

Extended Sunday 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 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 – allowing the corporate retailers to trade on Sundays hands 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, 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?

Deregulating to allow corporate retailers to trade on Sundays does not mean that people will buy more groceries, or toiletries. It means that the big business retailer chains will take a bigger market share because

they already have unfair national buying power and deep enough pockets to undercut their competitors 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 traders

Deregulation poses a serious threat to the very important economic and social value of a viable and thriving independent retail sector.

Predatory pricing.

When the Keating Labor Government introduced National Competition Policy in 1995, they failed to include a set of rules which would protect smaller traders from predatory conduct of large supermarket chains. This predatory behaviour includes under-pricing goods and services for a short time so as to draw 100% of the market share. Only large corporations have the capacity to carry out this practice, sometimes selling products below cost price for short periods. As a result many small businesses, such as our local convenience stores, chemists, butchers, fuel retailers and newsagents have been forced to close down because they can't compete against such unconscionable conduct by larger operators. When this happens the public has NO CHOICE but to shop at large supermarkets.

“A move to Sunday trading will be an enormous labour cost burden to specialty store owners already struggling with skyrocketing rents”. Martin Dempsey, CEO, WA Retailers Association, November 2004

Eastern states' experience of deregulated trading hours strongly indicates that any swing in retail marketshare would be decidedly in favour of the major corporate retailers with resultant and devastating effects on both the independent retail sector, and thousands of smaller independent primary, secondary and tertiary sector businesses.

Following the deregulation of retail trading hours in Victoria, the Masters Grocers Association surveyed its members in 1997. It discovered that independent retailers had lost up to 70 percent of their Sunday trade. In Tasmania, where seven-day trading was introduced in December 2002, the Tasmanian Small Business Council found that small retailers had sales losses ranging from 30 to 85 percent on Sundays and weekly turnover drops of up to 50 percent. Research by the Queensland Retail Traders and Shopkeepers Association revealed that the introduction of seven-day trading in Queensland in 2002 resulted in many independent retailers losing up to 50% of their Sunday trade with overall sales losses of up to 60%.

Impact on local suppliers and primary producers

The independent retail sector is responsible for purchases of locally manufactured and grown products with an estimated value of more than \$500 million per year with between 80 percent and 100 percent of produce sold by independent retailers, grown or produced in Western Australia.

Independent WA retailers' support of the local milk industry has definitely helped to keep the current 3 dairies viable here.

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

Major supermarkets have targeted their product range to compete with a substantial number of small businesses (butchers, bakers and newsagents) that usually operate in traditional shopping precincts.

“As predominately family run businesses, newsagents will have significant family time eroded and will certainly lose market share if deregulation of trading hours occurs”. Richard Hatch, Newsagents Federation of Australia (WA Branch)

There are hundreds of specialist service and trade supplier businesses, which rely in whole or part on the viability of a healthy independent retail sector. A shift in marketshare to the major chains will severely impact on the prospects of hundreds of businesses in the service sector. In the case of existing small businesses, supermarkets are the primary anchor tenant and therefore, the major consumer drawcards for most shopping centres. Losses in marketshare by independent retailers, who are, in most instances, located in smaller suburban centres, will directly impact on the viability of small shopping centres themselves.

Impact on retail industry employees

The 2004 Small Business Development Corporation's survey shows that the independent retail sector continues to outgrow the majors in employment growth. Western Australia's regulated retail trading hours regime has played an important role in making WA a leader in retail job creation. The long term result of deregulation of trading hours will be fewer employment and training opportunities for retail employees, especially young people due to the demise of small businesses, where service and labour intensive employment exists. "Family friendly" employment will be reduced resulting from the new arrangements which lead to greater neglect of children when families work.

Impact on regional WA

Retailers in centres within a 3 hour radius of Perth will be hit hard by extended trading hours on Sundays. The Narrogin Chamber of Commerce and Industry's member survey on this issue revealed that the majority of the small retailers in Narrogin "believe it would be detrimental to their businesses, and to our community to deregulate" (Narrogin Chamber of Commerce and Industry submission to the Review of Retail Trading Hours).

“The Moora Chamber of Commerce claim that ... (deregulation) ... would have very adverse effects on Rural Country Towns within close proximity to Perth. The extended trading hours would provide a huge incentive for Country residents to consider weekend shopping and social excursions to Perth and the Metro area, which in turn would have a very detrimental effect on the local economy at the expense of country retailers” (Moora Chamber of Commerce submission to the Review of Retail Trading Hours)

The "domino" effect of Coles and Woolworths moving into the regional retail sector is far more than theoretical when we consider the impact on independent grocers of open-slather trading hours in the North-West of WA:

“In many shopping centres in the north west there are large numbers of vacant shops, which were being run in a very effective manner and in a vibrant way by many small businesspeople in the Pilbara ... when the major traders such as Coles and Kmart were operating in a regulated framework, small businesses - delicatessens and others - were trading on the weekends. I am referring to fishing and tackle shops and those sorts of businesses. When the market became unregulated, the big players such as Coles, Woolworths and

Kmart went to 24-hour trading in some cases. After that, a complete reversal occurred. In one location Kmart started getting into many of the aspects that the small businesses were dealing in. Because it was able to operate on a 24-hour basis or an extended basis, it cornered the market.”

- Robin Chapple MLC, Member for the Mining and Pastoral Region, Parliamentary Debate, 23/11/04

Impact on community, sporting, family and leisure activities

Deregulated trading hours will have direct and indirect harmful effects on both individuals and community organisations, such as sporting, social and religious bodies, all of which play a vital role in maintaining the social fabric in our metropolitan and regional communities.

It may lead to many adverse social consequences, including reduced recreational opportunities for young people and an impact on religious and community activities.

It will have a major impact on Sunday Markets such as the Fremantle, Subiaco, Midland and Wanneroo markets, Arts and Community Festivals (such as the Fremantle Festival) and the Perth and Fremantle tourism precincts.

Fundraising ventures such as swapmeets, fetes and fairs which are traditionally held on Sundays by community and school groups will be significantly affected by Sunday trading.

Sunday is a critical participation day for athletes and sporting officials/supporters alike. The WA Sports Federation is strongly opposing the proposed new trading hours, which will affect over 600,000 registered athletes across all sports in WA.

Sunday trading will pose significant issues for the existing supply companies who don't ordinarily deliver, on Sundays. Extended trading hours will mean that they will have to totally alter their operations for no extra reward.