



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy
Minister for Competition Policy and Consumer Affairs
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Supermarket reforms a boost for competition

Supermarket shoppers will have more choice after a raft of grocery retailers agreed to free the sector up for more competition, Minister for Competition Policy and Consumer Affairs, Craig Emerson said today.

Following similar agreements reached with major retailers Coles and Woolworths last year, Aldi, Franklins, SPAR, Foodworks and Metcash have agreed not to enter into new leases which make it hard for their competitors to set up shop in the same centre.

Under the agreement struck with the Australian Competition and Consumer Commission, the supermarkets have also agreed that in the case of existing leases, they will not enforce restrictive conditions beyond the first five years of the start of trading.

“I was delighted last year when Coles and Woolworths agreed to abolish restrictive conditions in their leases which gave them a stranglehold on shopping centres,” Dr Emerson said.

“Those leases kept their rivals out, meaning shoppers didn’t have the benefits of competition.

“Competition is the best way to keep prices down and by agreeing to end these restrictive conditions in their leases, competition is boosted which is great news for shoppers.

“I am heartened by this development because consumers will be the winners when we have several supermarkets operating in the same precinct.”

With extra choice on the way, Dr Emerson urged consumers to shop around and make sure they were getting the best prices when it came to the weekly shop.

Rather than sticking with the same supermarket out of convenience, shoppers could make savings by switching their business to the store which gave the best value.

“It’s easy to shop in the same supermarket each week because we know where everything is but I would encourage shoppers to take the time to look around for the best deals,” Dr Emerson said.

“Supermarkets will really be on their toes if they know shoppers are prepared to support retailers who give them the best prices.

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