

Tuesday, 22 August 2023

Coles announce \$1.098Billion total profit, up 4.8% on back of higher prices, while cost of living hits Australians.

It's a good day for Coles who announced a \$1.098Billion in total profits, with Woolworth due to announce their profits tomorrow.

In its release today, Coles has noted it has increased its gross margins in supermarket and liquor divisions.

Coles and Woolworths control two thirds of the supermarket sector, creating a chokehold over the prices we pay for essentials at the tills.

Comparisons with UK supermarkets, which see a lot more competition shows profits from groceries are higher in Australia than their overseas counterparts.

The ACTU has recently launched a Price Gouging inquiry and 30% of respondents to the Report a Rip off website has already cited supermarkets as their main concern. Comments include:

"\$200 used to get us a trolley worth of groceries, I literally payed \$67 for 5 items on Tuesday" - Holly WA

"My health is suffering as I can't afford many fresh food items. No matter how hard I budget." - Beth, VIC

"My food bills have increased by 20 per cent." - Bob, SA

"I can't afford anything besides rent and food, with what's left over I pay some off one of the bills because I can't afford to pay them" - Sharon, NSW

"As a pensioner I often can't buy food and cleaning items I need plus I have to eat less. It also means I can't even go out for a coffee etc. It's very lonely." - Judi, SA

Quotes attributable to ACTU Assistant Secretary Joseph Mitchell:

"It is little wonder supermarkets are the most complained about industry to the ACTU's call for information regarding price gouging.

"The public have been told that supply chain issues and inflation are to blame for the cost-of-living crisis. But when you see the profits like those posted today, it is legitimate to ask whether Australia's big supermarkets have used the cost-of-living crisis as a smokescreen to push up their profit margins, despite costs decreasing for themselves.

“What this profit season suggests is that some of Australia’s biggest companies are posting significant profits, while either exploiting loopholes to drive down wages, or arguably charging more than is necessary to their customers. “

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