

MEMBER BRIEF

WOOLWORTHS CLAIMS AGREEMENT UPDATE

Since June 2014 Woolworths have conducted regular forensic audit processes resulting in a large number of member companies receiving claims for various payments and funding.

AFGC was successful in late 2014 in brokering an agreement with Woolworths, core components of which were:

- No automatic deductions off remittance;
- Improved timelines for responses by a supplier to such requests; and
- Until the end of calendar 2016 the review period was for 2 years or less.

The basis for the negotiation was a number of the obligations with the [Food and Grocery Code of Conduct](#) including the Good Faith and Payment clauses.

2017 Agreement Update:

From 1 January 2017 Woolworths has agreed that claims against suppliers for historic invoicing errors or omissions will be limited to a maximum of 18 months prior to the current date. This would mean that if a claim was made on 3 January 2017 it could not relate to errors or omissions that occurred prior to 3 July 2015.

Company Action:

Based on the commitments made by Woolworths as summarised in this brief, companies that continue to have issues with the audit claims should raise those specific issues with Ian Dunn (02 8885 2992 or idunn@woolworths.com.au) or the Commercial GMs with whom they deal.

At any time member companies are encouraged to provide further detail on this or similar practices to [Samantha Blake](#), [Chris Preston](#) or myself.

Geoffrey Annison, PhD.
ACTING CHIEF EXECUTIVE OFFICER