

# Supermarkets to work together to ensure grocery supply

24 March 2020

Supermarket operators will be able to coordinate immediately to ensure consumers have reliable and fair access to groceries during the COVID-19 pandemic following the ACCC's granting of interim authorisation.

The interim authorisation will allow supermarkets to coordinate with each other when working with manufacturers, suppliers, and transport and logistics providers.

The purpose of this is to ensure the supply and the fair and equitable distribution of fresh food, groceries, and other household items to Australian consumers, including those who are vulnerable or live in rural and remote areas.

The authorisation allows a range of coordinated activities but does not allow supermarkets to agree on retail prices for products.

“Australia’s supermarkets have experienced unprecedented demand for groceries in recent weeks, both in store and online, which has led to shortages of some products and disruption to delivery services,” ACCC Chair Rod Sims said.

“This is essentially due to unnecessary panic buying, and the logistics challenge this presents, rather than an underlying supply problem.”

“We recognise and appreciate that individual supermarket chains have already taken a number of important steps to mitigate the many issues caused by panic buying. We believe allowing these businesses to work together to discuss further solutions is appropriate and necessary at this time,” Mr Sims said.

The ACCC granted interim authorisation on Monday afternoon after receiving the application last Friday.

“We have worked very swiftly to consider this interim authorisation application, because of the urgency of the situation, and its impact on Australian consumers,” Mr Sims said.

The Department of Home Affairs has convened a Supermarket Taskforce, which meets regularly to resolve issues impacting supermarkets. Representatives from government departments, supermarkets, the grocery supply chain and the ACCC are on the Taskforce. The interim authorisation applies to agreements made as a result of Taskforce recommendations.

This authorisation applies to Coles, Woolworths, Aldi and Metcash. It will also apply to any other grocery retailer wishing to participate. Grocery retailers, suppliers, manufacturers and transport groups can choose to opt out of any arrangements.

The ACCC will now seek feedback on the application. Details on how to make a submission are available on the ACCC's [public register](#) along with a Statement of Reasons.

## **Background**

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

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