

Media Release

Friday, 11 October 2024

COLES OPENS ITS SECOND WORLD-CLASS AUTOMATED CUSTOMER FULFILMENT CENTRE IN TIME FOR CHRISTMAS

Wetherill Park customer fulfilment centre uses innovative technology to enhance online shopping experience for greater Sydney

Coles has marked a major milestone in its technology-led supply chain innovation journey, with the official opening of its second Customer Fulfilment Centre (CFC) in New South Wales, bringing together world-class technology and automation to enhance the shopping experience for Coles Online customers in greater Sydney.

Located 40 kilometres west of Sydney's CBD, the Wetherill Park CFC was opened this morning by the Federal member and Minister for Climate Change and Energy Chris Bowen, Coles Group Chairman James Graham and Coles Group CEO Leah Weckert. It's the second of two CFCs to launch this year as part of a \$400 million partnership with global leader in online grocery transformation, Ocado, with the first CFC opening in Truganina, Victoria last month.

Once fully operational, the modern facility will deliver an enhanced shopping experience for online customers – with better availability, fewer substitutions, increased range of products and improvements in the shelf-life of staples like mince and milk.

Coles Chief Executive Officer Leah Weckert expressed her excitement about the launch of Coles' second Customer Fulfillment Centre (CFC) in New South Wales, with customers already reaping the benefits in both Victoria and New South Wales.

"Today's launch marks a significant transformation of our online grocery delivery service for New South Wales. Across Victoria and New South Wales, we have already delivered more than 120,000 orders, the equivalent of 5.5 million products, with our customers getting near perfect orders with zero substitutions. This is an incredible result for our customers, and a testament to the world-class Ocado technology.

"The launch of our CFCs in Victoria and New South Wales comes just in time for the busiest trading period – Christmas. With greater choice, better availability, improved freshness and more flexible delivery options, our CFCs are making it easier for our customers to shop this Christmas."

The New South Wales CFC's delivery catchment is home to more than five million people and spans the growing Sydney region from Hazelbrook in the west across to Bondi in the east, and from Cowan in the north all the way down to Bargo.

Tapping into the appetite for customers to create restaurant-quality meals at home, the CFC will house a range of specialty brands and local foods from smaller suppliers like Byron Bay Peanut Butter Company, who first started selling their product at local Byron Bay markets.

The extended product ranges also span the health and dietary, vitamin and baby categories – with a wider selection of brands and products designed to support the growing needs of customers.

There is an on-site bakery which will bake to order twice a day, and a fresh produce area where produce is cut and packaged to order, leading to less wastage.

Customers will also have the choice of extended delivery windows from 5am to 10pm, with later cut-offs for both next day deliveries in the morning and evening.

The CFC will use cutting-edge Ocado technology, utilising artificial intelligence, advanced robotics and automation to transform the way Coles Online orders are picked, packed and delivered.

The Wetherill Park site has a footprint of more than 87,000 square metres — four times the size of the Sydney Cricket Ground — and can hold three million units of stock while having the ability to process more than 10,000 customer orders per day when running at full capacity.

The state-of-the-art site features a centralised hub, known as 'The Hive', where a fleet of more than 700 bots will fulfill a customer order containing 50 items in just five minutes, while an artificial intelligence 'air traffic' control system will oversee the bots as they move around giant 3D grids, transporting containers of grocery items to be packed and delivered by Coles team members.

The CFC will employ more than 1,000 team members, including drivers and fulfillment roles that will use high-tech packing equipment, and there will be a fleet of around 200 home delivery vans specially designed with dual compartments to ensure fresher products while reducing emissions and a side door to make it easier and safer for delivery drivers to unload.

Delivery times will also be improved, with Ocado's technology giving Coles the ability to calculate the most efficient routes based on real-time conditions and tonnage of the home delivery vans.

Coles Group Chairman James Graham said he was pleased to see the latest investment in Coles' technology strategy come to life.

"The opening of our second CFC is the result of a five-year partnership with Ocado, whose global expertise is helping Coles innovate for our customers' evolving needs.

"With the recent opening of our two automated distribution centres in Kemps Creek and in Redbank, Queensland, alongside our two Ocado CFC's – the first in Victoria last month, and now here in Western Sydney today – we have made significant strides in using world-class technology to enhance our supply chain," Mr Graham said.

The Wetherill Park CFC has been designed to support best practice sustainability, with features of the build including a two-megawatt solar installation, sensor lighting, water recycling system, and 100% recycling of cardboard.

CEO of Ocado Group Tim Steiner said he was thrilled to be a part of the step-change for Coles customers with the opening of the Wetherill Park CFC.

"It's a great moment for Ocado as we celebrate the opening of this second CFC here in Australia with Coles. This is one of the fastest growing markets in the world for grocery ecommerce, and Coles is already a market leader in the online channel," Mr Steiner said.

"As these CFCs ramp up both here in New South Wales and in Victoria, Coles Online customers in metropolitan Sydney and Melbourne will get to experience a game-changing difference in the quality of service available online."

Coles thanked its building partners and consultants from FDC, TMX and Accenture, along with Charter Hall which developed and owns the site, together delivering a complex project to completion.

The Wetherill Park CFC is proudly named Duraway Ngurra, meaning Grass Country.

The site of the Wetherill Park CFC is located on located on Dharug Ngurra country where the family groups across Dharug Ngurra all have connections to Ngurra right across the Sydney basin and beyond.

The name and associated artwork at the Wetherill Park CFC were developed through consultation with local Dharug community and local artist Leanne Watson.

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