

Senator The Hon Jane Hume
Chair
Select Committee on Cost of Living
PO Box 6100
Senate
Parliament House
Canberra ACT 2600

Submission to Senate Select Committee on the Cost of Living

Dear Chair

As an elected member of the council of the City of Albany, on the far south coast of Western Australia, I welcome the opportunity to provide this submission to the inquiry being conducted by the Senate Select Committee on the Cost of Living.

In 2018, as a news journalist, I investigated and contextualised the protectionist retail trading regime that operates across Albany (Thomson, 2018a pp.1 and 6, 2018b p.3, 2018c p.3). This retail trading regime is unique in southwestern Australia and among regional cities in WA.

In that regard, Albany is the only of Western Australia's six regional cities, and the only place in southwestern Australia, with a Woolworths, Coles or ALDI supermarket, where supermarkets operated by those companies are prohibited from trading on Sundays, or on most weeknights.

Specifically, Albany's two Woolworths, two Coles or one ALDI supermarkets are permitted to open only until 6pm on weeknights, except Thursdays when they are permitted to trade to 9pm. None of these larger supermarkets is permitted to trade on Sundays. By contrast, the city's three, smaller, IGA supermarkets are permitted to trade every weeknight, and on Sundays.

In 2014, WA's Economic Regulation Authority (ERA) conducted an inquiry into microeconomic reform in the state. In its final report, the ERA observed that economies of scale often allowed larger food retailers to offer lower prices than those offered by small or special retail trade shops (Economic Regulation Authority, 2014, p. 280). The ERA observed that, therefore, in a regulated environment, customers faced higher prices than they might otherwise face in a deregulated environment (Economic Regulation Authority, 2014, p. 280).

The ERA deducted that where this occurs [such as in Albany] "customers who shop when general retail shops are prohibited from opening will be faced with temporarily higher prices" (Economic Regulation Authority, 2014, p. 280).

The ERA concluded that, in a deregulated environment, customers might be able to enjoy lower retail prices by shopping at the larger grocery outlets even if prices were not to fall after deregulation occurred (Economic Regulation Authority, 2014, p. 287).

The impact Albany's protectionist trading hours is likely to have on the cost of living of the city's 40,000 people is of concern given that the municipality's median weekly household income is only \$1350, much less than WA's median weekly household income of \$1815, and Australia's of \$1746 (Australian Bureau of Statistics, 2021).

I have touched upon the uniqueness of Albany's protectionist retail trading in WA. I would suggest that the Select Committee undertake desktop research to determine whether such restrictions exist in other regional cities across Australia.

Once that is determined, I would secondarily suggest that, for regional cities of Australia where large supermarkets are not permitted to trade most weeknights or on Sundays, the Select Committee examine the impact that those restricted trading hours might be having on the cost of living.

Finally, I would encourage the Select Committee to conduct a hearing in Albany. This would allow the Committee to build up a case study through which any impact of retail trading hours restrictions on cost of living might be assessed.

I thank you and the Select Committee for inviting submissions. The views expressed in my submission are mine only, and do not represent the opinion of the City of Albany or its council.

Chris Thomson

City Councillor

Albany, Western Australia

3 March 2023

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