

CONFIDENTIAL



# 2019 ANNUAL FOOD AND GROCERY CODE OF CONDUCT SURVEY

May 2019



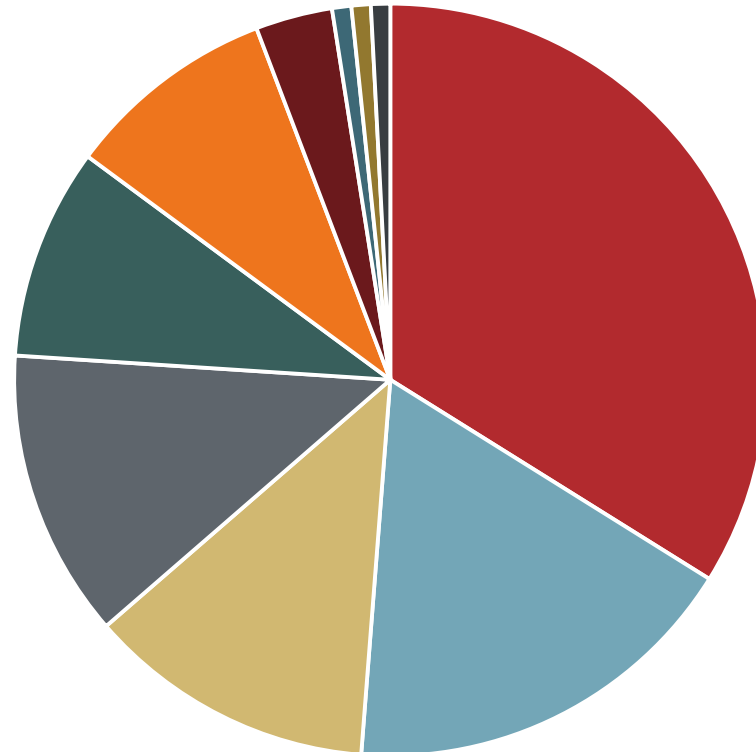
## TOP LINE RESULTS

- Suppliers still have limited ability to influence trading terms with all signatory retailers
- Suppliers remain reticent to raise concerns with the Code Compliance Managers
- Aldi – limited issues reported. Trading relationships remain stable.
- Coles – general improvement across all areas but continued challenges with a lack of clarity on advice and guidance provided i.e. range reviews.
- Woolworths – increased concerns in all areas.
- Key problematic behaviours – delisting, requests for payment, cancelling promotions
- Non FGCC issues raised included negotiating wholesale price rises and margin squeeze



## WHO TOOK PART

# 63 RESPONDENTS



- Ambient food
- Chilled
- Frozen
- Health and Beauty
- Household and Cleaning
- Drink
- Meat and Meat Products
- Fruit and Vegetable
- Pet Food
- Other

2018 =  
68

2017 =  
37

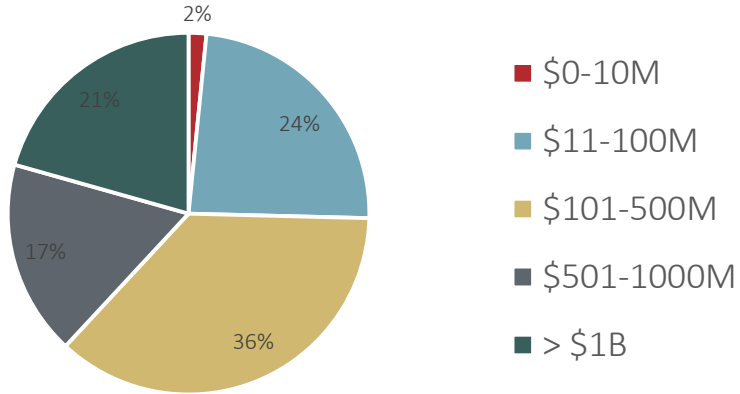
2016 =  
53

2015 =  
51

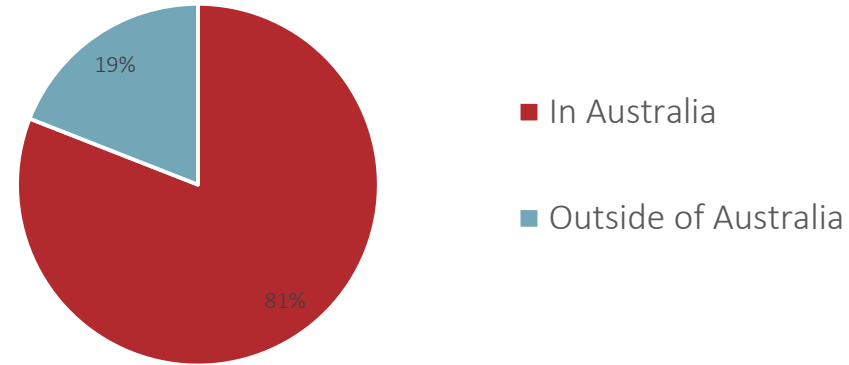


# WHO TOOK PART

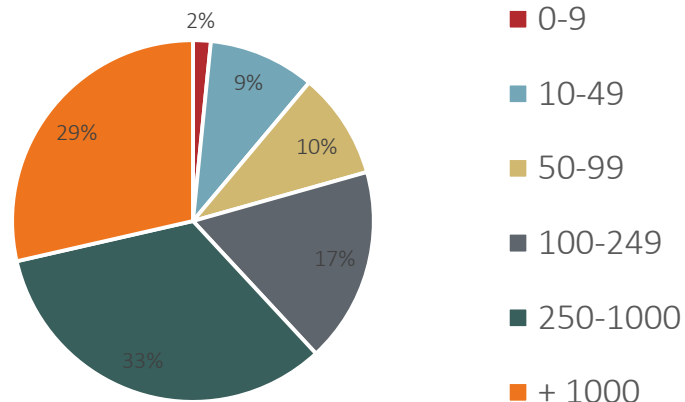
## Annual Turnover



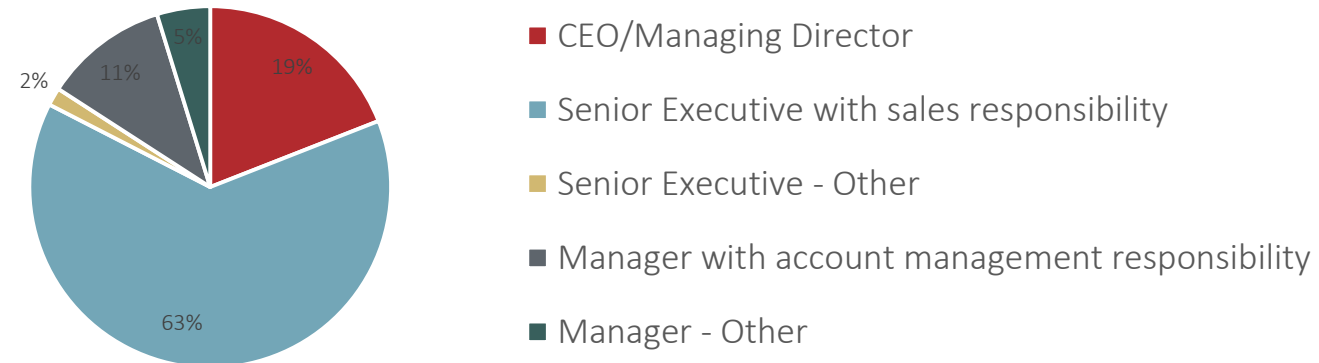
## Head Office



## Number of employees



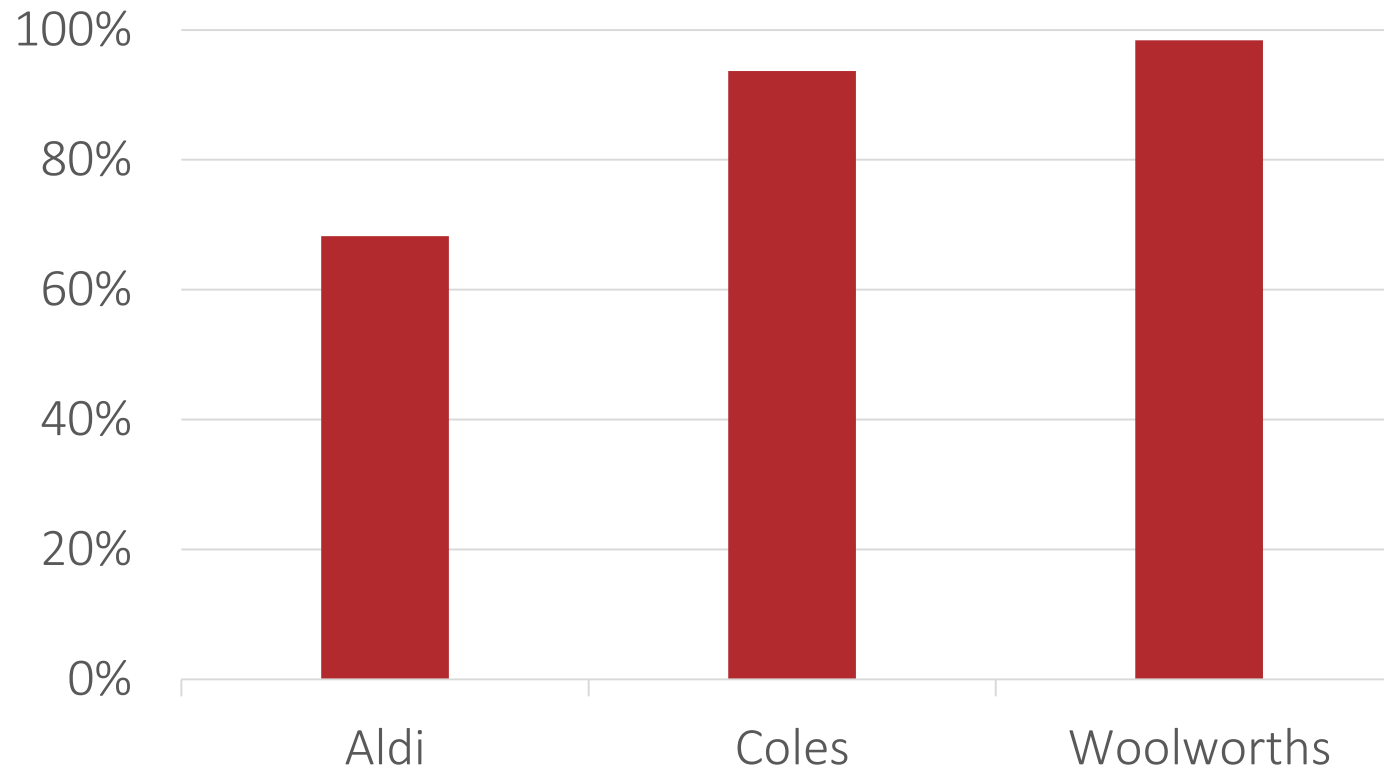
## Position





## WHO TOOK PART

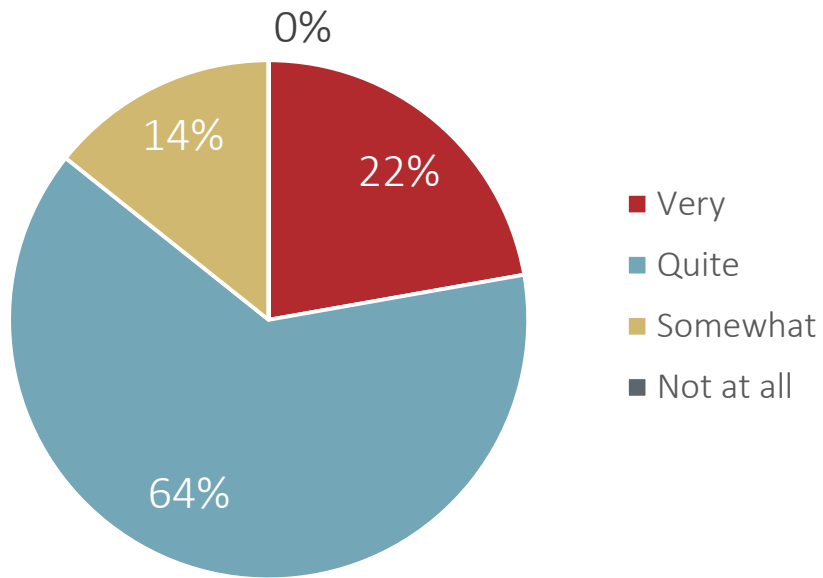
### Which retailers do you supply?



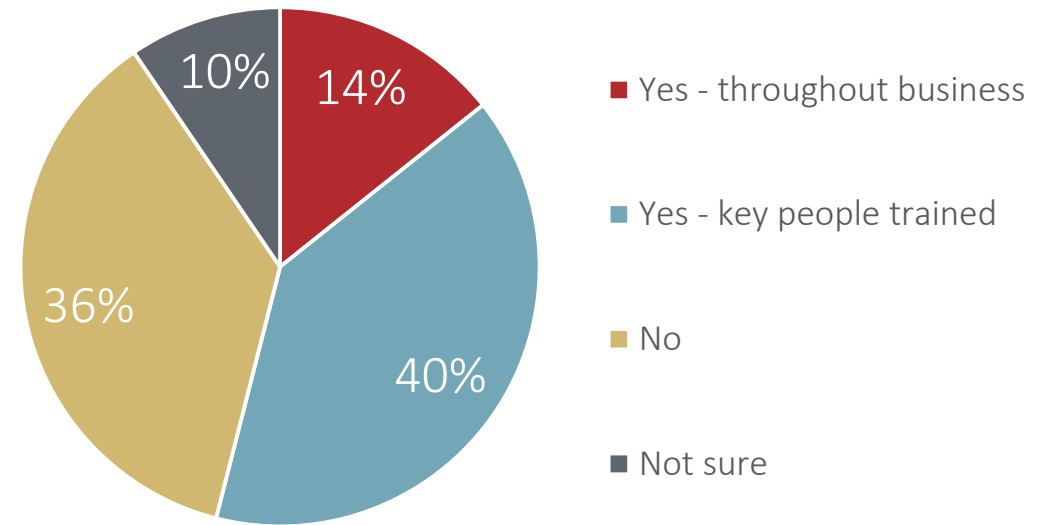


# CODE FAMILIARITY & TRAINING

### Familiarity



### Training in the past 12 months



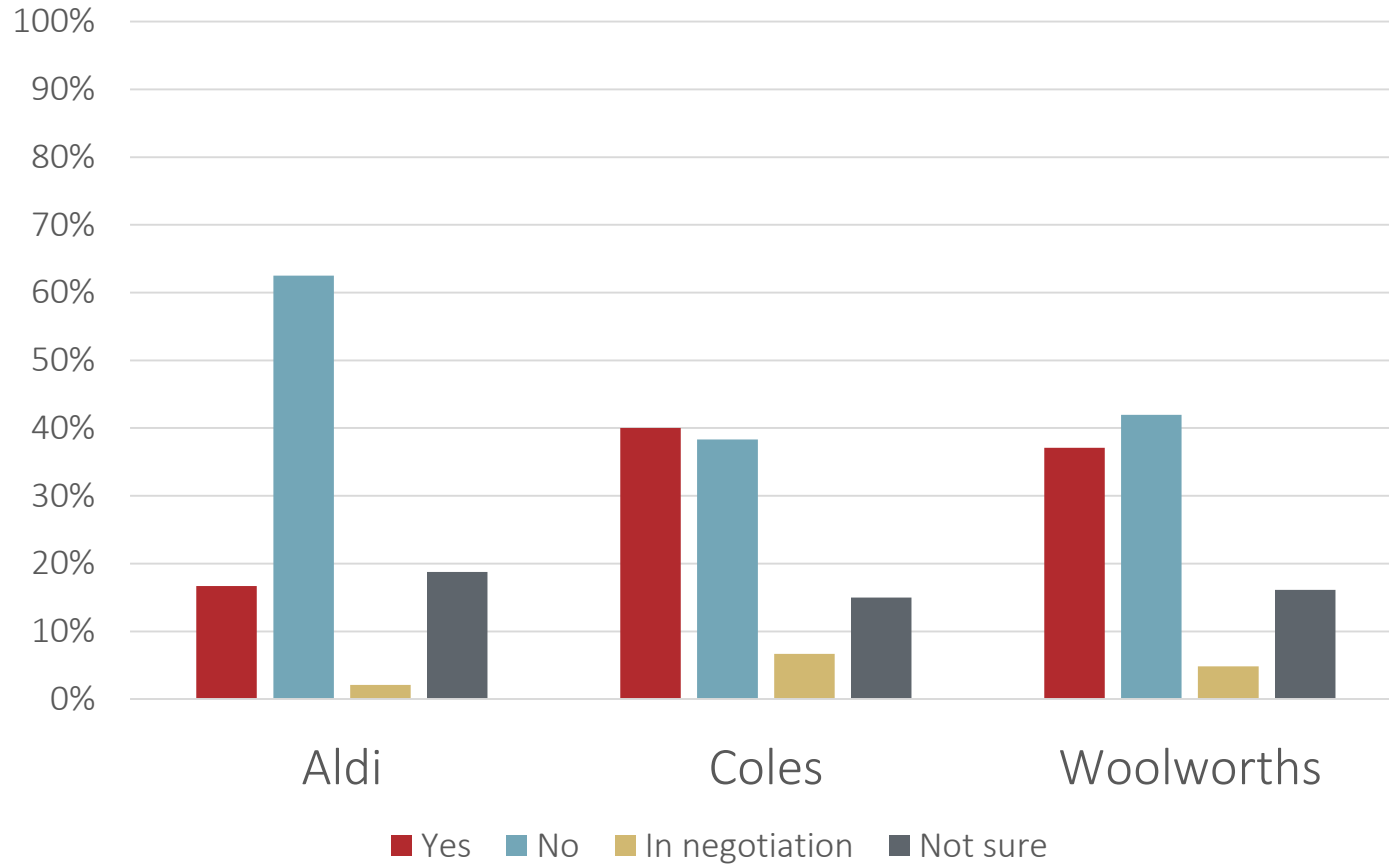
# RETAILER PERFORMANCE







# NEGOTIATED GSA

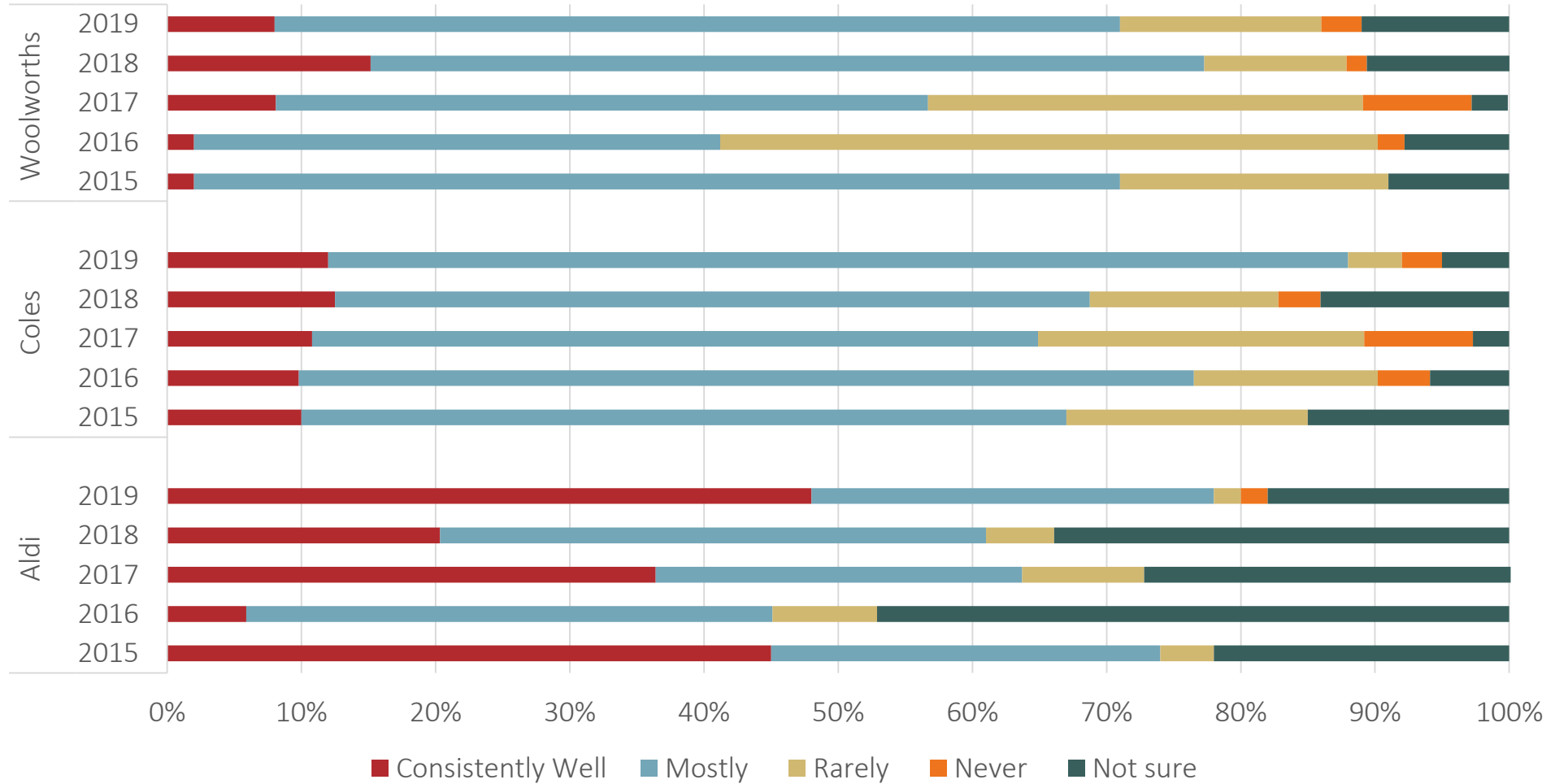


Suppliers should know that they are covered by all FGCC provisions regardless of whether they have a GSA





# RETAILERS COMPLIANCE WITH FGCC

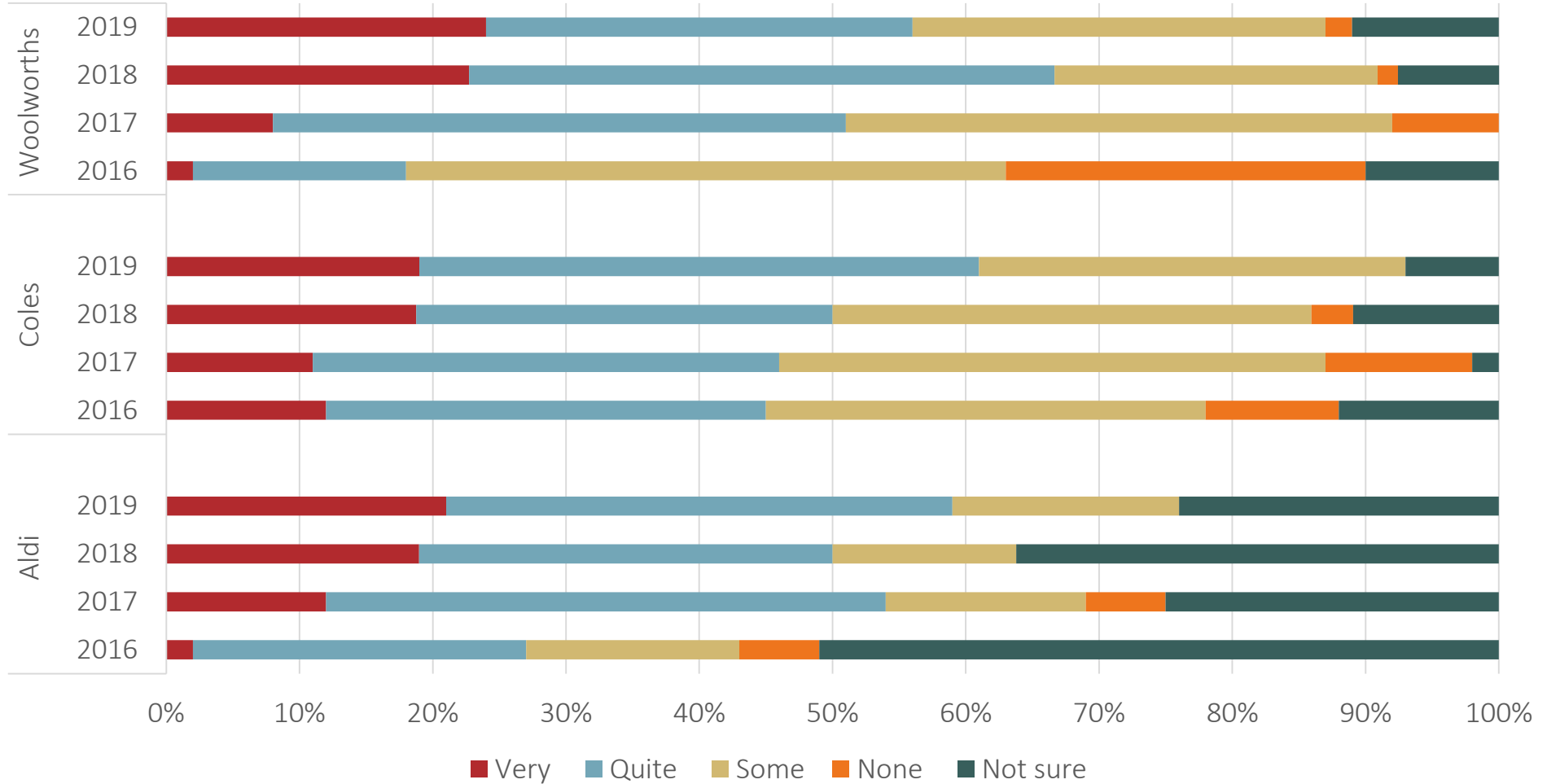


Woolworths is the only signatory to regress in compliance in 2019



# RETAIL BUYERS' UNDERSTANDING OF THE FGCC

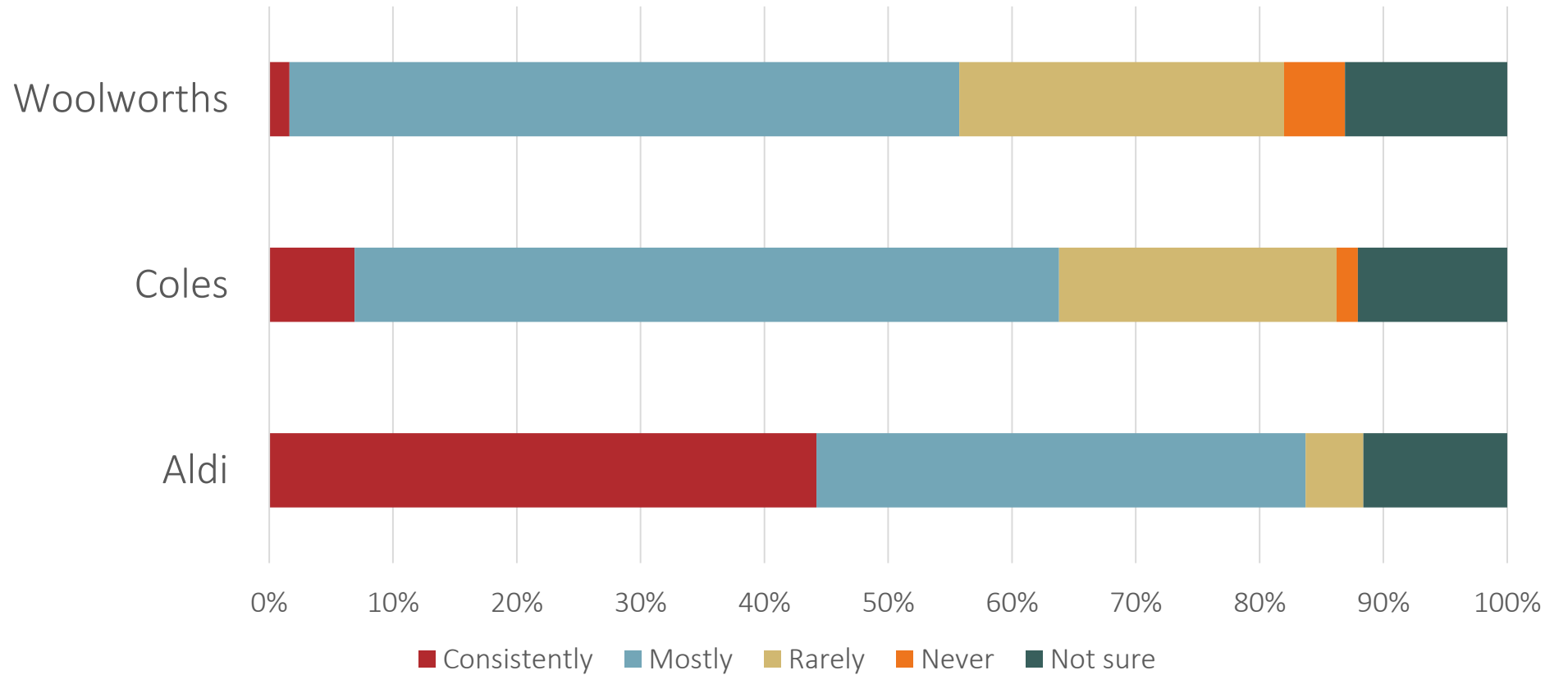
Continued overall improvement in Retail Buyers' understanding of the FGCC





## RETAILER'S DEALINGS IN GOOD FAITH

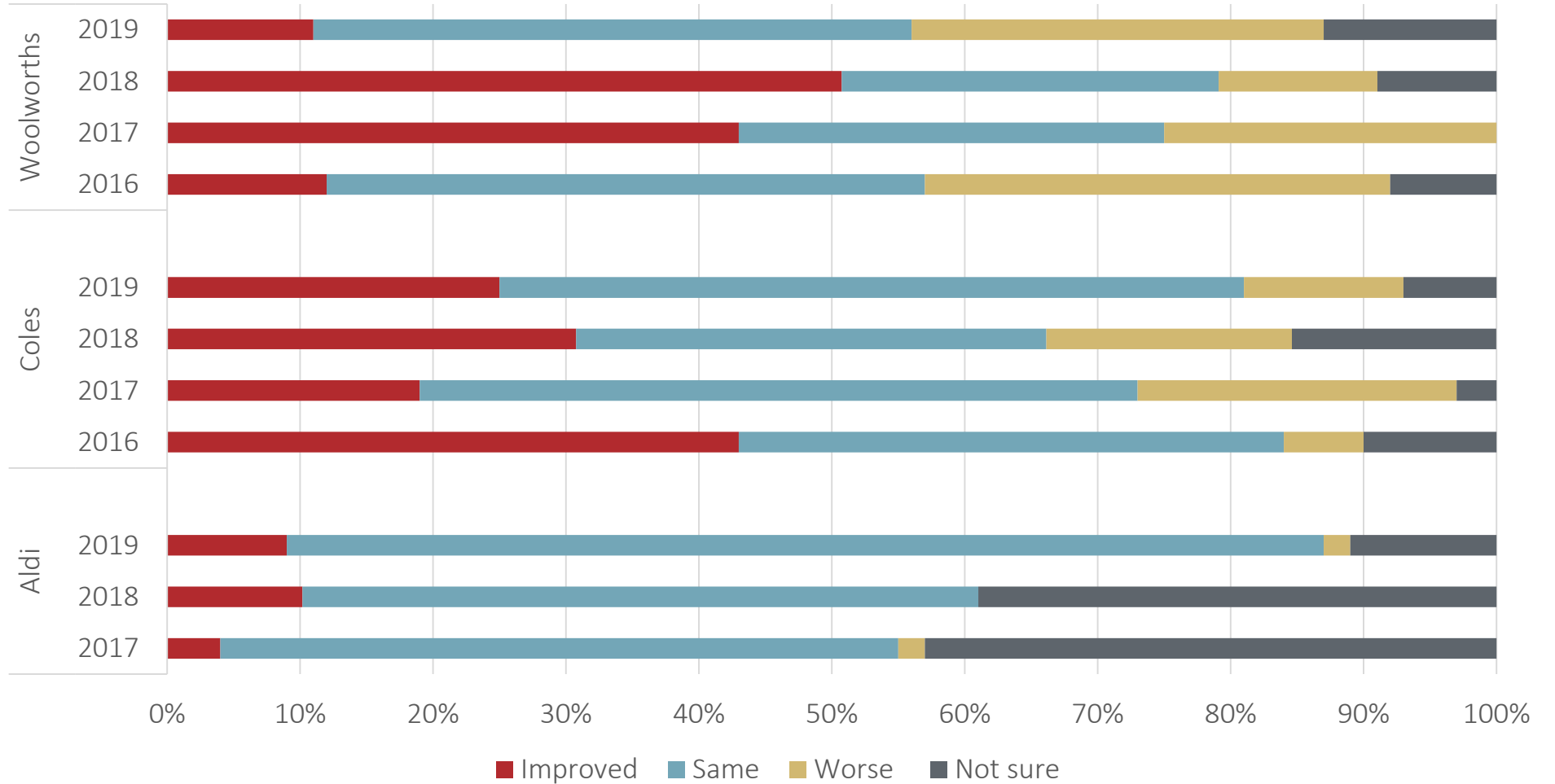
First year this questions was asked. Woolworths did not rate well.





# RETAILER PRACTICES

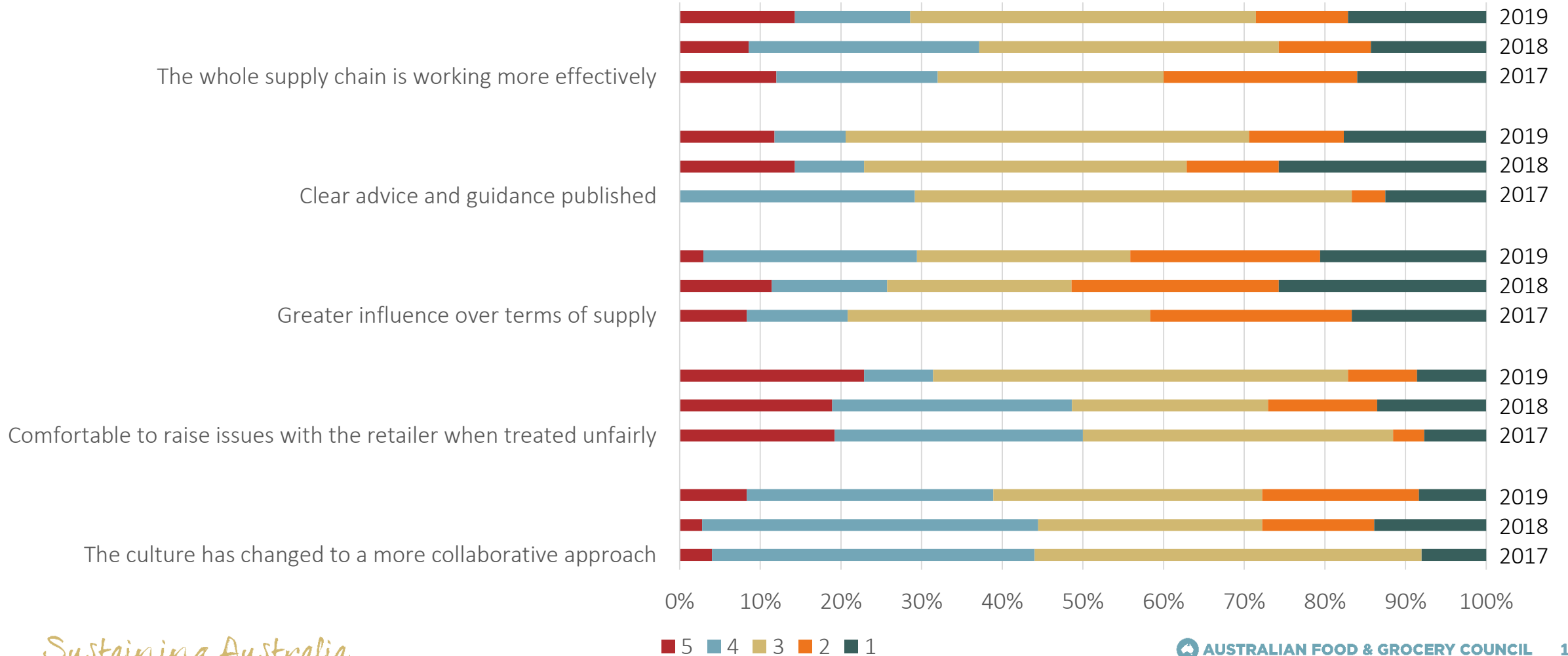
Retailer practices – worse			
	2018		2019
WW	12%	↑	31%
Coles	18%	↓	12%





# SUCCESS FACTORS – ALDI

On a scale of 5 (significant improvement) to 1 (no improvement)





# SUCCESS FACTORS – COLES

On a scale of 5 (significant improvement) to 1 (no improvement)

The whole supply chain is working more effectively

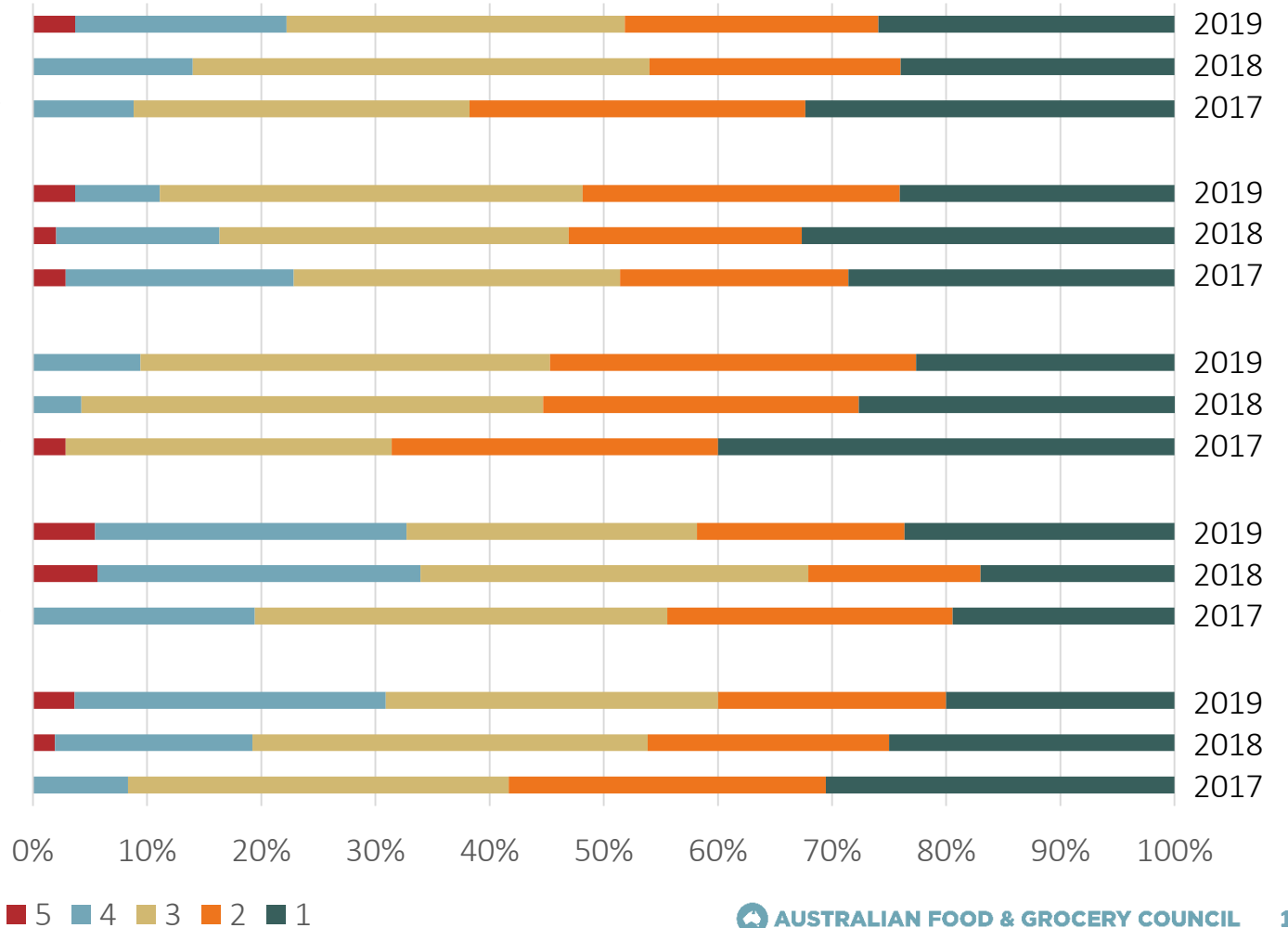
Overall, Coles improved across most metrics

Clear advice and guidance published

Greater influence over terms of supply

Comfortable to raise issues with the retailer when treated unfairly

The culture has changed to a more collaborative approach





# SUCCESS FACTORS – WOOLWORTHS

On a scale of 5 (significant improvement) to 1 (no improvement)

The whole supply chain is working more effectively

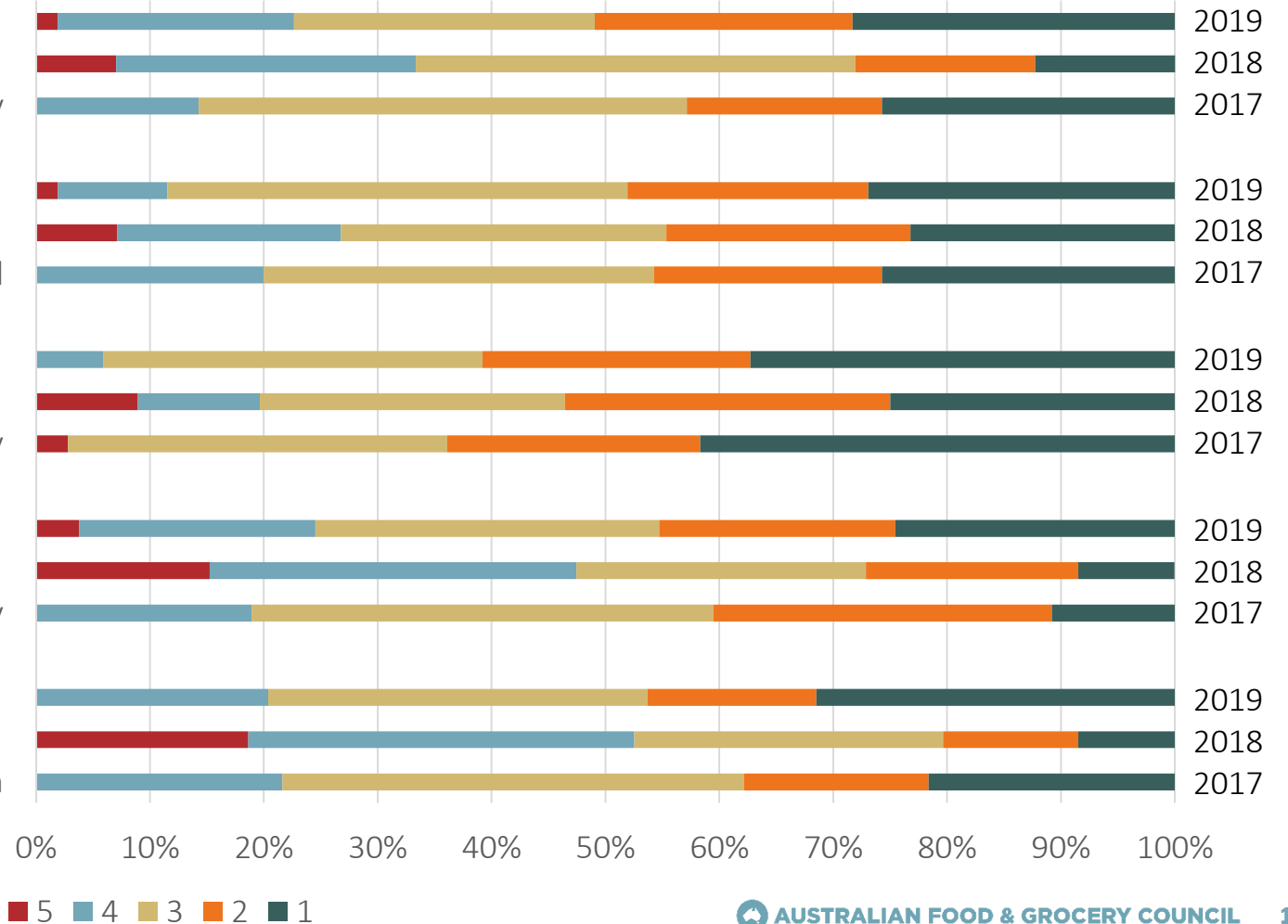
Clear advice and guidance published

Greater influence over terms of supply

Comfortable to raise issues with the retailer when treated unfairly

The culture has changed to a more collaborative approach

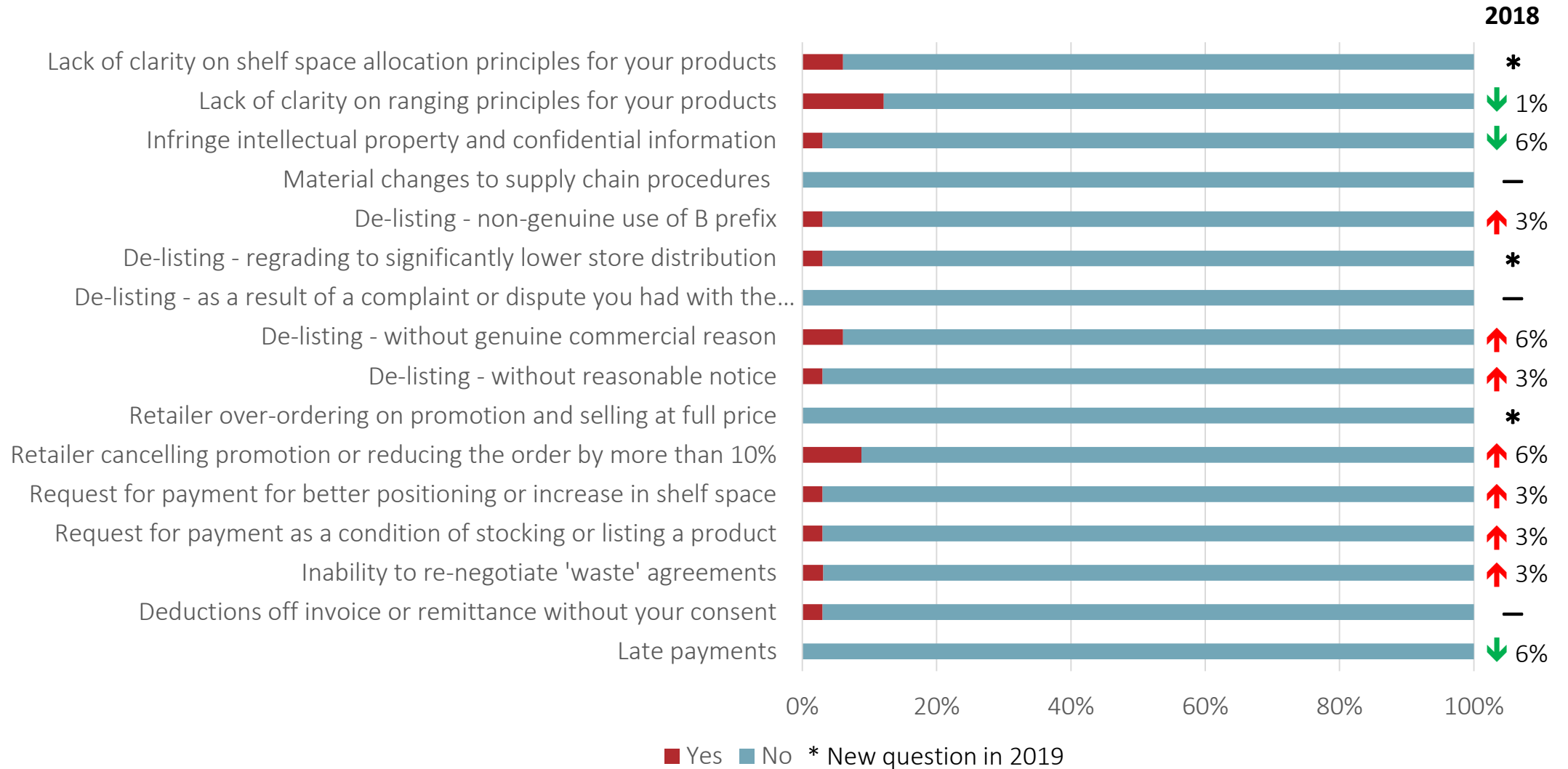
Woolworths showed no YOY improvement in any success factor





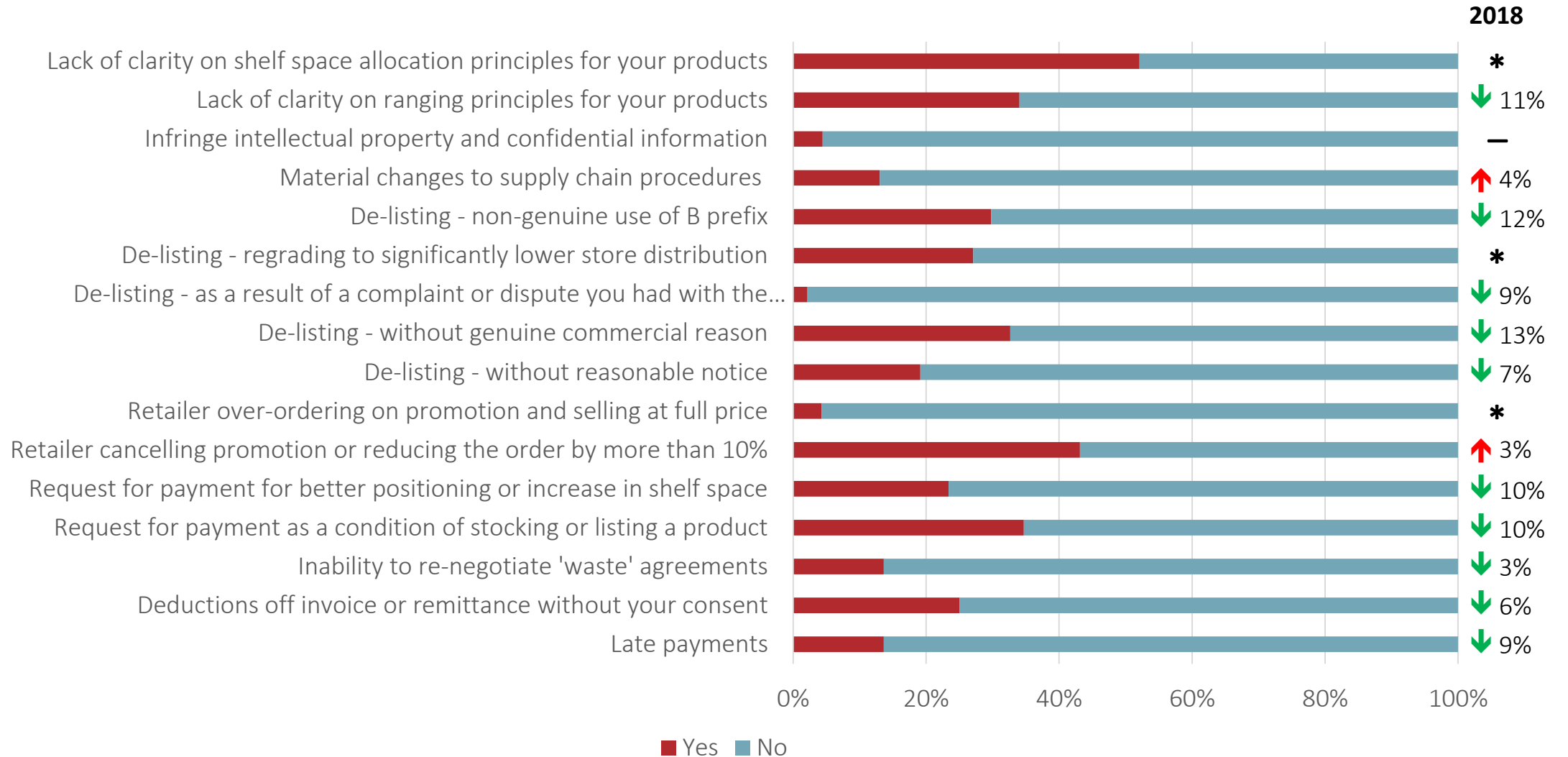


# COMPLIANCE ISSUES – ALDI



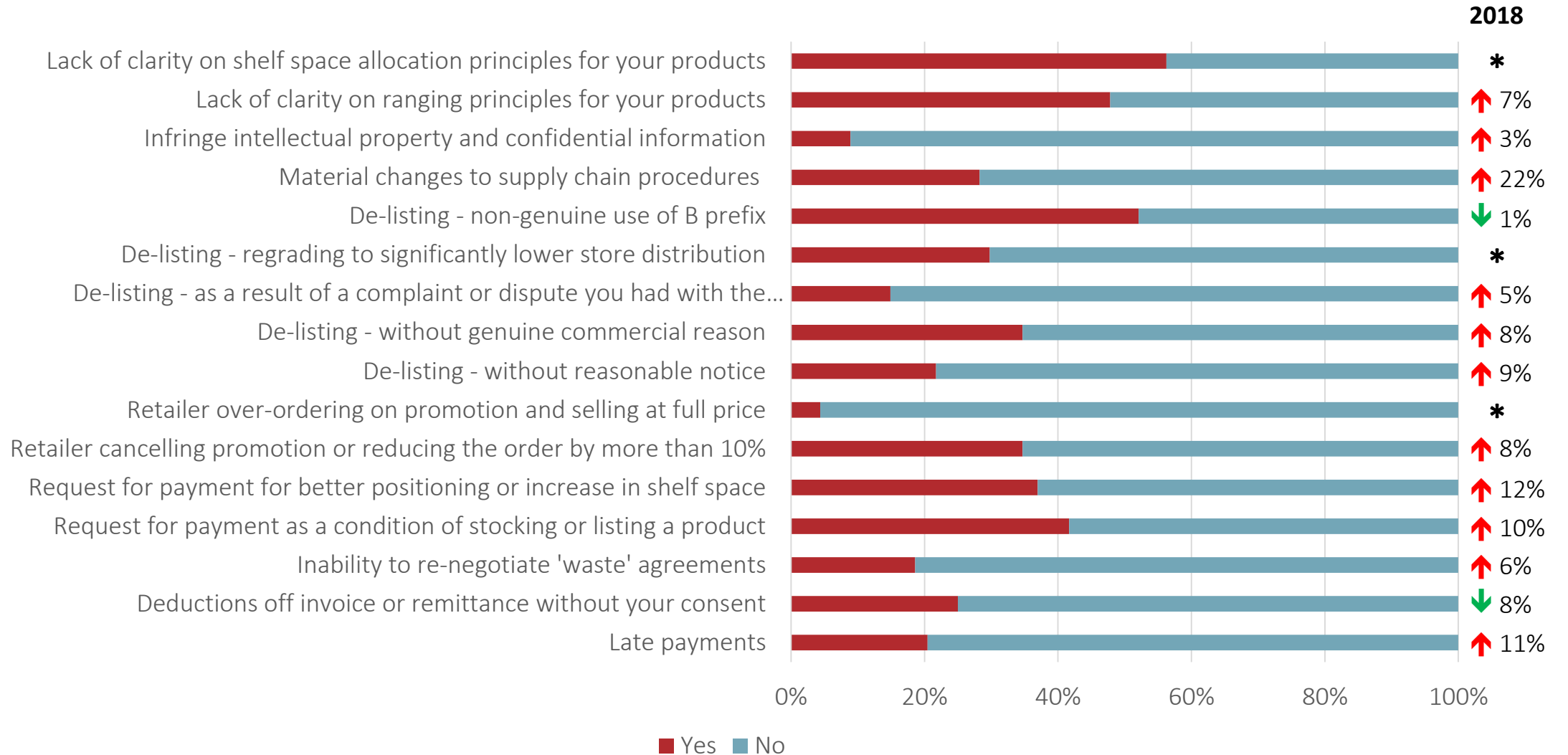


# COMPLIANCE ISSUES – COLES





# COMPLIANCE ISSUES – WOOLWORTHS



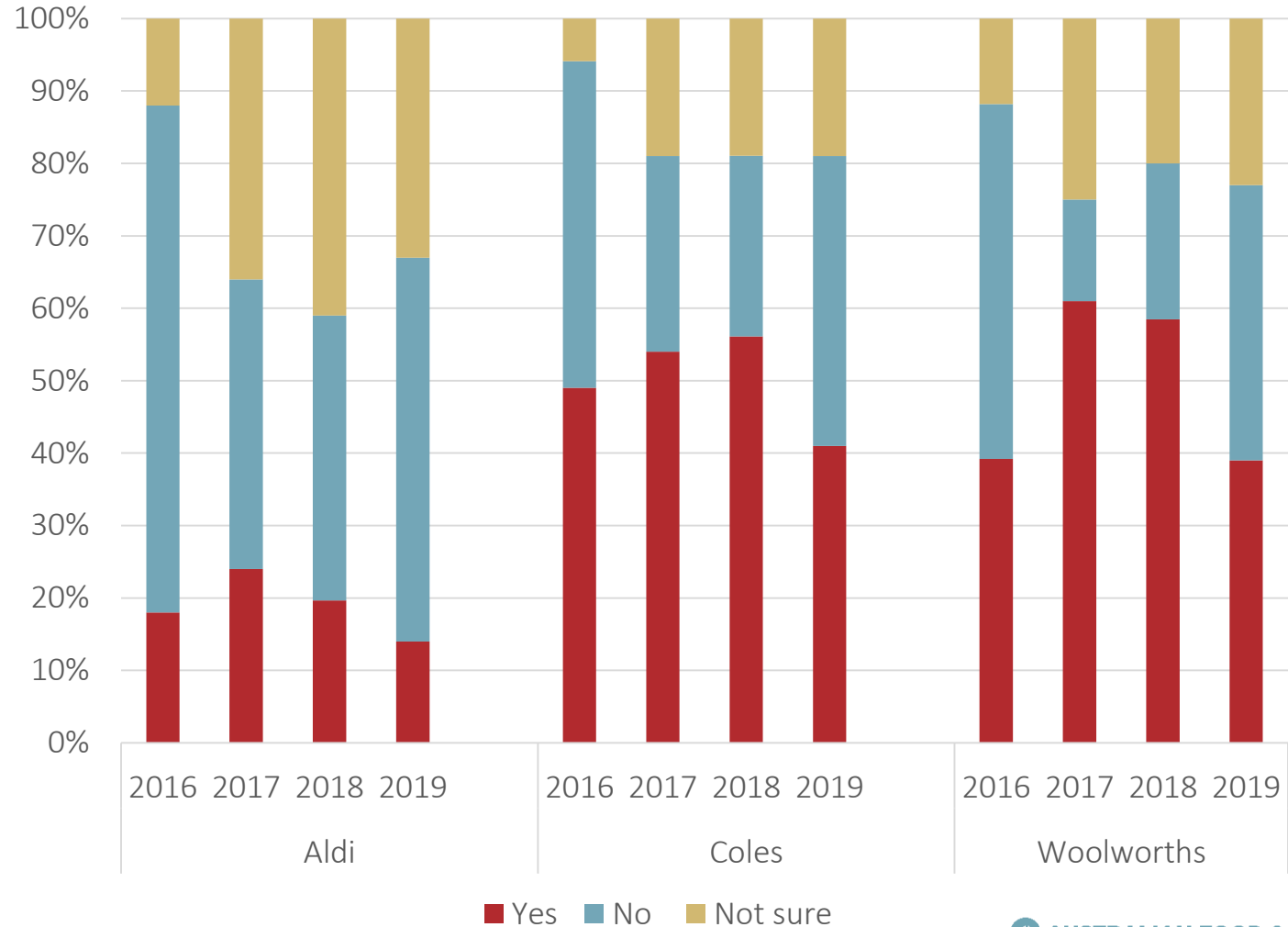
# DISPUTE RESOLUTION





# CODE COMPLIANCE MANAGER

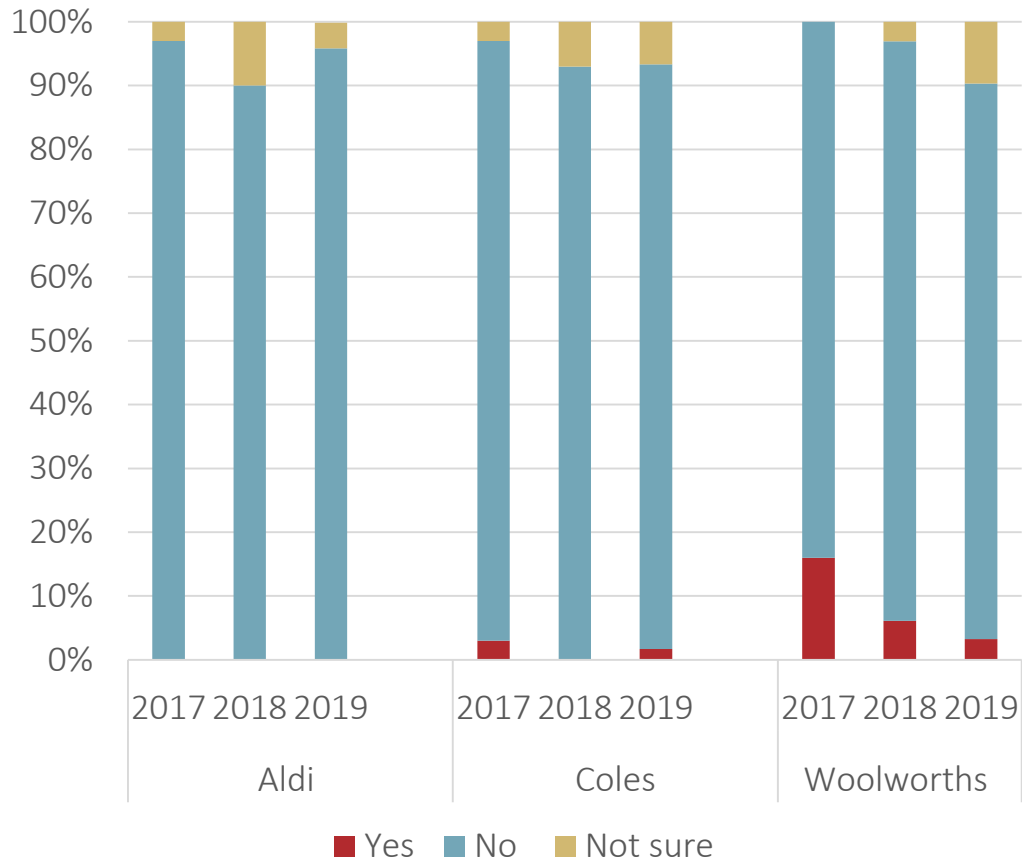
Do you know who the CCM is and how to contact them?



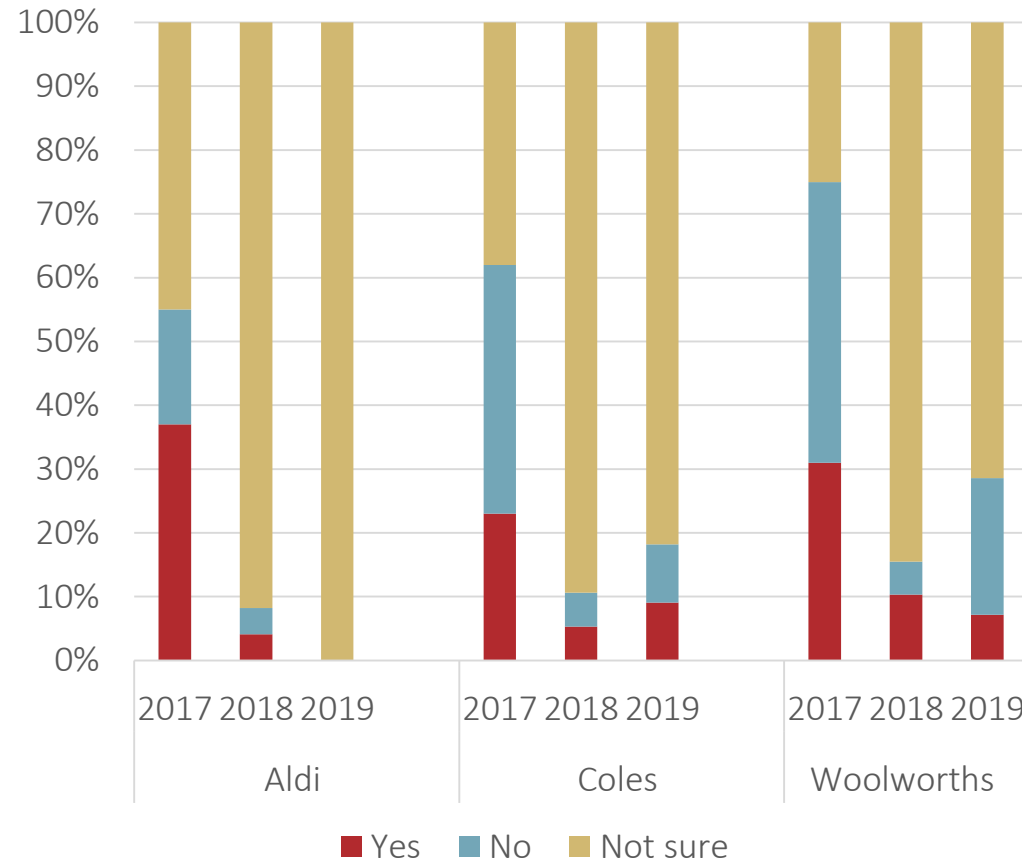


# CODE COMPLIANCE MANAGER

## RAISED COMPLAINT WITH CCM



## HANDLED SATISFACTORILY

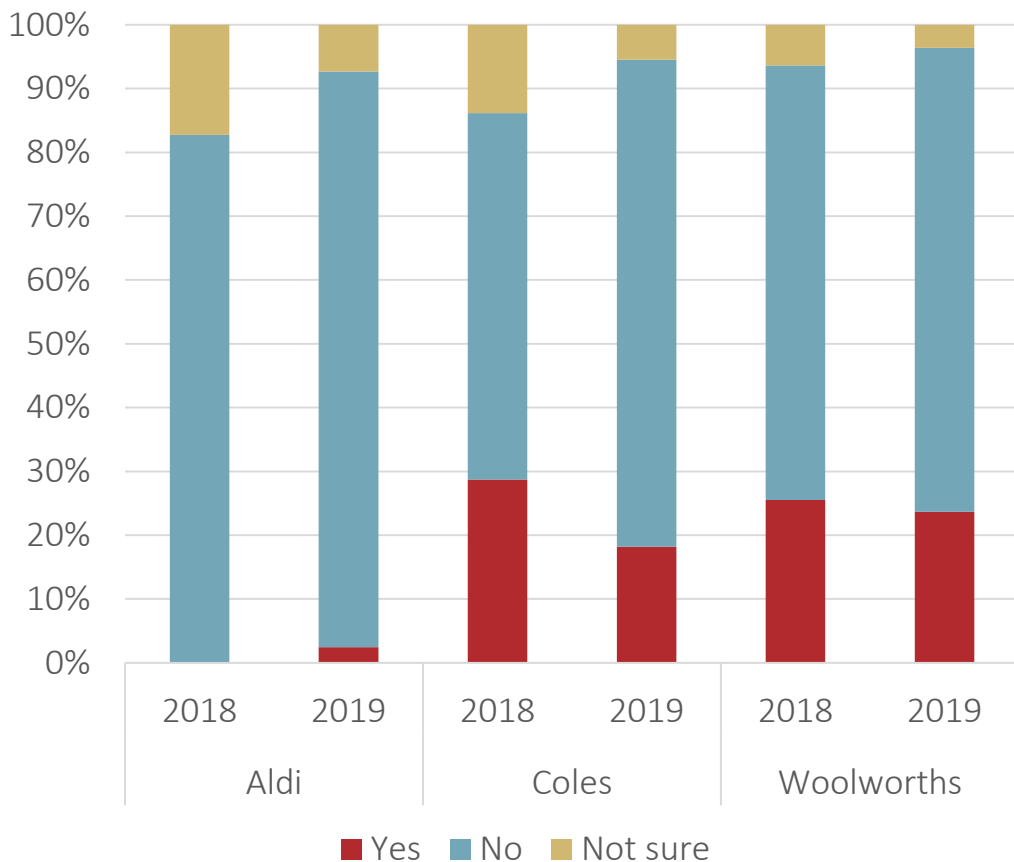


Handled satisfactorily – No				
	'18		'19	
WW	5%	↑	21%	
Coles	5%	↑	9%	
Aldi	4%	↓	0%	

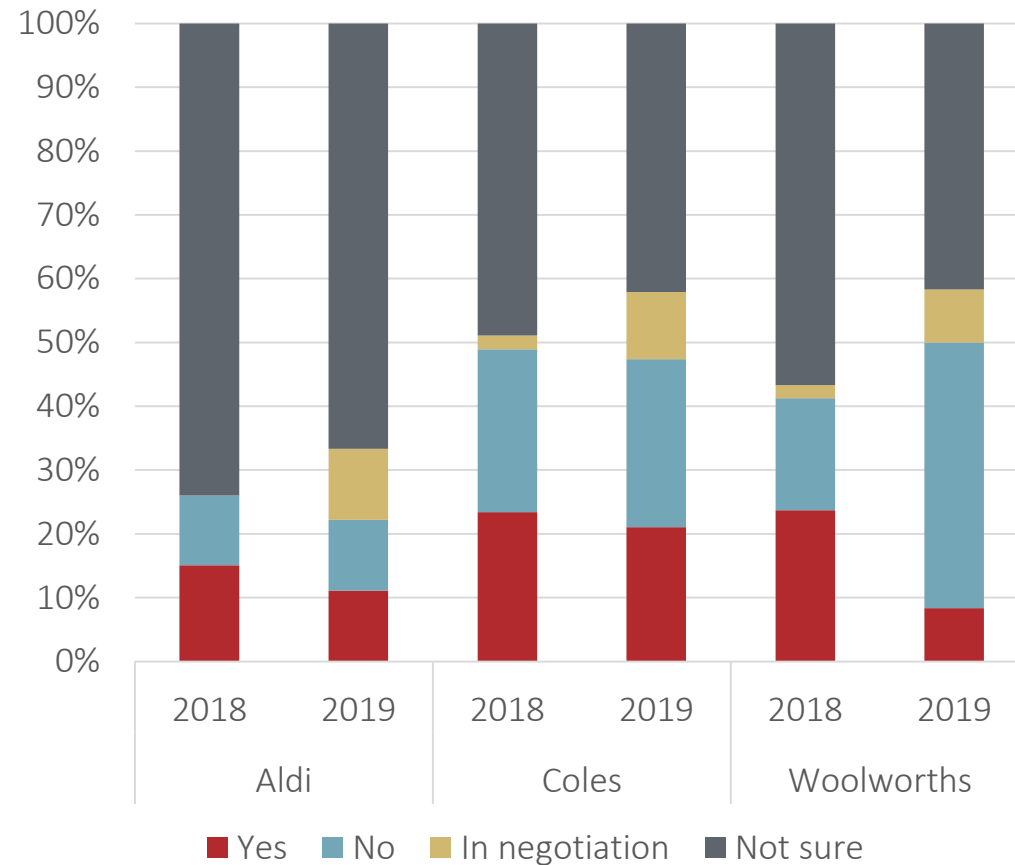


# DISPUTE RESOLUTION

## RAISED ISSUE WITH BUYING TEAM



## HANDLED SATISFACTORILY



Handled satisfactorily – No			
	'18		'19
WW	18%	↑	42%
Coles	26%	-	26%
Aldi	11%	-	11%





# DISPUTE RESOLUTION

## MAIN IMPEDIMENTS TO RAISING AN ISSUE WITH..

	Aldi	Coles	Woolworths	ACCC
1	We don't think the concern is important enough to escalate	Not confident that confidentiality will be maintained	Fear of retribution	Fear of retribution
2	We see the issue as a normal way of doing business	Don't think anything will be done to address the issue	We do not think the issue will be taken seriously	Don't think the ACCC can do anything to address the issue
3	Fear of damaging commercial relationship	Fear of damaging commercial relationship	Fear of damaging commercial relationship	Prefer to address the concern ourselves

## FINAL THOUGHTS



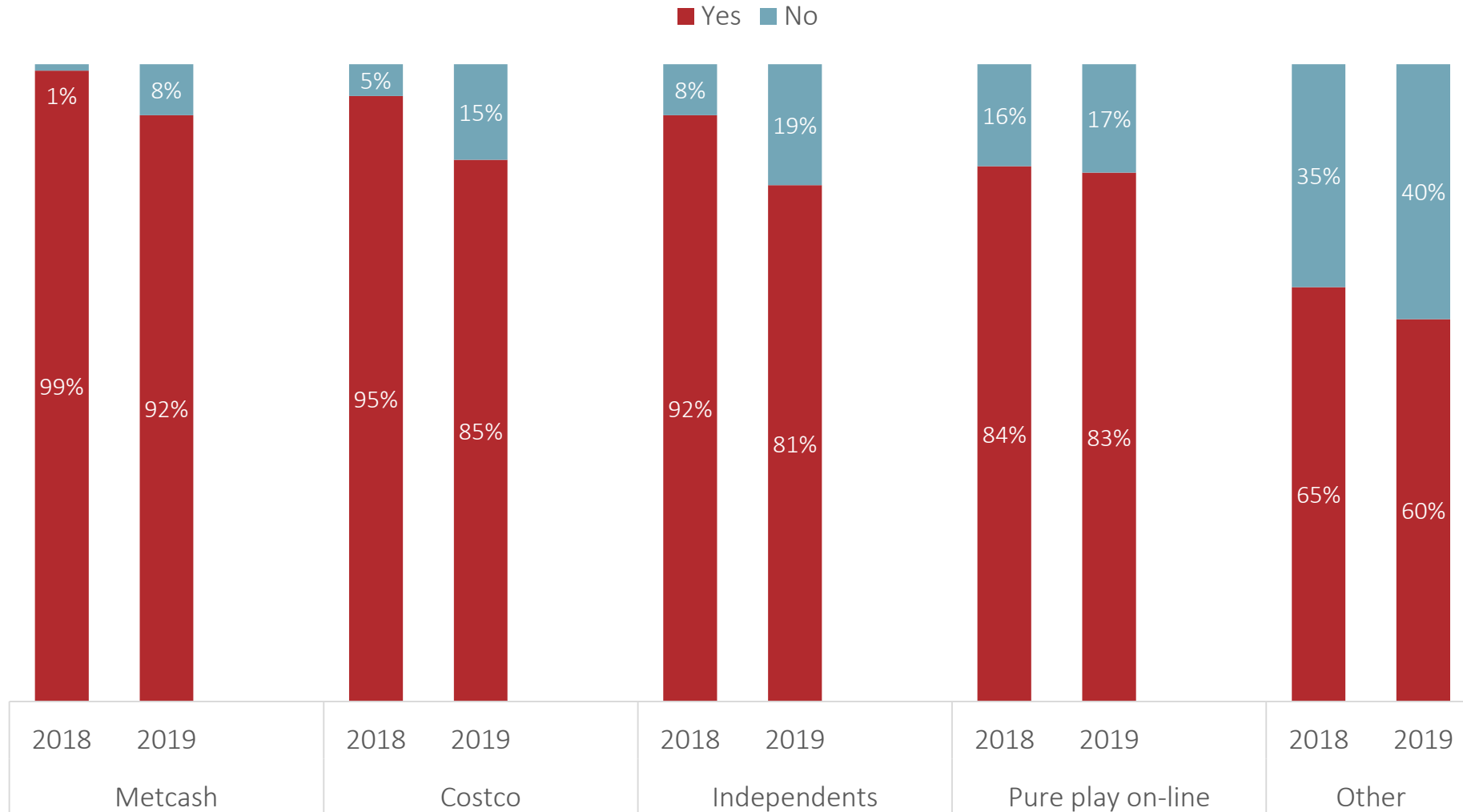


## MOST SIGNIFICANT ISSUE





# WHO ELSE SHOULD BE CAPTURED





For more information please contact  
[Samantha Blake](#) – Director, Industry Affairs