



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC CALLS FOR COMMENT ON COLES' PROPOSED ACQUISITION OF NINE SUPABARN SUPERMARKETS

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The Australian Competition and Consumer Commission has released a Statement of Issues outlining its preliminary views on Coles' proposed acquisition of nine Supabarn supermarkets in NSW and the ACT. Coles is owned by Wesfarmers (ASX: WES).

The ACCC received approximately 60 submissions from consumers and held a consumer forum in Canberra last month about the proposed acquisition.

"The ACCC recognises that Supabarn has a differentiated offer to that of the other supermarkets and understands that this is valued by consumers," ACCC Chairman Rod Sims said.

"The ACCC is closely examining the effect of removing a supermarket chain with a differentiated offer from the market. In particular, Supabarn is the only full-line supermarket chain in the ACT other than Coles and Woolworths. The ACCC is concerned that Supabarn's removal may lead to significant competitive harm and loss of choice for consumers."

"The ACCC recognises, however, that there are other, smaller supermarkets operating in the ACT," Mr Sims said.

"We are also examining the effects on competition in supermarket retailing in each local geographic area where Supabarn competes, especially where Coles and Supabarn stores are located close together and there is limited competition from other supermarkets."

"The ACCC has identified potential concerns in a range of local markets. These concerns are particularly strong in Sans Souci and Sutherland in NSW, and Casey in the ACT where Supabarn is to open its largest store," Mr Sims said.

The Statement of Issues is not a final decision. It provides the ACCC's preliminary views on the proposed acquisition, the lines of further inquiry that we wish to undertake and invites interested parties to submit information to assist in our assessment of the issues.

The ACCC invites further submissions from interested parties in response to the Statement of Issues by **1 October 2015**. Submissions can be emailed to Coles-Supabarn-Mergers@acc.gov.au. The ACCC expects to make a final decision on the proposed acquisition by **26 November 2015**.

The Statement of Issues is available at www.accc.gov.au

Background

Supabarn is a privately-owned supermarket operator that owns and operates a number of stores in the ACT and NSW. Most Supabarn stores are full-line supermarkets of a similar size to a typical Coles or Woolworths store and include a liquor section.

Coles is proposing to acquire the Supabarn stores located at:

- Canberra Centre, Crace, Kaleen, Wanniasa and a proposed supermarket site at Casey in the ACT
- Five Dock, Annandale, Sutherland and Sans Souci in NSW.

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