NSW GROCERY INDUSTRY SNAPSHOT

Channel	average square metres	estimate $ per sqm PA	Retail Sales	GLAR m2	Retail Supermarket estimate GROCERY Share	GLAR share m2
Four Square CWD		$ 5,157.99	663,000	6,684	0.18%	0.31%
32 stores avg	214 sqm					
ALDI		$ 8,191.91	17,732,172	112,559	4.84%	5.20%
73 stores avg	1542 sqm					
COLES		$ 8,123.50	119,086,266	762,293	32.48%	35.20%
256 stores avg	2977 sqm					
FG		$ 4,997.65	3,112,000	32,380	0.85%	1.50%
117 stores avg	277 sqm					
Foodworks		$ 5,153.91	4,661,615	47,033	1.27%	2.17%
76 stores avg	618 sqm					
IGA		$ 6,712.13	31,865,193	246,865	8.69%	11.40%
270 stores avg	914 sqm					
Other IGAD		$ 5,413.82	2,696,500	25,900	0.74%	1.20%
59 stores avg	439 sqm					
WOOLWORTHS		$ 11,318.92	163,270,253	750,076	44.53%	34.64%
232 stores avg	3233 sqm					
SPAR		$ 5,213.67	3,107,750	30,996	0.85%	1.43%
84 stores avg	369 sqm					
Franklins		$ 7,057.98	20,469,090	150,807	5.58%	6.96%
84 stores avg	1792 sqm					
TOTAL			346,194,749	2,165,593		

Woolworths and Coles have 69.84% of the total grocery floorspace in NSW

Woolworths and Coles have 77.01% of the total grocery market in NSW

INDEPENDENT BUSINESSES CONTRIBUTION TO THE ECONOMY

EMPLOYMENT

Small Business is the major employer and one of the backbones in my local community. The Chains have 40% of the total retail dollar and 20% of the total retail employment. Independents employ twice as many people per dollar spent than the chains.

In the grocery sector, the Chains have 80% of the market but employ only 43% of the employees. Independents have 20% of the market and employ 57% of the employees.

(Price Waterhouse Coopers Report "The economic contribution of small to medium-sized grocery retailers to the Australian economy, with a particular focus on Western Australia" Dated June 2007 , http://www.narga.net.au/documents/2007/Economic_contribution_%20SMEs_NARGA.pdf)

COMPETITION AND INFLATION

OECD statistics show Australia has the highest level of grocery price inflation in the world over the last decade. (Reported nationally in Australia 10th November 2009)

The Major chains are less competitive where there are no independents in the market place. Grocery price inflation is lowest in WA, where independents have 30% market share.

(page 39, Price Waterhouse Coopers Report "The economic contribution of small to medium-sized grocery retailers to the Australian economy, with a particular focus on Western Australia" Dated June 2007 , http://www.narga.net.au/documents/2007/Economic_contribution_%20SMEs_NARGA.pdf)

The ACCC found that competitive tension is increased by the presence of independent operators and other smaller groups like Franklins which results in lower pricing.

A key finding of the ACCC in the grocery prices inquiry was that the level of competition might be increased if large format independent stores increased in number, however, the barriers to that growth were substantial.

(ACCC Inquiry into the competitiveness of retail prices for standard groceries July 2008, pages 120, 169, 174 – 176, 208, 263 - 266.)

WEALTH CREATION

Small businesses contributes 2 – 3 times more wealth to local communities than that the major chains.

(page vii, Price Waterhouse Coopers Report "The economic contribution of small to medium-sized grocery retailers to the Australian economy, with a particular focus on Western Australia" Dated June 2007 , http://www.narga.net.au/documents/2007/Economic_contribution_%20SMEs_NARGA.pdf)