

**Select Committee on Supermarket Competition Policy**  
GPO Box 1908  
Canberra ACT 2601

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Dear Committee Secretary,

### **Reference ACT Supermarket Competition Policy**

I am writing a few words after seeing your add in the Canberra Times of 12 October 2011. I note that here it says the closing date for submission is 23 Nov, whilst your web site still says 18 Nov.

I must confess I did not know that we already had a Supermarket Policy. I was surprised to read the recommendations of the Martin review that make sensible recommendations, largely now in the new policy.

There seems to be an unwritten theme running through ACT Government doctrine that we must get new large chains and new entrants into the supermarket field; when we currently have Coles, Woolworths, Superbarn in the large format area, plus Aldi, IGA, and other independents in the smaller area, as well as some small Woolworths stores in this area. Also we now have Costco. That's pretty good diversity and it would seem hard for Canberra to accommodate many more players.

If the ACT Government was as committed to competition in electricity, transport, and third party car insurance, etc., people might actually see some real savings.

There seems to be some strange documented thoughts (ie the ACCC report) that there is no incentive for Woolworths and Coles to engage in price competition. Events over the last year or so, with a revitalised Coles, has shown that this is not the case and aggressive price competition has developed between the majors. Prices cannot continue to decrease when all the suppliers having increasing costs.

Maybe Aldi has contributed to this, but I am yet to see a great diversity of products at Aldi that would make them that attractive. Their layouts and product displays are extremely utilitarian and their range of products limited.

Australian are great share owners and also through their superannuation, investors in companies such as Westfarmers and Woolworths. It should be part of any substantive policy that companies provide adequate guidance to the market on their profits and where they go. Obviously we now have foreign companies in this market with limited feedback on their financial status and limited abilities for Australian to invest in them.

Whilst we have had these policies and statement about no caps on market share the Government's behaviour by saying the Coles and Woolworths cannot bid for a couple of sites (Casey and one other) seems contrary to their policy. It also seems to breach the Trade Practices Act by restraining trade and competition. I know they would not agree. I believe such behaviour limits competition, rather than encouraging it.

We can only truly have the best supermarket competition by having an open market policy with minimal government interference. This can be achieved through:

1. No barriers to free trade and open competition
2. Availability of more sites at all shopping centres
3. Adequate parking at all centres. (Current excessive-development at Civic, Belconnen and Jamison for example will make that difficult in those places)
4. No anti-competitive type of behaviour (by the Government or anyone else)
5. No use of zoning and planning to restrict players, as has happened

There is only so far that competition can go with supermarket prices. From my reading of Coles and Woolworths reports they are not making super profits on supermarket operations. The Government could do more for the cost of living of its constituents by cutting waste, cutting excessive extra taxes and charges and reducing things like stamp duty and CTP on cars. (Excessive costs are placed on us include things like water abstraction charges, infrastructure charges on utilities, and even the solar FIT has created another cost on most people)

Regards,

Greg Hutchison  
22nd November 2011