

To whom it may concern

Whilst I welcome the committee's investigations into price fixing I would like to make a submission on the other ways in which the supermarket chains abuse their dominant position in the market place.

I live in VIC. I do not have a car because I have good public transport links. My nearest supermarket I within a 5 minute walk and I am lucky in this.

My nearest supermarket is Woolworths 670 Chapel Street. The nearest other supermarkets are at least a 20 minute walk away. Woolworths therefore does not have any meaningful local competition for those who do not drive.

The local Woolworths is allegedly one of the busiest in the state, but has no meaningful local competition and as a result the store abuses its monopoly position by failing to provide for the community. The store fails continuously to stock basic provisions such as bread and vegetables. The incentive for the store to improve on its management is near zero as the customer base is a captive audience.

At various points in the last 6 months there have been instances of 10-20% of each aisle being out of stock. Yesterday's fresh produce section was dire. On discussion with a member of staff it was made clear that this was not an infrequent occurrence with the employee expressing frustration that there was nothing to do, because there was frequently no stock to stock on the shelves.

Contrast the stock situation at Woolworths 1-13 Wattle Street Prahran which is directly next to their competitor Cole's. Stock is more plentiful because there are alternatives next door.

While it is not the committee's responsibility to critique the logistics management of private businesses, Woolworths and Cole's have control of such a high proportion of the grocery market that they are a de facto duopoly. With such control of the market comes responsibilities, specifically a responsibility to ensure that the population they serve has access to fresh and nutritious food at a reasonable price.

Whilst the committee's specific remit is prices, prices are a component of supply and demand. While one company has complete control over a local market (demand), their need to keep shelves stocked (supply) and prices under control is reduced.

Were it under my remit, Cole's and Woolworths would be broken into a minimum of 5 competing businesses with controls on mergers and price collusion and the removal of restrictive covenants on land transactions. These two corporations are a blight on the competitive landscape of Australia and are affecting the health of the population.

Regards
Sean







