

11 May 2020

Your Ref AA1000477

Will Sommers
Australian Competition & Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

By email: Will.sommers@accc.gov.au

Dear Mr Sommers

**COLES GROUP APPLICATION FOR AUTHORISATION
ON BEHALF OF ITSELF AND PARTICIPATING SUPERMARKETS**

We refer to your letter dated 5 May 2020 requesting information as to Metcash's experience under the current interim authorisation.

Before commenting on the matters raised in your letter, Metcash wishes to commend the ACCC for considering and issuing the interim authorisation decision in a short period. At the time the authorisation application was made there were significant concerns regarding consumer access to essential grocery items. The ACCC interim authorisation decision provided a necessary framework for Metcash and grocery retailers to consider issues in conjunction with government officials in the context of the Supermarket Taskforce.

Following the interim authorisation decision the Supermarket Taskforce has met on a number of occasions. From the perspective of Metcash the Taskforce has been particularly beneficial in providing and exchanging information regarding safety best practices to the benefit of staff, customers and the broader supply chain.

Metcash considers that the scope of the pandemic and potential interruptions in relevant supply chains have not been as extensive, or as long running, as what might have reasonably been anticipated at the time of the application. In this regard commitments made under the authorisation have been limited. There have been instances where the authorisation has allowed for the diversion of essential supplies to remote communities. However, in the main, relevant parties have addressed supply issues by dealing directly with their suppliers and have not pursued a collective response.

Metcash has not provided any written information or data to other parties covered by the authorisation. Information exchanged pursuant to the authorisation has been high level and delivered orally rather than in writing (eg a description of the types of products which were subject to supply difficulties).

The use of the interim authorisation has therefore been limited in circumstances where, as noted by the ACCC, consumer demand has been returning to nearer to normal levels and the public health situation appears to be improving. However, the pandemic continues to be a very significant event both in terms of its healthcare consequences and its disruptions of the Australian and global economy. It cannot be assumed, at this stage, that some greater degree of activity through the Supermarket Taskforce will not be warranted. Metcash notes the ACCC's continued oversight of any commitments. In such circumstances Metcash considers that the authorisation decision continues to serve a public purpose and should remain on foot.

Please do not hesitate to contact me if you require any additional information.

Yours sincerely



Scott Marshall
Chief Executive Officer
Metcash Supermarkets & Convenience

