

## Supermarket Pricing Inquiry

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4 April 2024

Committee Secretary  
Supermarket Pricing Select Committee  
Parliament House  
George Street Brisbane Q 4000  
(sent by email to: [spsc@parliament.qld.gov.au](mailto:spsc@parliament.qld.gov.au))

Dear Supermarket Pricing Select Committee Secretary

**RE: FOODWORKS REGIONAL FREIGHT TRANSPORT SERVICE CONTRACT**

Advice has been received that the Department of Transport and Main Roads Regional Freight Transport Service Contract may not continue. Without this subsidy some Foodworks in the rural and regional areas of the state could see an increase of freight costs of up to 351%.

These Foodworks stores are family and small businesses owned stores and they cannot absorb this cost and they will be forced to pass this cost onto customers.

This will result in a dramatic increase to the cost of food and the cost of living. Communities impacted across Queensland include Dirranbandi, Goondiwindi, Killarney, Millmerran, Mitchell, Quilpie, Tambo, Tara, Texas, Dalby, Clifton, Longreach, St George, and Warwick may also be impacted by any ceasing of the DTMR Regional Freight Transport Service Contract.

Road services are currently provided through Linfox that are funded by the Queensland Government DTMR through a Regional Freight Transport Service Contract. Should the Regional Freight Transport Service Contract cease these are some of the projected increases in freight to the following locations.

Customer Name	Gro Per FV	Bin	Current Rate to Customer	New Rate to Customer	Increase %
FWKS LONGREACH	Per	FL	\$ 233.08	\$ 372.87	160%
FOODWORKS QUILPIE MEADS	Gro	1 to 4	\$ 102.04	\$ 315.09	309%
FWKS MITCHELL	Gro	FL	\$ 117.71	\$ 315.09	268%
FWKS HUGHENDEN	Gro	FL	\$ 188.89	\$ 327.65	173%
FWKS DIRRANBANDI	Per	FL	\$ 137.31	\$ 294.51	214%
SHOPRITE WINTON FDC40	Per	FL	\$ 239.28	\$ 372.87	156%
SCHOUTEN STORE CHARLEVILLE	Gro	1 to 4	\$ 101.99	\$ 315.09	309%
FOODWORKS ST GEORGE	Gro	1 to 4	\$ 66.11	\$ 180.00	272%
FOODWORKS THARGOMINDAH	Gro	1 to 4	\$ 83.95	\$ 294.51	351%

Australian United Retailers would welcome the opportunity to discuss the cost of food further with your Committee and we would appreciate if our submission was not released publicly by the committee.



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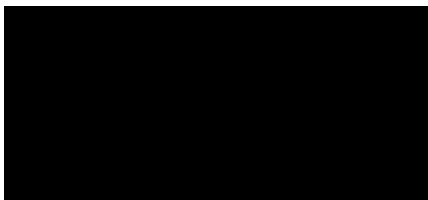
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- Any increase in transport costs will need to be directly passed on to consumers in rural and remote Queensland, this will have the direct effect of increasing prices.
- Small independent operators do not have the economies of scale that large corporate supermarkets have.
- Basic commodities including but not limited to fresh food, produce and foodstuffs will increase in price.
- It is our strong view that we (city folk) need to support our cousins in the bush, on the farms and in remote communities or we will make working the land unbearable and is economically counterintuitive.
- Freight subsidies need to be increased not decreased to cover increasing manufacturing and distribution costs.
- Independent retailers in rural and remote Queensland are a critical part of the state's economy, and is a major provider of employment.

AUR is one of the largest independent retailers owned grocery businesses in Australia trading predominantly as FoodWorks. With over 500 stores nationally the business has a strong geographic footprint with both a metropolitan and regional focus. Our formats are Large Full-offer Supermarkets, Local Supermarkets, Convenience/Express stores, Fresh Food and Gourmet/marketplace stores (both large and small).

Our stores in Queensland are significantly in regional and rural Queensland serving communities that rely heavily on transport to provide food and other goods that otherwise are not provided by other retailers.

Yours sincerely,



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