

From: Clyde Lyndon Selby
Sent: Thursday, 21 February 2008 8:26 PM
To: Grocery Prices Inquiry
Subject: SUBMISSION

A year ago I moved from Western Australia to Tasmania and I now reside south of Hobart. Immediately it was evident that food prices were much higher here than on the mainland in the supermarkets. It is Coles and Woolworth's that I take particular exception to as being such huge, Australia-wide concerns with innumerable outlets, their one justification for existence would be cheaper prices. This actually is not so and at times, the direct opposite.

It is incomprehensible to me to see, for example, Woolworth's having bananas on sale this week for \$3.98; yet 5 kms away there is a little wayside shop that had them for \$1.95. (The week before I recall that they were \$4.95 at Woolworth's). How can such a small concern like that import them from Qld or W.A. and sell them for half the cost of one of the duopolies?

Clearly there are standardised prices being charged for commodities irrespective of geographical location. Fruit, for example, is mostly locally grown in Tasmania. Small shops sell it considerably cheaper than do Coles and Woolworth's. How can this be? Woolworth's and Coles have such buying 'clout' after all. Their profit margins must be very great indeed.

In my case, I can drive a car and 'shop around'. Elderly and infirm people have no choice but their nearest Coles or Woolworth's and pay dearly.

There is little competition for the 'Big Two' as they conduct unfair price wars and force the small traders out of shops that have tried to operate nearby. That is often the only time that one can purchase fruit and vegetables at prices which should be reflective of a big food chain: when they are forcing a small business to close. As soon as that has happened, the prices go up and they charge seemingly what they like; the healthy and fair competition has been bankrupted.

In a similar way, if there is are some items cheaper in the stores of the 'Big Two' it is their home brands. There is a marked price difference and after a while, the choice is no longer there as companies cannot compete and are forced to close with associated job losses.

Brochures arrive on a weekly basis from the 'Big Two'. The front page 'blockbuster specials' are invariably junk foods. Those containing high levels of salt, sugar and fat are usually promoted in a lavish way and people are encouraged to buy them. Chocolates, Coke and other soft drinks, packages cereals, iced confectionary are featured constantly. It is quite reasonable to suggest therefore that Coles and Woolworth's are contributing greatly to the high levels of obesity in Tasmania.

It also interests me to know why low fat cheese is always more expensive to purchase than the reduced fat range and rarely is L.F. cheese on 'special'. The same applies to yoghurt.