the number of those 667 negotiations in which Coles did not conclude its position within the period of 30 days starting on the day (the notification day) that Coles was notified of the relevant proposed price increase by the supplier:	580  Noting that section 27A(4) does not require Coles to conclude its position within 30 days, but does require Coles to take all reasonable steps to conclude its position on the negotiations without delay.
(e) for each of the 580 negotiations to which paragraph (d) above applies, the number of days that Coles took to conclude its position on the negotiations starting from the day that Coles was first notified of the relevant proposed price increase by the supplier:	Refer below.  (57 negotiations had yet to be concluded by 30 June 2023)

\*Four CPI requests were forwarded by suppliers without complying with the Cost Price Increase Process. The CPI process has been communicated to suppliers and Coles therefore does not consider that it was appropriately 'informed' of these four requests in accordance with s.27A(2).

5 negotiations took 31 days	6 negotiations took 58 days	4 negotiations took 85 days	3 negotiations took 114 days
2 negotiations took 32 days	3 negotiations took 59 days	7 negotiations took 86 days	1 negotiation took 115 days
3 negotiations took 33 days	6 negotiations took 60 days	11 negotiations took 87 days	1 negotiation took 116 days
9 negotiations took 34 days	5 negotiations took 61 days	9 negotiations took 88 days	1 negotiation took 118 days
6 negotiations took 35 days	7 negotiations took 62 days	8 negotiations took 89 days	1 negotiation took 119 days
9 negotiations took 36 days	13 negotiations took 63 days	8 negotiations took 90 days	1 negotiation took 122 days
5 negotiations took 37 days	10 negotiations took 64 days	4 negotiations took 91 days	1 negotiation took 126 days
4 negotiations took 38 days	6 negotiations took 65 days	6 negotiations took 92 days	1 negotiation took 127 days
7 negotiations took 39 days	5 negotiations took 66 days	5 negotiations took 93 days	1 negotiation took 128 days
5 negotiations took 40 days	10 negotiations took 67 days	7 negotiations took 94 days	1 negotiation took 129 days
5 negotiations took 41 days	6 negotiations took 68 days	4 negotiations took 95 days	1 negotiation took 131 days
9 negotiations took 42 days	10 negotiations took 69 days	3 negotiations took 96 days	1 negotiation took 133 days
7 negotiations took 43 days	11 negotiations took 70 days	1 negotiation took 97 days	1 negotiation took 136 days
2 negotiations took 44 days	6 negotiations took 71 days	2 negotiations took 98 days	1 negotiation took 139 days
4 negotiations took 45 days	7 negotiations took 72 days	3 negotiations took 99 days	1 negotiation took 141 days
3 negotiations took 46 days	9 negotiations took 73 days	4 negotiations took 100 days	1 negotiation took 144 days
4 negotiations took 47 days	5 negotiations took 74 days	3 negotiations took 101 days	1 negotiation took 145 days
9 negotiations took 48 days	6 negotiations took 75 days	2 negotiations took 102 days	1 negotiation took 147 days
12 negotiations took 49 days	6 negotiations took 76 days	3 negotiations took 103 days	1 negotiation took 148 days
3 negotiations took 50 days	4 negotiations took 77 days	1 negotiation took 104 days	1 negotiation took 159 days
5 negotiations took 51 days	13 negotiations took 78 days	1 negotiation took 105 days	1 negotiation took 165 days
8 negotiations took 52 days	13 negotiations took 79 days	2 negotiations took 107 days	1 negotiation took 175 days
6 negotiations took 53 days	11 negotiations took 80 days	1 negotiation took 108 days	1 negotiation took 176 days
2 negotiations took 54 days	11 negotiations took 81 days	2 negotiations took 109 days	2 negotiations took 182 days
8 negotiations took 55 days	9 negotiations took 82 days	1 negotiation took 110 days	1 negotiation took 212 days
16 negotiations took 56 days	7 negotiations took 83 days	2 negotiations took 111 days	1 negotiation took 224 days
9 negotiations took 57 days	17 negotiations took 84 days	1 negotiation took 112 days	