

# Retailers want competition laws overhauled

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**PLANNING laws which restrict new supermarkets are costing shoppers thousands of dollars in higher grocery prices, property developers say.**

A report, co-authored by the former head of the Australian Competition and Consumer Commission (ACCC) Professor Allan Fels, recommends a review of state planning laws regulating new supermarkets and large food stores.

Commissioned by Urban Taskforce Australia, representing property developers and equity financiers, the report says food prices could be lowered by 18 per cent and other household items by 28 per cent if the laws were overhauled.

Professor Fels, now Dean of the Australia and New Zealand School of Government, says the current system is anti-competitive.

"The planning system should be about protecting the community from congestion, noise and the loss of cultural and environmental assets," he said in a statement.

"Instead, planning laws are protecting existing retail landlords from the threat of competition.

"New supermarkets and larger food stores are being denied the opportunity to compete with existing shopping centres."

Less choice meant higher prices for groceries and everyday household goods, Professor Fels said.

Urban Taskforce says supermarkets and larger food stores alongside mines, casinos and brothels rate among the most heavily-regulated sectors of the economy.

"Struggling suburban families will be the big winners if there is more competition," chief executive Aaron Gadiel said.

"They will save thousands of dollars off their supermarket bills.

"They are already penalised by having to travel greater distances to do their shopping and they need a greater choice nearer their homes."

The report also says that reforming the system could inject \$296 billion into the Australian economy and deliver another 147,000 jobs into the workforce.

Major retail landlords in existing shopping centres were taking between 17 and 21 per cent of retail turnover as rent, the report said. This compared with nine to 12 per cent in other countries.