

10 January 2020

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

By email: RRAT.Sen@aph.gov.au

Dear Committee Secretary,

Inquiry into the performance of Australia's dairy industry and the profitability of Australian dairy farmers since deregulation in 2000.

Thank you for your letter requesting that Coles review the proof of Hansard evidence given by Coles on Thursday 5 December 2019. Coles notes that the Hansard records Senator O'Neill as attending the hearing and asking a question – Coles' recollection is that Senator O'Neill did not attend the hearing. We do not have any further corrections to the Hansard.

In addition to the written response provided to the Committee on 6 December 2019 to one question taken on notice, Coles provides the below answers to two further questions taken on notice:

Senator McDonald asked if a processor had self-reported non-compliance with Coles' ethical sourcing standards.

Processors have not reported non-compliance with Coles' Ethical Sourcing Policy. Coles Group's Ethical Sourcing Policy and Ethical Sourcing Supplier Requirements apply to all suppliers providing Coles Brand products, fresh produce and meat sold in Coles supermarkets. As an additional measure, we require all Coles Brand, fresh produce and meat direct supplier sites to register on the Supplier Ethical Data Exchange (Sedex), a global ethical supply chain management platform. Suppliers are required to complete a comprehensive risk assessment following which they are rated as low, medium or high risk. Medium and high-risk sites are required to be independently audited.

Senator Hanson asked about the farm gate price paid to Queensland farmers.

Coles pays its milk suppliers in Queensland, Lion Dairy & Drinks and Norco, for Coles Brand milk. In markets where we purchase from processors, the farm gate price is set by them and is one of the components of the wholesale price paid by Coles. It also varies by state and by processor.

Coles does not pay directly to farmers in Queensland therefore we are unable to advise the farmgate price paid to the state's dairy farmers.

While Coles does not pay Queensland dairy farmers directly, we have agreed to multiple cost price increases over the past 12 months.

Yours sincerely

Vittoria Bon

Government & Industry Relations Manager
Corporate Affairs