

Westbury's Mundingburra IGA Submission by co-owner Adam Westbury.

It is with intense interest that I read the current competition policy review being undertaken by the government. It is vitally important that the effects of the current Duopoly in the retail sector that effects our business are expressed.

Over the past 12 years in Townsville, Independent retailers have gone from a competitive force of 11 Supermarkets to today's number of just 6. This decrease has occurred through the following actions

- 1) Increase of allowable trading hours for Coles and Woolworths. When Sunday trading was permitted in Townsville for non-independent stores in July 2007, our sales dropped by 55% for the week. It then dropped again in 2013 when trading hours were further relaxed for the Townsville City by 5%. Sales still have not returned back to pre-2007 figures.
- 2) Unfair practice of Land Banking and developer relationships. During the past 12 years there have been many instances where we have seen an opportunity to place a community based retail outlet strip of shops, only to find out that the developer has "acquired" land in the area for future development. These developments are "planned" for completion in 5 to 15 years making the site unfeasible for development by a small retailer. These developments are often ventures with development groups such as Sunlands or Stockland property groups.
- 3) Local developers will gain interest from independent retailers for a leasing arrangement on a development, only to provide the Duopoly with the counter option to increase their original offer. This has been done where a developer will discuss a rental amount with an IGA Retailer, then furnish this information back to Coles or Woolworths to obtain the same dollars per meter, but on an increased box size.
- 4) Unfair trading offers through current liquor licencing restrictions. Both Coles and Woolworths are permitted to operate takeaway bottle shops through their hotel ownerships. These bottle shops are then positioned next to or in the same complex as their grocery business. I do not have a bottle shop in my complex and am not able to do so myself with current law.
- 5) Unfair trading offers through petrol products. Both Coles and Woolworths have the ability, through their petrol companies to offer customers heavy discounts that independent retailers joined with independent fuel outlets cannot compete with.

The current grocery industry setup in relation to Trading Hours, Development, Trading Restrictions and Market Power are not beneficial, or productive to small business. Townsville greater district has a population of approx. 180k people. There are 25 Supermarkets (6 Coles, 13 Woolworths & 6 IGA) that compete today. Six years ago there were 5 Coles, 8 Woolworths and 8 IGA. An increase in any trading hours for Coles and Woolworths would only see the number of IGA outlets reduce again and possibly disappear altogether. I would personally like to see the trading hours decreased for Coles and Woolworths and all public holidays they were restricted from trading at all. This would defiantly increase that value of independent retailers not only IGA, but local butchers, bakers, produce and smaller grocery outlets.

There needs to be a means test on all grocery retail developments that are proposed and the effects they will have on not only surrounding immediate competitors, but the wider shopping community. Large commercial hubs and outlets have effects on traffic flow and will change traffic volume from areas wide and afar. This needs to be not only implemented at a local council level, but a state level. In addition perhaps a store per capita needs to be established. One outlet per 15,000 people would ensure all retailers are kept viable.

There needs to be an amendment to the liquor licencing act, that allows Independent Retailers to apply for a liquor licence if the outlet is to support a current or planned outlet of grocery operated by an independent retailer. A bottle shop in one of my vacant shops in the complex that I operate out of, would attract more customers to my complex.

Westbury's Mundingburra IGA is a small retail outlet of 800m2. My wife and I employ 26 staff and trade 7 days a week 6am to 10pm. We support local charity groups and schools through our Sunday BBQ's and direct donations or sponsorships. We enjoy serving the local community and providing old fashioned values for our customers. For our continued survival changes must be made to the current retail sector to support the small business retailer and its local community.

Adam Westbury
Co-Owner / Manager
Westbury's Mundingburra IGA