



Legislating an economy-wide divestiture power and establishing a Supermarket Ombudsman	
Party:	Independent Member for Indi
<p>Summary of proposal:</p> <p>The proposal would establish a Supermarket Ombudsman to regulate the operation of the Food and Grocery Code of Conduct, with powers to create binding determinations, issue infringement notices and refer investigations to the ACCC for court action.</p> <p>The independent Supermarket Ombudsman would hear complaints directly from consumers and suppliers and have tools to take quick and effective action when necessary.</p>	
<p>Additional information (based on further advice provided):</p> <p>The Supermarket Ombudsman would be established within the ACCC.</p> <p>The proposal would have 2 components:</p> <ul style="list-style-type: none">• component 1: provide departmental funding for the ACCC to provide enforcement of a new divestiture power.• component 2: provide ongoing departmental funding for the Supermarket Ombudsman, with an Ombudsman (SES Band 3) plus 6 ASL (1x EL2, 1xEL1, 2x APS 6, 2x APS5) - to sit within the ACCC but as an independent statutory office. <p>The proposal would start on 1 July 2025.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$24.9 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Legislating an economy-wide divestiture power and establishing a Supermarket Ombudsman – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-5.7	-6.3	-6.4	-6.5	-24.9
Underlying cash balance	-5.7	-6.3	-6.4	-6.5	-24.9

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions and methodology

For both components, the financial implications were estimated using the PBO's Departmental Cost Calculator, indexed to Wage Cost Index 3 less an efficiency dividend. It was also assumed that it would take 2 years for additional staffing to reach the assumed level.

- Component 1 would require 21 additional staff members, with 1 ACCC Commissioner, 1 Senior Executive Staff (SES) band 2, 1 SES band 1 and the remaining 18 staff distributed between Australian Public Service levels 4 and Executive Level 2. The new team would be placed within the group under the Executive General Manager Competition.
- Component 2 would require 6 staff as specified in the proposal and an initial set-up cost.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Australian Competition and Consumer Commission (2024) [ACCC and AER Annual Report 2023-24](#), accessed 24 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Legislating an economy-wide divestiture power and establishing a Supermarket Ombudsman – Financial implications

Table A1: Legislating an economy-wide divestiture power and establishing a Supermarket Ombudsman – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Departmental													
<i>ACCC divestiture power oversight</i>	-3.8	-4.7	-4.8	-4.8	-4.9	-5.0	-5.0	-5.1	-5.2	-5.2	-5.3	-18.1	-53.8
<i>Supermarket Ombudsman</i>	-1.9	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.7	-1.8	-1.8	-1.8	-6.8	-19.0
Total – departmental	-5.7	-6.3	-6.4	-6.5	-6.6	-6.7	-6.7	-6.8	-7.0	-7.0	-7.1	-24.9	-72.8
Total (excluding PDI)	-5.7	-6.3	-6.4	-6.5	-6.6	-6.7	-6.7	-6.8	-7.0	-7.0	-7.1	-24.9	-72.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Legislating an economy-wide divestiture power and establishing a Supermarket Ombudsman – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-0.1	-0.4	-0.7	-1.0	-1.3	-1.7	-2.1	-2.5	-2.9	-3.3	-3.8	-2.2	-19.8
Underlying cash balance	-0.1	-0.3	-0.6	-0.9	-1.3	-1.6	-2.0	-2.4	-2.8	-3.2	-3.7	-1.9	-18.9

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)