

Extended Weeknight shopping

10 reasons to vote “NO”

1. WA CURRENTLY HAS MORE **REAL COMPETITION AND CHOICE** IN RETAILING THAN ANY OTHER STATE - Longer trading hours for the corporate retailers mean **reduced** competition, consumer choice and variety
2. CLOSURE OF WA OWNED BUSINESSES
 - a. Independent retailers (including pharmacies, newsagents, clothing, furniture, electrical and other specialty stores)
 - b. Local suppliers (including primary producers)
 - c. Service providers to the local retail industry
3. INCREASE IN MARKET DOMINANCE BY BIG CORPORATE RETAILERS
4. JOB LOSSES, CASUALISATION AND A DECREASE IN WORKING CONDITIONS
5. LOSS OF SENSE OF COMMUNITY
 - a. Decrease in financial and social support for community and sporting groups
 - b. Rupture of traditionally local supply chain links
6. PROFITS FLOW OUT OF WA!
7. OUR SPORTING COMMUNITY UNDER THREAT
8. ALL WA SMALL BUSINESS ASSOCIATIONS SAY NO!
9. LOSS OF LEISURE/FAMILY TIME
10. LOSS OF REGIONAL EMPLOYMENT AND DAMAGE TO REGIONAL ECONOMIES

BACKGROUND

Of course the corporate retail giants want longer trading hours! In other (deregulated) states of Australia they have captured over 80% of the retail market. In WA, it is only 62% and they want the rest! One thing is sure – longer general weeknight trading hours hand a bigger market share to big business at the expense of the independent retailers and the small business community.

This is not just about groceries - this shift equally affects the retail, rural, supply, services, professional and WA value-adding industry sectors.

You are being asked whether you think the proposed changes to trading hours would benefit the WA community. Not only will the community lose in so many ways from longer general trading hours but also, based on the Eastern States experience, the most likely outcome will be **LESS COMPETITION, LESS REAL CHOICE** and **LESS CONVENIENCE**.

WHO IS DRIVING THIS?

The supporters of big business retailers in trading hours deregulation are the unelected, unaccountable bureaucrats from the National Competition Council. Between 2001 and 2003 the WA Government undertook an extensive National Competition Policy review of trading hours regulation (which received over 1300 submissions). That review found that extending retail trading hours in Western Australia was **not** in the public interest and would lead to **less**, not **more** competition!

WHO WILL BENEFIT?

Extending general Perth retail trading hours to 9 pm every weekday does not mean that people will buy more groceries, or toiletries. It means that the big business retail chains will take a bigger market share because

they already have unfair national buying power and deep enough pockets to undercut their competitors in the short term to force them out of business.

WHO IS AT RISK?

The deregulation of trading hours will have a major impact on:

- Independent retailers in WA;
- Local suppliers;
- Local professional services;
- Employees in the retail trade industry;
- Consumers;
- Rural and regional economies in WA; and
- Community, sporting, family and leisure activities.

Impact on independent or smaller retailers

The deregulation of trading hours will put even more pressure on small business and force many out of the market, eliminating real competition in the process.

There are almost 20,000 small retail trading businesses in Western Australia, which employ around 67,000 Western Australians. Retailing is WA's sixth largest industry sector and contributes around 7 to 8 per cent to our Gross State Product.

In a report to the South Australian Retail Trading Hours Parliamentary Inquiry, it was stated that between 1992 and 1999 – the period in which retail trading hours were deregulated in a number of states – there was a national loss of 14,272 food and grocery businesses (excluding takeaway and liquor stores) (Baker RGV 2002 *An Assessment of Extended Trading Hours in South Australia*, p 34-5)

Deregulation will pave the way for national chain supermarkets to gain even greater market dominance. Monopolies inherently contain within them a capacity for the abuse of market power

Abuse of market power

Deregulation will have a considerable social impact on owner/operators of independent retailers, as diminished takings will force them to maintain longer hours to keep up with major retailers. Once the smaller retail traders have been forced out of the market, the national chain supermarkets often decrease their hours, increase their prices, or both. This has already happened in other states.

“There is also a considerable amount of evidence that the two largest retailers use deregulated trading hours to force closure on smaller retailers and then revert back to ‘normal’ trading hours” (Narrogin Chamber of Commerce submission)

The major difference between the Federal and State employment award regimes gives large traders an unfair advantage over many of their business competitors, who are required, under the State Industrial Relations laws, to pay fairer wages.

Coles and Woolworths' ability to expand quickly and massively into non-grocery and general merchandise areas, is of increasing concern to pharmacists and newsagents. One of these companies has already established a pilot pharmacy in one of its Eastern States grocery stores while lobbying the Federal Government to permit it to integrate pharmacy licences into its supermarket operations.

“Our colleagues in other States inform us that the loss of business can be as high as 20% and this will impact the viability of some pharmacies”. Harry Zafer, President, WA Branch of the Pharmacy Guild

Coles and Woolworths’ market share objectives extend beyond grocery, petrol, newsagency and pharmacy retailing. Together, these companies now control an estimated 50% of the total volume of packed liquor sold in WA through a variety of retail outlets including Liquorland, BWS, Vintage Cellars, Quaffers, etc., threatening the existence of WA’s overwhelming locally owned hotels and other independent liquor operators.

Large supermarkets have trade advantages that are not available to small retailers such as the ability to access substantial discounts due to bulk orders.

Impact on local suppliers and primary producers

The effect of deregulated trading hours will also have a detrimental effect on local suppliers, including primary producers. Large retailers, because of their buying capacity are able to negotiate with wholesalers for a cheaper price because of the quantity they are purchasing. The purchasing patterns of large retailers to date indicate that the majority of the bulk fresh produce orders are sourced from interstate. This would inevitably result in a significant reduction in demand for locally grown and manufactured goods, which will subsequently lead to a reinforcement or exacerbation of market distortions in both the wholesale and retail market for fresh fruit and vegetables.

“... I run a distribution business ... employment in our business has and will decrease as a direct result of deregulation. Many of our suppliers ... some smaller West Australian companies will suffer as a direct result of the impact Woolworths and Coles place on them” (Busselton Retailers Action Group submission to the Review of Retail Trading Hours).

Impact on small businesses and local service providers associated with the retail industry

Deregulation will have a major impact on locally owned service providers, such as plumbers, electricians, printers, accountants and many others who provide goods and services to the majority of independent retail traders in WA. National chain supermarkets on the other hand tend to have a policy of centralised purchasing whereby national contracts are used for the supply of goods and services.

“This leaves little room for small business contractors, smaller ‘boutique’ suppliers, and self employed professionals to gain work or contracts through the larger retailers. At present, small businesses, including the independent supermarkets, make good use of other small businesses for these services, so any decline in the profitability and/or number of small businesses will have a flow on impact on others” (Esperance CCI submission to the Review of Retail Trading Hours).

Impact on retail industry employees

The retail industry is the largest employer of labour in Western Australia. By accessing Federal workplace agreements, the large retailers can avoid paying penalty rates for anti-social working hours and important time for friends and family (evenings and Sundays).

“The recent changes in Industrial Relations introduced by the (state) government has virtually guaranteed that employment opportunities for Saturday and Sunday will cease to exist in the small business sector ... the burden of additional hours will fall to proprietors and family members” (WA Accredited Newsagents Association submission to the Review of Retail Trading Hours).

With many young high school aged people working in the retail industry (and given the relatively poor transport system in Perth), there is good reason to be concerned about their safety when commuting from work to home after 9pm on weekday nights, and the additional burden this places on parents.

Impact on consumers

If deregulation of trading hours enables the corporate supermarkets to gain an even greater market share, consumers will inevitably have less choice in relation to retailers and products especially WA produced. With fewer local retail choices and greater distances to travel to shopping centres, those without access to cars will be affected the most. Greater use of cars is neither environmentally or socially sustainable. Those most affected will be the young, the elderly and those on low incomes.

Impact on regional WA

Residents and business owners in rural and regional WA are acutely aware of the impact that the deregulation of trading hours in the metropolitan areas will have on their local economies and communities.

“Many Rural Towns like ours have a small population, and the local businesses rely heavily on residents “buying local”, which is extremely important to sustain the economy of the Town. The introduction of the change will only make the fight for survival of country communities more difficult, and decrease the opportunity for local employment for our children” (Moora Chamber of Commerce submission to the Review of Retail Trading Hours)

Impact on community, sporting, family and leisure activities

Over 100 sporting associations, representing around 600,000 athletes throughout WA, are supporting the No and No case. They know that longer weekday trading hours will mean less coaches, umpires and parental participation in weeknight sporting activities. Many employees in the retail industry are also members or coaches of group sports teams which compete and/or train on weekday nights. There is no doubt that extended trading hours on weeknights will lead to a significant reduction in participation in group sports, with consequential health ramifications.

Weeknights from 5.30 pm to 10.00 pm is a vital time for parents and children. Relationships and families suffer when employees and service providers regularly miss evening meal times at home. Extended trading hours will have a tremendous impact on the amount of quality time parents are able to spend with their children, it will effect the amount of time students will have to study and do their homework, and will seriously erode the scarce time families currently have to nurture their relationships.

Longer general trading hours on weeknights mean less participation in P & Cs, parents and teachers nights, communities associations, bands, dancing classes and cultural and sporting club associations and community volunteering.