

DATE :

7 DEC 1978

COMMISSION DETERMINATION

Members: Mr Bannerman (Chairman)  
Mr Gilbert  
Dr Pengilley  
Mr Willis

TRADE PRACTICES COMMISSION  
APPLICATION FOR AUTHORIZATION UNDER s.88(1)  
TRADE PRACTICES ACT 1974 ON BEHALF OF  
QUEENSLAND RETAIL TRADERS AND SHOPKEEPERS  
ASSOCIATION

Registration No. A2239

File No. A75/145

The Commission prepared a draft determination in this matter dated 6 November 1978. The draft determination and summary of reasons for determination were sent to the persons concerned in accordance with the provisions of section 90A of the Act.

2. There were no requests for a pre-decision conference and the provisions of section 90A have thus been complied with. The Commission now makes its final determination in accordance with the draft and gives as its reasons for determination the summary of reasons sent with the draft. The authorization application A2239 is granted.

3. This determination together with the draft determination and summary of reasons have been placed on the public register.

TRADE PRACTICES ACT 1974DRAFT COMMISSION DETERMINATION  
AND SUMMARY OF REASONS

DATE : 6 NOVEMBER 1978

APPLICATION FOR AUTHORIZATION UNDER S88(1)  
ON BEHALF OF QUEENSLAND RETAIL  
TRADERS AND SHOPKEEPERS ASSOCIATIONREGISTRATION NO. A2239FILE NO. A75/145THE APPLICATION

This application was originally made under section 88(1), Trade Practices Act 1974 by a body corporate known as Queensland Retail Traders Association of Grocers, Drapers and General Stores on 7 January 1975 and was granted interim authorization on 22 January 1975. The subject of the application was stated to be 'Prices Guide - Retailer of Queensland' and appears to include the circulation and recommendation of retail prices for goods by means of publication in the Association's monthly magazine 'Retailer of Queensland'.

2. Subsequent to the application being made, the applicant amalgamated with Queensland Shopkeepers Association to form Queensland Retail Traders and Shopkeepers Association (QRTSA) and requested that the application be amended to reflect the change of identity.

2.

3. The Association has about 2960 members. They are proprietors of businesses which range from the smallest trading unit such as milk bars or mixed businesses to the larger independent supermarkets. The total number of grocery stores in Queensland is about 4200 of which approximately 1200 are chain and larger group stores with about 90% of the retail grocery trade. The remaining 3000 or so stores account for the remaining share of the market. Most of these are members of QRTSA. Some QRTSA members are also members of the various grocery groups in Queensland.

4. Of the 2960 members of QRTSA, 1719 (i.e. 58%) are small shops as defined in the Factories and Shops Act 1960-1975 of Queensland (two proprietors and one full-time employee or less) and would include most of such grocery stores in Queensland. The applicant states that those of its member stores who are also members of groups (with the possible exception of Speedy-Family Fare stores) have access to prices recommended by their respective groups and, therefore, do not use the QRTSA price guide other than as an occasional check when invoices are not readily available. For them, the price guide is not essential but is a useful reference. For small shops, however, the guide has a day-to-day application because of their size, lack of staff and long trading hours although in many cases the proximity of competition from larger stores influences their pricing decisions.

3.

5. According to the applicant the small shops including some of the smaller group members which use QRTSA recommended prices extensively account for less than 10% of Queensland retail grocery sales.

6. The Commission has examined competition in the Queensland grocery trade in more detail in its Summary of Reasons on grocery groups (A13295, A2267, A2062, A2265, A2236, A2238 refer particularly to paragraph 23) issued concurrently; with that in mind it does not presently view the QRTSA recommended price arrangements as significantly affecting competition.

#### CONCLUSION AND DETERMINATION

7. In all material respects the small shops who use the price guide extensively to determine their selling prices are in a similar position to the members of the Retail Confectionery and Mixed Businesses Association of Victoria (RCMBA) who use the prices recommended by that organisation. These small shops compete more by way of convenience, service and after hours trading than on price. The larger shops that compete more on price do not use the price guide as a general rule, as to do so would disadvantage them in competing with the chains. The application in respect of RCMBA was granted authorization on 24 February 1978 (refer Reg. No. A4006, File No. A74/9). The Commission considers that the principles applicable to RCMBA are equally applicable to this application. Furthermore the Commission notes that the application has some support from consumer bodies. On balance the Commission finds the requirements of s.90(7) of the

Trade Practices Act are satisfied. Further guide as to Commission approach is contained within its Summary of Reasons on Queensland grocery groups referred to above.

8. The Commission grants authorization under section 88(1) to the Queensland Retail Traders and Shopkeepers Association to issue recommended price lists to its members through its monthly magazine 'The Retailer of Queensland' for grocery lines, refrigerated goods, soft drinks and confectionery, health and beauty aids and stationery.