



SUBMISSION TO THE SENATE SELECT COMMITTEE ON SUPERMARKET PRICES

INTRODUCTION

This submission to the Senate Inquiry draws upon a comprehensive survey conducted to understand the experiences and perspectives of Australian consumers in relation to their shopping practices and the pricing and market dominance of major supermarkets, specifically Coles and Woolworths.

The survey was conducted by the Australian Greens through an online platform during the second half of January, 2024. We invited participation in the survey through advertising on social media and emailing more than 70,000 contacts on the party's database.

The findings from the survey paint an alarming picture of the massive harm being caused by the pricing policies of the major supermarkets.

SURVEY OVERVIEW AND KEY FINDINGS

The survey, encompassing 4771 respondents, offers critical insights into the consumer landscape within Australia, particularly in the context of Coles and Woolworths. Key findings from the survey are as follows:

- 89.9% of respondents felt that prices at Coles and Woolworths had significantly increased, with a further 8% feeling like prices had moderately increased.
- 37.4% of people reported spending over \$100 more per week on groceries compared to two years ago, with 42% spending between \$50 and \$100 more per week.
- Almost half, 49.2% of the respondents have made significant adjustments to their household budgets because of increased grocery prices, with a further 32.3% making moderate adjustments.
- Regarding how price increases have affected shopping choices, 72.7% said they were reducing the amount of groceries they were buying, 68.2% said they had switched to cheaper products, and 62.7% said they had started shopping at other stores.

- To accommodate higher prices, 56.3% are buying less fruit and vegetables, 34.6% are going without other essentials, and alarmingly, 32.8% report skipping meals.
- More than 80% of people think that Woolworths and Coles engage with farmers and primary producers unfairly or extremely unfairly, with 92% considering Coles and Woolworths' profits as completely or somewhat unreasonable.
- There is a strong desire for stronger supermarket competition, with 91.6% of people saying they would shop elsewhere if there were more options close to them, and 93.8% calling for greater competition in the sector.

MAIN CONCERNS ABOUT COLES AND WOOLWORTHS:

When asked for their main concerns about Coles and Woolworths, a number of key themes were identified.

- **High Prices:** Respondents frequently mentioned concerns about the high cost of groceries, suggesting that prices are often seen as excessive or unreasonable.
- **Market Power and Dominance:** There's concern over Coles and Woolworths having too much power, potentially monopolising the market, which affects both consumers and suppliers (e.g. farmers).
- **Profits Over People:** Many, many responses highlighted the perception that these supermarkets prioritise profits over customer needs or ethical business practices.
- **Impact on Suppliers:** Concerns about how these supermarkets engage with farmers and suppliers, including the impact of their pricing and contract practices.
- **Environmental Concerns:** Some respondents mentioned concerns related to sustainability, particularly the use of plastic in packaging.

SUGGESTED GOVERNMENT ACTIONS:

A number recurring themes consistently arose when people were asked for suggestions on actions the Commonwealth government could take:

- **Price Regulation:** Many suggest that the government should regulate grocery prices to prevent excessive pricing or to ensure that prices reflect a fair margin.
- **Support for Competition:** There are calls for the government to encourage more competition in the grocery sector, potentially by supporting smaller retailers or creating a government-run supermarket chain.
- **Support for Farmers:** Suggestions include ensuring that farmers receive a viable income and are treated fairly in their dealings with major supermarkets.
- **Tax and Profit Controls:** Some respondents suggest implementing taxes on super profits or setting limits on price increases and profit margins.

- **Consumer Rights and Awareness:** Calls for the government to enhance consumer rights, including better awareness of pricing practices and ensuring fair treatment of consumers.

CONCLUSION

The survey findings illuminate the huge challenges faced by Australian consumers in the context of the dominance of major supermarkets. The economic strain, necessitated budget adjustments, and the call for increased market competition reflect an Australian population base grappling with the consequences of concentrated and poorly regulated market power.

Moreover, the critical view of the supermarkets' engagement with farmers and primary producers highlights broader societal and economic implications, extending beyond the immediate consumer experience.