

NATIONAL INDEPENDENT RETAILERS ASSOCIATION

Media Release

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Grocery choice decision applauded

NIRA congratulates The Minister for Small Business and Competition Policy, Dr Craig Emerson, on making the hard decision and getting rid of grocery choice.

The CEO of the National Independent Retailers Association (NIRA) Peter Strong has acknowledged that the Grocery Choice concept was an election promise and the government tried hard to keep that promise but in the end had no option but to scrap grocery choice. "The government obviously saw grocery choice as a core election promise and they investigated all options but in the end when even Coles and Woolworths didn't like it then it had to go. The early version of grocery choice gave the big two retailers an unfair advantage in their marketing but the newest model wasn't going to give them the same free advertising and would prove too costly." He added that "if it was too costly for these big national companies then it shows just how difficult it would be for the smaller retailers."

Mr Strong has offered support in developing a more realistic and achievable grocery shopping guide. "Consumers are already very savvy when it comes to shopping but they can be given more information on determining the real cost of shopping, including costs such as parking, petrol and travel, wear and tear on vehicles and any associated costs with purchase of food for children or child care etc. They could also be better informed on what happens to the profits that come from their shopping activities."

Mr Strong highlighted that "an American study has shown that when a consumer shops in a locally owned store that 45 cents in the dollar stays in that community whereas only 13 cents in the dollar spent in a chain or national firm will stay in a local community, this must be similar in Australia and consumers need to be given all the facts to help them decide what is best for them in the short term and for their families and communities in the long term."

Competition is necessary for an efficient buoyant economy and the government can now concentrate on developing better process and

communications with independent businesses as well as change competition policy to better reflect the needs of the broader community.

A healthy retail sector will contain choice for consumers between big and small, between products, between location and between price.

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