

Metcash Food and Grocery Pty Ltd (MF&G)

Code Arbiter Report

Background

This report has been prepared pursuant to the obligations of the MF&G Code Arbiter (**Metcash Food Code Arbiter**) under clause 36D of the Competition and Consumer (Industry Codes – Food and Grocery) Regulations 2015 (Cth) (the **Code**).

General Information

In the 2023-2024 financial year the Metcash Food Code Arbiter received 0 complaints for investigation.

In light of this fact, other than including MF&G's report under clause 27B of the Code (see below), there is no further information to be provided in this report under clause 36D of the Code.

Information about price increases

Attached to this report is a letter from MF&G dated 29 July 2024 which sets out information required to be given by MF&G to the Metcash Food Code Arbiter under clause 27B of the Code.

Dated: 30 July 2024



Martin Shakinovsky

Metcash Food Code Arbiter

Confidential

29 July 2024

Martin Shakinovsky
MF&G Code Arbiter

cc: Deborah Ziegler
Code Arbiter Delegate

By email: complaints@metcashcodearbiter.com.au

Dear Martin

Information about price increases under clause 27B of the Code

We refer to clause 27B of the *Competition and Consumer (Industry Codes – Food and Grocery) Regulations 2015 (the Code)*, which requires Metcash Food & Grocery Pty Ltd (**MF&G**) to give the Code Arbiter the following information in relation to a financial year:

- (a) the total number of notifications given under clause 27A(2) of the Code by MF&G to any supplier during the financial year;
- (b) the number of those notifications that were not given within the 30 day period required by that clause;
- (c) the total number of negotiations entered into during the financial year following requests made under subclause 27A(3) of the Code;
- (d) the number of those negotiations in which MF&G did not conclude its position on the negotiations within the period of 30 days starting on the day (the *notification day*) MF&G was notified of the relevant proposed price increase by the supplier; and
- (e) for each of the negotiations to which paragraph (d) applies, the number of days MF&G took to conclude its position on the negotiations starting from the notification day for the relevant proposed price increase.

We set out in the Appendix to this letter the information required to be produced under clause 27B of the Code for the reporting period 1 July 2023 to 30 June 2024.

Kind regards



Estella Young
Executive GM Merchandise

Appendix

Clause 27B – Information about Price Increases

MF&G's reports in relation to the supplier price increase information required to be produced pursuant to subclauses 27B(a) to (e) of the Code are below.

(a) the total number of notifications given under subclause 27A(2) by the retailer or wholesaler to any supplier during the financial year

MF&G gave 632 notifications (**Wholesaler Notifications**) in response to being informed of a price increase by its suppliers (**Price Increase Proposal**).

(b) the number of those notifications that were not given within the 30-day period required by that subclause

Of the 632 Wholesaler Notifications given by MF&G during the financial year, 6 Wholesaler Notifications were not given within the 30-day period required by subclause 27A(2) of the Code, representing less than 1% of the Wholesaler Notifications given in the period.

(c) the total number of negotiations entered into during the financial year following requests made under subclause 27A(3)

Of the 632 Wholesaler Notifications given by MF&G during the financial year, MF&G has entered into negotiations with suppliers following requests under subclause 27A(3) (**Negotiations**) in respect of 17 of the Wholesaler Notifications.

(d) the number of those negotiations in which the retailer or wholesaler did not conclude its position on the negotiations within the period of 30 days starting on the day (the *notification day*) the retailer or wholesaler was notified of the relevant proposed price increase by the supplier

Of the 17 Negotiations, 17 did not conclude within 30 days of the Price Increase Proposal.

(e) for each of the negotiations to which paragraph (d) applies, the number of days the retailer or wholesaler took to conclude its position on the negotiations starting from the notification day for the relevant proposed price increase

Below is a breakdown of the negotiation lengths for the Negotiations that did not conclude within 30 days of the Price Increase Proposal.

- 3 negotiations took 31 days
- 1 negotiation took 34 days
- 3 negotiations took 39 days
- 2 negotiations took 42 days
- 2 negotiations took 43 days
- 1 negotiation took 45 days
- 1 negotiation took 55 days
- 1 negotiation took 57 days
- 1 negotiation took 58 days
- 1 negotiation took 86 days
- 1 negotiation took 154 days