

NATIONAL INDEPENDENT RETAILERS ASSOCIATION

Media Release

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Woolworths and Coles need to be watched

NIRA is pleased with the announcement by the ACCC that restrictive provisions in supermarket leases by Coles and Woolworths will be phased out.

Peter Strong, CEO of NIRA, stated today "This is good news as it allows for greater transparency and hopefully a more competitive market."

Mr Strong added that "history shows that big companies do have a habit of finding some other way to dominate a market place, and Coles' and Woolworths' current share of the market, between 40% and 80%, may have reached the stage where it cannot be challenged. The ACCC and others need to ensure that these companies are not allowed to continue to dominate the marketplace and keep grocery prices high."

Mr Strong noted the comment from the Chairman of the ACCC, Graeme Samuel, who said that "*reducing the barriers opens the possibility for consumers to have greater choices in where to shop, and potentially pay lower prices as a result.*" Mr Strong challenged this statement "this action by the ACCC gives a better chance for new players from the big end of town and may benefit some consumers but the continued development of large shopping malls will still inhibit small retailers and create the opportunity for unfair leasing arrangement to continue. This creates extra costs for consumers and lowers choice."

NIRA hopes that the next step for the ACCC will be to review leasing arrangements in the larger shopping malls and create a fairer and cheaper marketplace for small retailers to operate. NIRA also hopes that the ACCC will review the way shopping malls are developed and ensure that there is no loss of choice for consumers through poor planning and approval processes by local government. Mr Strong added "many consumers lose choice when a big shopping mall is developed; the independent retailers are forced out of business as local governments rearrange parking, bus stops and street access to suit the large landlords. We need to have impact statements completed for all new developments that show potential business gains and losses as well as the potential gains and losses for consumers".

Independent Retailers give a community personality and choice as well as the opportunity for consumers to shop around and enjoy the retail experience rather than have the 'same old same old' found in most shopping malls around Australia.

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