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Response to the Harper Competition Policy review Panel report released 22nd September 2014

We are an IGA store located at the southern end of the Gold Coast in Queensland. Our staff and management number 40 and we employ many locals and young people from our community who are secondary or university students. Many of our contractors for services such as accountants, lawyers, bookkeeping and cleaning are local business people in this area. In addition we support local manufacturers of small goods and some local producers of fresh fruit, meat and vegetables. Support of these local businesses is economically good for the Tugun community.

IGA Tugun Beach is a strong participator in the local community. We supply many local business and are a sponsor of our local lifesaving club along with local football codes. In addition we give support to our local councillors and members of parliament.

We support the Harper Review recommendation to introduce an **"effects test"**..... The **'effects test'** will protect competition and long term consumer choice, by deterring big businesses from crowding out and destroying small businesses, by misusing their market power, that substantially lessens competition. However, we would like the **original wording in S 46 to remain unchanged** so that anti-competitive behaviours, irrespective of whether they substantially lessen competition in the market or not, are clearly captured. Anti-competitive behaviours can include predatory pricing, predatory capacity and anti-competitive price discrimination and must be prohibited.

We acknowledge the Harper Competition Policy Review Panel's findings, **that state planning and zoning legislation and processes** lack effective economic objectives and proper consideration for competition. However, we disagree with the principle that more floor space & more entrants in a market equals more competition, this is simply not sustainable. Businesses (Coles, Woolworths, Costco, Aldi), with the deepest pockets (unlimited resources), will crowd out family owned businesses, who have limited resources, thus

reducing consumer choice and lessening competition. **There must be state planning and zoning controls put in place to protect competition and consumers.**

At present, it is completely cost prohibitive for an independent supermarket or liquor store owner **to bring an action** in the Federal Court seeking relief from anticompetitive behaviours without the threat of having to pay the other party's costs, in the event that the application is unsuccessful.

Many independent supermarkets and liquor store owners have genuine claims to misuses of market power, but the costs of litigation are far too high, resulting in a reluctance to lodge potentially successful claims. **Therefore there should be "no cost orders".**

There is no mention of a **Supermarket and Liquor store Code of Conduct** in the Harper Competition Policy Review report. To protect competition and the consumer and to assist the ACCC, it is vital that anticompetitive behaviours can be dealt with through a mandatory enforceable code.

Deregulation of Trading Hours – states

The Harper Review recommendation to deregulate trading hours in such states such as Queensland is counterproductive. Deregulation of trading hours in the above mentioned state, is being called for by big businesses, not consumers. We do not agree with this recommendation because it can only serve to enhance the market power and dominance of large corporations such as Coles and Woolworths, substantially lessening competition, reducing retail diversity and eroding consumer choice.

Thank you for the opportunity to make a response. The future prosperity of all Australian small businesses and families concerns, including my own, is very much dependent upon the strong recommendations for Competition Law reform, as recommended by the Harper Competition Policy Review Panel and the will of our politicians to recognise that Australia is not just about Big Businesses – it's about a balance between large and small businesses all competing on a level playing field.

Yours Sincerely



Sallee Blenkins

Director