

## **Media release**

*For immediate release: 21<sup>st</sup> August*

### **Regional town economies caught in crossfire.**

*The unspoken collateral damage of the Bunnings versus Masters retail war*

Regional NSW economies of Bathurst and Forbes are being caught in the cross fire as Bunnings and Masters go head to head in a turf war over hardware and homeware.

The Coles/Bunning conglomerate versus Woolworths/Masters behemoth battle is threatening the very survival of traditional retail zones in Bathurst and Forbes as the duopoly plans to suck hundreds of millions of retail dollars over the next decade to their lower occupancy cost big box retail outlets on the outskirts of town leaving the traditional centre shops bereft of customers and trade. Retailers and landowners in both centres are very worried about the future according to the Centre for Independently-Owned Retail Research (CIRR).

In Forbes, where the CBD already is haunted by 20+ % shop vacancy, a new Bunnings is mooted for the old saleyards outside of town. A development application goes before a Joint Regional Planning Panel next week, because the land owner is the local Council itself.

Rival town and closest neighbour, Parkes, 32 kms away, has just two months ago approved a Masters hardware and homeware development, also on the Newell Highway. Both developments claim the same local trade area leaving the shops in “downtown” Forbes rattled.

The combined annual turnover of the twin major retailers in Forbes and Parkes tops \$25m pa but it doesn't just effect hardware. The ranges competing include supermarket lines, newsagent lines, tile and lighting products, nurseries and landscaping, white goods and BBQ, outdoor furniture, homewares, blinds and curtains.

In Bathurst, a generally larger and more thriving economy than Forbes, the CBD still has 20+ % vacancy rates for shops and one shopping mall alone has 18 empty retail spaces. There are two full line Woolworths supermarkets fighting a Coles in town, and now a Masters has lodged a Development Application and seeks to take on Bunnings in the satellite suburb of Kelso. The slug-fest is leaving the small business shops already reeling as the duopoly pockets the lion's share of the town expenditure.

To be located at a zone in Kelso (passed over for as a site appropriate for bulky goods last year in the Bathurst Council's own Planning Study), Masters is now being challenged in its self-classification as a bulky goods store to boot.

In a previous planning application by Masters at Willoughby NSW, a Masters executive wrote to Council and advised that his store's range was 95% NOT bulky goods. (see copy letter attached).

This throws many of Masters' applications, including one at Albion Park Rail, in the Shellharbour Council region south of Woollongong, into disarray as the company has tried to present itself, contrary to its own self depiction in Willoughby, NSW, not as a shop, but as a bulky goods retailer.

“CIRR calls on the shareholders of these two giant retailers to consider their equity participation in this age of ethical investment. There seems little integrity in wiping out the proper retail zone in a regional town or city for the selfish pursuit of dividend over the sustainability of the host community in which it seeks to earn its living.

“The ACCC, too, should monitor the resultant, potential loss of diversity, and reduced range for consumers which comes with it, as the Bunnings and Masters war steamrolls small business on the Australian retail landscape,” said a spokesperson for CIRR.

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