



30 March 2011

Response to the Questions on Notice relating to the Senate Economics References Committee inquiry into....

‘The impacts of supermarket price decisions on the dairy industry’

Prepared by Foodland Supermarkets South Australia.

Question (a) – *Do you consider the current arrangement of various government agencies and regulators is working efficiently?*

Answer – The simple answer to this question is that we do not believe it is working efficiently in regards to preventing the market dominance of the Coles and Woolworths duopoly. We firmly believe that farmers and producers and independent retailers in the areas of food, petrol and liquor around the nation would also agree. The complex area of competition policy is clearly not working and should be addressed as a priority.

Question (b) – *What do you think should be included in a National Food Policy?*

Answer –

1. A consistent standard to Food labelling which is enforceable and gives transparency of the country of origin of the actual product content without being able to including packaging and other on costs.
2. Policies that can ensure the long term viability of Australian food producers, manufacturers and retailers. These must effectively control predatory behaviours that have a detrimental effect on Australian food security into the future.
3. Appropriate nutritional information, standards and guidelines to address the growing obesity trend in our community.
4. Effective safeguards to prevent unsafe or untested imported fresh produce such as apples, bananas and pear from infiltrating domestic markets and affecting local grower’s livelihoods.
5. A defined policy on the issue of Genetically Modified Foods.
6. Considerations to cap the import of certain foods in categories where imports may severely affect local capacity and production.

Question (c) – *What powers and functions do you consider a Supermarket Ombudsman should have?*

Answer –

1. Give feedback to government agencies on whether existing competition laws and related policies are effective to stop market domination by the duopoly.
2. Have the ability to hear complaints regarding any supermarket issue independent of any other agency and follow them up to ensure action has been taken.

3. Investigate reports on any predatory practices that would be considered to be effecting local food production and ultimately the viability of Australian farmers.
4. Determine if the long term viability of supermarkets is being compromised by predatory behaviour and recommend remedial action.
5. Report anti-competitive behaviours to the ACCC and ensure that the appropriate action is taken.
6. Assist in policy formulation.
7. Monitor things such as creeping acquisitions, greenfield acquisitions etc to recommend actions that would prevent the growth of market dominance of the two major supermarket chains.
8. Monitor any other issues affecting the viability of independent retailers.

Question (c) – *CHOICE has suggested that the Ombudsman be based within the ACCC- do you have a view on this?*

Answer – Our view is that this role must be totally independent of the ACCC.

I make these recommendations on behalf of the Foodland retailers of South Australia.

Yours sincerely,

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