



Media Release

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Blacktown Amendment essential for maintaining competition and lowering prices

NIRA supports the proposed 'Blacktown Amendment' to the Trade Practices ACT and is disappointed that the Minister responsible for small business as well as competition policy, Dr Craig Emerson, will not support this important bill.

The CEO of the National Independent Retailers Association (NIRA) Peter Strong has acknowledged the support from Senators Nick Xenophon and Barnaby Joyce to small retail businesses. He stated that "these Senators can see that the continued dominance by Coles and Woolworths is due to the way their behaviour destroys small retailers." He added that "there is no good reason why a company would have different prices for the same product at outlets only one or two kilometres apart, the only reason can be to force competitors from the market."

Mr Strong stated that "an American study has shown that family owned stores contribute more to a local economy than the national retailers and this must be similar in Australia." He highlighted that "there is a need to ensure that communities maintain a good mix between small and large businesses and that the big players do not force out the smaller family owned businesses." Mr Strong further added "as anybody who has studied 'Economics 101' knows when the big companies force out the little companies then competition decreases and prices go up."

NIRA believes that Australia has some of the highest prices in the world for groceries, and other products will also become more expensive as competition is forced out of local communities. When reviewing competition policy a range of issues must be considered including price differentials, planning laws, control of suppliers by large retailers and concentration and control of sales outlets through closed shopping centres.

A healthy retail sector will contain choice for consumers between big and small, between products, between location and between prices. An unhealthy poorly managed retail sector will see location specific price decreases result in long term nation wide price rises. In the end consumers will not only pay more for their goods but also lose choice in the range of products and where they buy the necessities of life.

Mr Strong stated that "the Blacktown Amendment isn't about controlling the behaviours of Coles and Woolworths it is about the long term viability and health of the retail sector. It is about fairness in the marketplace, maintenance of competition and of a healthy small retail sector. Currently Coles and Woolworths have over 80% of the retail market on the east coast of Australia, this cannot be healthy and cannot be good for the Australian consumer and explains why prices are so high."

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