

We understand that the major focus of the enquiry has been on electricity telecommunications and water costs. The governments initiatives in these areas have been from very good to excellent especially in reducing the costs in electricity for major irrigators and processors. We could imagine that the feed back to the commission in relation to these areas would be very positive. However, this should not be taken as confirmation that there isn't any problems in regional Australia due directly to the governments competition policy.

The areas of grave concern are the deregulation of our industries eg: deregulation of the dairy industry. The unregulated growth of the three major supermarkets, who at present hold over 80% of the retail market.

If caution is thrown to the wind we believe we will see a reverse of what the government term competition which is anti-competition controlled by three major supermarkets. We have already seen strong evidence of this when the dairy industry was deregulated allowing Woolworths to buy milk cheaper in Victoria. Woolworths did not pass on these savings to the consumer, they used the deregulation of the dairy industry to boost their profits.

Although I do not claim to be an expert economist I did study economics and it is of my understanding that the principle of good economics is for money to have a trickle down effect so that it reaches all levels of society thus giving the money the greatest chance of regeneration. What we are experiencing is that this trickle down effect is being almost completely cut off and removed from our region by the major companies with no chance of regeneration.

The largest and most vibrant economy in the world the U.S.A. has seen it imperative to legislate with anti-trust laws and divestiture legislation to control the growth of the large corporations for the safe and healthy function of their countries' economy.

Australia has such a small economy by world standards and it is quite easy for large corporations to manipulate and control our economy to enhance the profitability of their companies. So it is more important for Australia to legislate for the benefit of our country not just in the name of economic rationalism or for the benefit of large corporations who are fast becoming our largest welfare recipients of subsidised wages which is commonly known to be in the vicinity of 50% and higher of their wage costs. I might add that this seems to be an exact copy of what is happening in the U.S.A. So much for our economic rationalism.

Regional Australia is the bread basket of our country . It generates the stability and security of our economy. If regional Australia bleeds then

so goes the wealth of our country. It is our governments responsibility to treat regional Australia with great care and to protect the stability of our economy.

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In the retail sector the government policy has allowed and encouraged 3 major players to monopolize the retail market and kill off small business with predatory pricing tactics. It has not produced cheaper prices for the consumer.

It has allowed supermarkets to buy cheaper and to control producer prices .

A typical example is the deregulation of the dairy industry which allowed Woolworths to buy cheaper in Victoria without passing these cheaper ^{PRICES} onto the consumer.

One practice used is to let contracts for beef , then not honour those contracts.

They tell the processors what price they are paying, otherwise they remove their business to somewhere else.

The competition policy has allowed oligopolys to dominate without any responsibility to the producer, processor, consumer or the Australian people. Their profits are foremost over the healthy function of our own economy, so much so that they control it.

The sunday trading case in Queensland commissioned by the Queensland Government, found that extended trading hours in New South Wales has returned an estimated 3 billion dollars to the 3 major supermarkets in turnover, with an equivalent loss of 20,000 full time jobs and that includes owner operators.

The vacancy rate in many regional centres is approaching 20%, e.g. Taree, Bendigo and Richmond. A result of supermarket development on the edge of town, where the whole weight of the supermarket development is forced upon the local council. This has only occurred since these types of developments and deregulated trading hours and the Hilmer Report came on the agenda.

Regional Australia is bleeding to death. We estimate that 35 to 40 million dollars per week is being bleed off our regional economy by these bleed off type businesses with only a few jobs to our benefit.

The real assets in our economy are the people who generate the monies to spend in these places not these major retailers who bleed off our wealth, some to fill the coffers of other countries.

Major retailers employ around 10% permanent staff and 90% casuals or part-timers, whose hours are somewhere around 23 hours per week and half of that 90% are on Government subsidised training schemes.

You would not allow 80% of the media to be concentrated to three major players and I consider the media would be less damaging on our economy than the control the supermarkets have over regional Australia.

The 3 major retailers have 80% of the retail market and are still growing. They could take the next 20% on the bit. They would hardly have to employ another person.

Just imagine if Woolworths, Coles and Franklins were the only buyers in our saleyards.

Why do we not have a divestiture clause in our competition policy to control unbridled growth of multinationals.

If David Holdings can not compete with the 3 majors who can ?

Your competition policy has not encouraged competition, all it has done is concentrate 80% of the retail business to 3 major supermarkets who dominate and monopolize our economy and at the same time are killing off privately owned businesses.

They have not produced cheaper prices for the consumer.

Trading hours should be reduced because deregulated trading hours relate directly to market share. Our wealth lies in our assets whether it be a farm, a piece of rental property or the property owned by the business. If we reduce the profit flow to these assets, then we diminish the value of that assets. The devaluated property returns less rates to the council which also generate less jobs.

To support your local town is very difficult if extended trading hours prevail. You bleed off from these outer regions without exception.

We already lose 7% superannuation , never to return to our region.

If the GST gets up, we will lose another 10% from our region. I believe this tax should be returned proportionately to local government not to the States where it be spent at the whims of the politicians to win particular seats.

What is wrong with small business making a profit?. When they make a profit, these profits are usually spent or invested back in their region. Not so, with supermarket chains or any other retail or fast food chain. If you keep reducing our capital and capacity to earn , then it will be inevitable that our regions will die.

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