

22 January 2010

CBC Supports ACT Government Plan to Increase Supermarket Competition in ACT

Canberra Business Council today welcomed the release of the ACT Government's Supermarket Competition Policy Implementation Plan.

"Consumers will be the beneficiary of the Government's determination to encourage supermarket competition in the ACT", Chris Faulks CEO of Canberra Business Council said. "We welcome the Government's Plan to expand existing and attract new full-line independent supermarket chains in the ACT."

"Increased competition of retail grocery outlets will improve the price competitiveness of groceries", Ms Faulks said. "This is important for maintaining the image and the actuality that Canberra is an affordable place to live. This is essential if Canberra is to attract and retain skilled workers to meet the skills shortage and draw businesses to set up and operate here. Both of these are crucial to the economic development of Canberra and the Region."

Ms Faulks said the Council wrote to the ACT Government back in August 2008 highlighting the importance of competition in the retail grocery sector, especially the need for competition with the Major Supermarket Chains (MSCs) from full-line supermarket operators. The Council also pointed out the high barriers to entry and the need for the ACT Government to review its zoning and planning policies to have regard to competition issues.

"The Council is therefore very supportive of the measures announced today in the Supermarket Competition Policy Implementation Plan including the intention to increase transparency in the process, to make changes to planning and zoning policy and to support an alternative source of wholesale grocery supply."

"Local shopping centre viability is also important", Ms Faulks said. "The Council welcomes the Government's intention to assist this by enabling some local supermarkets to expand and be more competitive."

Ms Faulks commented that some elements of the new framework, like the entry of independent full line chains into new and redeveloped Group Centres will need to be implemented carefully but said the policy was supported in principle by the Council.

The Government is to be congratulated for its endorsement of the Martin Review recommendations and today's release of the Implementation Plan which will promote competition and diversity in the full-line supermarket sector in the ACT. The Council is also pleased that the situation in relation to IGA operators which was not clear in the recommendations in the Martin Review has been clarified.

Canberra Business Council

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