

MEDIA STATEMENT

Bunnings' response to ABC Four Corners

Attributable to Bunnings Managing Director, Mike Schneider:

Every day we work hard to earn the trust of our customers, suppliers and communities through a genuine commitment to value, service and fairness, and we don't take that trust for granted.

We are committed to delivering the best possible value for Australian and New Zealand households, with a mix of owned and well-known brands, underpinned by our everyday lowest prices policy and a strong focus on trust, transparency and fairness.

We're proud to work with around 2,000 suppliers, over 1,500 of which are based across Australia and New Zealand, and we are always striving to build long-term, collaborative relationships that are good for everyone involved. As a house of brands, we're committed to giving our customers access to leading brands in each category.

Our portfolio of more than 40 Bunnings-owned brands – such as Mimosa, Matador and Trojan - allow us to complement the many supplier-owned leading brands that we offer across our range, by delivering exclusive market-leading product innovation at compelling price points.

Our 50,000-plus team members across Australia are the heart of our business, helping us deliver meaningful contributions to the communities in which we live and operate. Last year alone saw over \$60 million in community support, through tens of thousands of local initiatives, reflecting our deep commitment to the communities we serve. We are also a human organisation and recognise that from time to time we don't always get it right, however when we make a mistake we work hard to put it right as soon as we are made aware.

Since the first Bunnings Warehouse format store opened in 1994 in Sunshine, Victoria, our business has grown substantially. This continued growth is driven by listening to customers and evolving our offer to meet their needs, always with the goal of delivering the lowest prices, widest range and best experience.

ENDS

Responses to questions from ABC's Four Corners from April – May 2025

Responses listed chronologically with most recent at the top of the document

Responded on 8 May 2025

In October last year internet sleuths noted Tool Kit Depot was promoting a \$101 saving on a Milwaukee power pack ([M18FPP8A4503B](#)) that was selling for \$2,446.75. It turns out the price was actually \$459 more expensive than the most recent price which was \$1,987.99. Did Bunnings/TKD mislead consumers?

No. Offers were clearly advertised and promoted as offers to 'TKD Rewards Club' members for a period of time (i.e. "ends Monday September 30" and "October"), per the materials seen and provided by the ABC.

The 'WAS' price and the discounted price were clearly marked on the promotional materials as part of campaigns.



MEDIA STATEMENT

The Milwaukee product that you identified and is currently stocked at Tool Kit Depot (model number M18FPP8A4503B) is the current model which superseded the model that was stocked in September/October last year (different model number - M18FPP8A3503B). That is why there wasn't immediate record of that model number you provided being in stock in September/October last year, because the current model number (which you provided in your question) was not in stock at the time of the promotions you highlighted.

Summary of the promotions:

- Model M18FPP8A3503B was advertised as part of a 'CLEARANCE SALE' at WAS \$2,548.70 – Now \$1,987.99 (Save \$560.71) for the dates 25 September – 30 September 2024
- Model M18FPP8A3503B was advertised as part of a 'TOOL FEST SALE' at WAS \$2,548.70 – Now \$2,446.75 (Save \$101.95) for the dates 1 October – 23 October 2024

Note, both campaigns were offers exclusive to 'TKD Rewards Club' members. The price offer to non-members was \$2,548.70 for the duration of both campaign periods.

The short campaign (25/9 – 30/9) was developed to assist sell through and clearance of old stock, ahead of taking stock of the upgraded model from the supplier.

It is common for retailers more broadly and TKD to promote special offers, including offers exclusive to loyalty program members. This is an effective way to create value for loyal customers and an important part of managing stock, for the benefit of suppliers, customers and the retailer.

Responded on 7 May 2025

As you would be aware Bunnings is being sued by a former manager Jason McMartin. His statement of claim alleges Bunnings systematically underpaid sales staff, had a culture of bullying and engaged in anti-competitive behaviour. How do you respond to these allegations?

We can confirm a case is underway involving a former team member.

Allegations raised by the individual were thoroughly investigated by an external investigator and were not substantiated. The individual was terminated several years later for serious misconduct which was the only reason his employment ended.

Further, Bunnings categorically rejects any assertions in regard to underpayment of team, anti-competitive behaviour or bullying.

As this matter is before the courts, we are unable to provide further comment.

Four Corners has obtained a letter signed by Mike Schneider where Bunnings expresses interest in buying an independent hardware store. In the letter Mr Schneider notes that Bunnings has a proven track record of completing such sales processes in a “discrete and efficient manner”. By “discrete” is Mr Schneider seeking to convey that Bunnings could complete the process without alerting the ACCC, which then may investigate if the sale would reduce competition?

No. Bunnings complies with all regulatory requirements and laws as they apply to our business, including any requirement to notify the ACCC.

The reference to a discrete process in the letter does not relate to any regulatory requirements associated with a potential transaction, rather it reflects that the sale of a business is something that can be deeply personal for the business owner and that Bunnings is very respectful of that.



MEDIA STATEMENT

Does Bunnings have the exclusive right to sell Ryobi, Feast Watson and Irwin Speedbor products in Australia?

Ryobi is sold exclusively via Bunnings while Irwin is sold via Bunnings and Took Kit Depot. Feast Watson is sold at Bunnings and other retailers. For noting, Dulux stocks Feast Watson products across a number of retailers and determines where their brands are stocked.

Across the Australian retail sector, including the home improvement and lifestyles sector, exclusive brands are common across a range of channels and retailers. For example, Ozito at Bunnings and Rockwell at Mitre 10 or Milwaukee in specialist tool shops like Tool Kit Depot, Total Tools and Sydney Tools. Exclusive brands enable businesses to differentiate their offer and create unique ways to engage with customers.

Responded on 1 May 2025

You have submitted plans to build a new store in the outer Brisbane suburb of Jimboomba, next door to an existing Mitre 10. There are already three Bunnings stores within an easy drive north and more than a dozen in greater Brisbane. The owner of the Mitre 10 says you are planning to set up next door to put him out of business. He says your behaviour is predatory. How do you respond to this?

Bunnings' decision to open a store in Jimboomba is part of a long-term plan to expand in growing areas. It is never about eliminating competition, rather we enhance competition as it's good for consumers. Jimboomba has been a target location in our network strategy since 2008, supported by sustained growth across the broader corridor including Flagstone, Yarrabilba, Greenbank and Beaudesert.

In December 2019 the ACCC engaged with Bunnings regarding our acquisition of the site. Importantly, we noted that we do not operate within 20 kilometres of the proposed Jimboomba location, and the new store would increase competition for local residents. Bunnings acquired the site in Jimboomba in February 2019. Bunnings has obtained development approval and are progressing with roadworks design and a construction tender with completion anticipated in 2026.

Bunnings decides store locations based on specific criteria, including expanding into new suburbs and locations, upgrading or replacing stores that require additional space, parking or product range improvements, and ensuring we better serve communities. When opening new stores, we consider the local market, customer offer, demographics and spending habits. Our growth strategy is guided by established planning and competition laws which provide oversight to ensure fair competition. We are also highly disciplined at allocating capital which would be accompanied by achieving satisfactory returns.

The Jimboomba store aims to meet customer needs, improve experience, the widest range, great service, bringing more choice and competition to the community, providing employment opportunities and community engagement - not to block competitors. In some cases, competitors have built out their presence in areas we already operate in.

Bunnings operates in a highly competitive environment. The competitive landscape includes over 1,500 hardware stores which operate within the Metcash network. Of the 310 Bunnings Warehouses and smaller format stores across Australia, around half operate within the same local area as a Mitre 10 or Home Hardware store. It's not uncommon for competitors to enter a local area market where Bunnings has an established presence, which increases competition and options for local customers.

More information on Bunnings' property strategy can be found on page 11 of our submission as part of the 'Big box' retailer price setting senate inquiry.



MEDIA STATEMENT

Your annual report in 2000 suggests you had 47 stores generating \$1.4 billion in revenue. Given the conglomerate structure of Wesfarmers and the bundling of different groups together (Officeworks is sometimes included with Bunnings) is this the most accurate figure to use for Bunnings?

We currently operate 310 Bunnings Warehouses and smaller format stores across Australia. We do not bundle stores with Officeworks.

The latest Wesfarmers annual report can be found [here](#)

We note that your house brands, like Citeco, often feature in your advertising and often come with the tagline “If you find a cheaper price on a stocked item we will beat it by 10%”. Is this misleading given a consumer cannot find Citeco products at any other store?

Absolutely not. Bunnings uses a mix of owned brands and exclusive brands to differentiate our offer and give customers choice, but we do not use them to exclude operation of our lowest prices policy or as a reason to not apply our price guarantee. Our lowest prices policy applies across like-for-like products and we reduce prices on our exclusive products where we identify a competitor's similar product which may be at a lower price. For example, products under our exclusive Ozito brand have at times been reduced in price to match similar products offered by brands like Black & Decker. Bunnings does this to ensure its customers benefit from the best value in the market on 'like for like' items.

What percentage of your product offering is either house brands or exclusive brands and how many products does this include?

We provide a wide range of leading brands across all our categories so that we can best meet our customers' needs. We work with around 2,000 suppliers, over 1,500 of which are based in Australia and New Zealand, offering nearly 300,000 home, commercial, and lifestyle products in-store, online and through our marketplace.

Our portfolio includes over 40 Bunnings-owned brands, such as Mimosa, Matador, and Trojan, complementing many supplier-owned brands. There are around 9,000 products associated with Bunnings-owned brands.

Why does Bunnings not say on either the packaging or the product that Citeco is a brand and trademark owned by Bunnings? Would it be more transparent for the consumer, if this was done on all your house brands?

Bunnings complies with all legal and regulatory requirements that apply to labelling of our products, and our registered trademarks are publicly available information. We are always seeking to provide the best value and

shopping experience for our customers. To achieve this, Bunnings works closely with our suppliers to offer a mix of products under Bunnings owned brands and supplier-owned brands which ensures customers can access a wide range of quality products at low prices. It is normal practice for both retailers and large suppliers to develop and offer customers products under a range of brands. This practice is consistent with other Australian retailers.

George and Katherine Mingis from Kookaburra Worm Farms supplied Bunnings for 10 years. They say Bunnings purchased their standard bag of worms for \$29.97 and sold it for \$49.90 - a 66% mark up. Despite this healthy margin enjoyed by Bunnings they say your buyers refused to allow them



MEDIA STATEMENT

to increase prices despite widely accepted cost increases after COVID-19. They say in the final year of their contract with Bunnings they were losing money and went into debt to continue supplying Bunnings which refused to accept a price increase. Does this accord with your commitment to “deal fairly” with suppliers and not impose “unfair pressure”?

We are unable to disclose details of specific supplier agreements and relationships. However, conducting business with integrity, honesty and respect is part of our core values and we are committed to dealing with our suppliers fairly and ethically. There are a range of circumstances that can lead to changes in the arrangements we have with suppliers. With respect to the former supplier you have mentioned in your question, we would welcome a direct discussion with them so that we can further understand their concerns. Our Managing Director is also open to meeting with them to investigate.

Terry Birbilis is suing Bunnings in the QLD Supreme court for breach of contract. Why did Bunnings sign him up to a supply agreement that it did not honour and has this had the effect of taking a potential competitor out of the market?

This matter is being vigorously defended as we dispute the allegations. As the matter is subject to current court proceedings, it is not appropriate for Bunnings to provide further comment at this time.

Given Bunnings’ market dominance in the DIY and trade hardware sector, would Bunnings agree to being subject to a mandatory code of conduct similar to that which now applies to the supermarkets?

This is a hypothetical question. If the government decides that a mandatory code is required for the DIY and trade hardware sector, then Bunnings would comply as we do with all regulations/laws.

John Dahlsen, chairman of the Dahlsen’s Hardware chain, says Bunnings is selling wall frames and roof trusses at or near cost in an effort to drive the last remaining independents from the market. He says Bunnings’ pricing is predatory. How do you respond to this?

In response to claims made by John Dahlsen about trade, and frame and truss practices, Bunnings provided a letter of response to the Senate Economics References Committee’s inquiry into ‘Big box’ retailer price setting which is publicly available. An extract is provided here:

The Dahlsen-Asher submission suggests Bunnings’ use of large, automated frame and truss plants means that Bunnings is able to make losses on individual contracts with builders. This claim is false. Bunnings entered the frame and truss category in 2001 and is continually exploring ways to offer value to our commercial customers.

Bunnings operates seven frame and truss plants and has recently invested in new manufacturing technologies, which have improved quality and efficiency. This has enabled Bunnings to offer its building customers a better product with competitive pricing. Our investments in frame and truss follow our usual capital expenditure guidelines requiring that the investments generate returns. To that end, we operate our frame and truss, and broader Bunnings Trade business, on a commercial basis.

The Dahlsen-Asher submission also claims Bunnings should have a volume-based pricing schedule. This would not be practicable as it oversimplifies the frame and truss jobs we provide quotations for, which include bespoke building plans featuring different specifications and requirements.



MEDIA STATEMENT

Your rivals say Bunnings has exclusivity clauses in its leases that not only lock out hardware rivals from commercial sites but also speciality tools operators. They say this is anti-competitive and goes against fair competition. How do you respond to this?

Bunnings operates in a highly competitive environment. The competitive landscape includes over 1,500 hardware stores which operate within the Metcash network.

Bunnings uses a set of store network investment criteria to determine when we will invest in our store network, either through the acquisition of new sites as well as store expansion or replacement. This includes capital allocation thresholds.

The criteria is developed to improve the customer offer consistent with our strategic pillars of lowest prices, widest range and best experience, and is not directed at preventing our competitors from acquiring sites to develop stores, or impacting competitors already operating nearby.

Given the quantum of the investment, Bunnings, its landlords and other stakeholders may enter into contractual agreements, only used on select occasions and after a thorough review process, to protect Bunnings' investment and the goodwill created by Bunnings in that new location, including through investment in infrastructure. These agreements usually only last 10 years which is a short period of time when considering the long-term nature of the Bunnings store investment. These agreements also only apply to the land Bunnings occupies and would not apply to a competitor operating an existing business nearby or establishing a business in that market.

For more information on Bunnings' approach to property, refer to page 11 of our response to the Senate Economics References Committee's inquiry into 'Big box' retailer price setting, which is publicly available.

These exclusivity clauses prevent rivals opening in the same complex as Bunnings, so therefore do you think it's fair that you can open a Bunnings next door to the existing Mitre 10 in the outer Brisbane suburb of Jimboomba?

Refer to response to Q12.

Bunnings' advertising uses the catchphrase "lowest prices are just the beginning". We did a price comparison survey using a basket of 95 products. We found that Bunnings was only marginally cheaper than its closest rivals, and actually marginally more expensive when compared to the entire market. Given Bunnings' size, and the way it promotes itself, shouldn't its prices be significantly cheaper?

As previously advised, Bunnings adopts an 'everyday low prices' (EDLP) strategy across our product range reflecting our commitment to delivering lowest prices to customers.

Where, at a point in time, due to the dynamic nature of competition, a customer finds a cheaper price offered by a competitor for the same in-stock item at Bunnings, we will apply our price guarantee, beating the price by 10 per cent.

We remain committed to promoting our pillars of lowest prices, widest range and best experience (established when the first Bunnings Warehouse opened in Sunshine, Victoria in 1994) across campaigns and the promotional language 'lowest prices are just the beginning' is part of our policy supporting our commitment to lowest prices.

Bunnings is also committed to working with suppliers and taking a rational approach to volume and price fluctuations, in order to support suppliers and their costs.



MEDIA STATEMENT

We make significant investments in training our team members and operating our business to deliver lowest prices to our customers. Some of the ways Bunnings is investing in its commitment to lowest prices can be found in our submission to the Senate Economics References Committee's inquiry into 'Big box' retailer price setting, which is publicly accessible.

Responded on 14 April 2025

Why having said publicly in 2020 that you would be phasing out use of the slogan "lowest prices are just the beginning" does it continue to appear in your advertising and marketing campaigns? Was the article which quoted your CEO incorrect or was a decision taken to continue using the slogan after all?

Going back to Mike's comments in 2020 in the news.com.au article, regarding 'lowest prices are just the beginning', Mike was quoted as saying: "It hasn't been retired. It will be used periodically when we choose in our marketing creative"

This is consistent with what I'd put in the previous email on this topic, i.e. the promotional language 'lowest prices are just the beginning' is part of our policy supporting our commitment to lowest prices. There are assets currently in market featuring this language.

I note your answer on market share ... this appears to be at odds with investment bank UBS which said in a note dated March 27, that Bunnings had 62% market share in the DIY/Consumer space and 38% in commercial space. Are they incorrect?

To clarify, the UBS coverage refers to sales/revenue mix, not market share, i.e. UBS stated 38% sales can be attributed to our commercial business, which is consistent with what I'd said in my previous email, which was 'Our consumer business makes up about 60 per cent of our overall sales mix' (meaning our commercial business makes up the remainder)

Responded on 10 April 2025

Was the 'Lowest prices are just the beginning' slogan permanently ended?

Bunnings adopts an 'everyday low prices' (EDLP) strategy across our product range reflecting our commitment to delivering lowest prices to customers. As an EDLP retailer, our business model leverages scale, coupled with

a disciplined focus on operational efficiencies from the low-cost warehouse design and layout of our stores to our service model. This enables us to keep prices low for customers as well as invest in service.

We remain committed to promoting our pillars of lowest prices, widest range and best experience (established when the first Bunnings Warehouse opened in Sunshine, Vic in 1994) across all campaigns and the promotional language 'lowest prices are just the beginning' is part of our policy supporting our commitment

to lowest prices. There are assets currently in market featuring this. We have maintained our lowest prices policy across economic cycles, during periods of high inflation and in difficult trading conditions. We work hard to maintain transparency on our actions, decisions and policies including our ability to substantiate the representations we make to our customers through our lowest prices policy, consistent with our values. We make significant investments in training our team members and operating our business to deliver lowest



MEDIA STATEMENT

prices to our customers.

What's Bunnings' DIY Hardware market share?

We have stated that we estimate our overall addressable market to be at around \$110 billion. When we apply the value of these sectors to our FY2024 revenue, we estimate our market share within the home, commercial and lifestyle sectors as approximately 17 per cent. Our consumer business makes up about 60 per cent of our overall sales mix.

