



Legislative Council Legal and Social Issues Committee

Hearing date: 21 August 2024

Question taken on notice

Directed to: Coles Group

Received date: 4 October 2024

1. **Aiv Puglielli, p. 43**

Question asked:

Aiv PUGLIELLI: Right. And with respect to Coles, Adam, how much is the primary producer making out of that price?

Adam FITZGIBBONS: I could not comment on that actual specific product, but I do echo Paul's comments around the transparency of milk products through the dairy code. What I can say is that last financial year, of Coles' revenue of \$40.5 billion, \$33 billion of that was returned to suppliers for the cost of goods sold. And our margins last year were 2.57 per cent, so that would give a broad indication of the margins that we make across the business.

Aiv PUGLIELLI: Sure. My time has expired, but if possible, could you both take on notice to try and source information for me as to how much the primary producer would make with respect to that price?

Paul HARKER: Happy to take it on notice, but I actually think the law prohibits me compelling a supplier to share the make-up and the ingredients of their product. I do not know if I will be able to assist, but we will do what we can.

Aiv PUGLIELLI: Right. Thank you. How about for Coles – same answer?

Adam FITZGIBBONS: Yes, we will take that on notice. I understand the nature of the question, and so we will seek to provide an answer.

Response:

In regard to proprietary products, such as the Perfect Italiano 450 gram Perfect Melt 4 cheeses, Coles pays suppliers a cost price for their products. This information is contained in grocery supply agreements and is confidential.

In terms of Coles' profit margin, Coles makes \$2.59 profit for every \$100 customers spend at Coles. Our Net Profit After Tax (NPAT) has remained largely static at around 2.6% over six years.