



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

14 October 2020

Australian Competition & Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

via email: mergers@accc.gov.au

Dear Sir/Madam

Woolworths Group Limited's (Woolworths') proposed acquisition of PFD Services Pty Limited (PFD)

We oppose the proposed acquisition of PFD by Woolworths.

The onset of the COVID-19 pandemic caused significant disruptions to food supply chains across the country. The Supermarkets Taskforce was established to address the surge in demand for retail products from supermarkets just as large numbers of commercial venues, including pubs, clubs, cafes and restaurants, were required to stop operating.

Hundreds of independent food distribution businesses were significantly affected by this sudden and prolonged closure of commercial venues. It is reasonable to expect that as commercial venues begin to reopen these independent food distribution businesses will also begin to regain their viability.

The timing of Woolworth's push into the food services sector, as its supermarket operations flourish but independent food distributors struggle, is opportunistic. In seeking to acquire PFD at this time Woolworths' strategy to grow market share in the food services sector will necessarily result in the lessening of competition across the country and increase barriers to entry into the food services sector. Further, this reduction in competition will force small suppliers to use Woolworths as a customer which will place these suppliers at a further competitive disadvantage and weaken competition even more.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mike Kearney on 02 6213 7443 or at michael.kearney@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

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