

## RETAIL TRADING HOURS

### *Grievance*

**MR A.P. O'GORMAN** (Joondalup) [9.52 am]: I thank the Minister for Consumer and Employment Protection for accepting my grievance on retail trading hours. This issue is particularly relevant to my electorate of Joondalup because some 13 small local community shopping centres are dotted throughout it. There is one regional shopping centre called Lakeside Joondalup and a further regional centre within 20 kilometres of the electorate boundary. Of the 13 local shopping centres, one has had the experience of its supermarket closing due to economic pressures, largely because of its proximity to the regional centre, Lakeside Joondalup. A direct result of the supermarket closure was that the other tenants, such as newsagents and pharmacies, found that it was no longer economically viable to operate their businesses.

The **SPEAKER**: Apparently the bells are sounding as an initial caution. We will await further advice. In the meantime the member will have to speak up.

**Mr A.P. O'GORMAN**: The local community shopping centre was all but a ghost town, with only approximately 30 per cent occupancy of the area available to be let. Since October 2002, due to an improved state economy, the supermarket at this centre has reopened. The centre now has an 80 to 85 per cent occupancy rate, with newsagencies, pharmacies and those types of shops coming back into the centre because the supermarket is there.

This example highlights the importance of the small supermarket to the sustainability of small community shopping centres. During the period of low occupancy at the centre, vandalism became the norm with graffiti being more prevalent than the tenants' advertising signage. The centre was a virtual no-go area for local residents, which is not consistent with building livable neighbourhoods. Currently, the community-style shopping centre, with its small supermarket, provides ample competition in the sector because the stores are profitable and provide a reasonable alternative to shopping at one of the larger chains, such as Coles or Woolworths. Should deregulation occur, the larger chains will have the opportunity to squeeze the smaller, family-owned businesses out of the market. Reduced pricing and operating on a 24 hour, seven days a week basis would achieve this. The long-term effect of this will be to reduce competition in the local markets. Once a duopoly has been achieved, the public are at the mercy of the two big chains. Currently over \$3 million is paid annually in wages to employees of small retail traders in the electorate of Joondalup. This figure is based on a survey of 30 small retailers, which had a 60 per cent response rate, that I conducted in the electorate during March 2003.

According to the discussion paper, employment will increase under deregulated trading. Once again, if the two chains squeeze out the smaller family stores, employment will drop in the electorate of Joondalup. Currently the 13 small supermarkets in the electorate employ on average 75 people on both a full-time and casual basis. The vast majority are local people from the surrounding suburb. Joondalup is a relatively new area and the interaction between employees and locals has helped foster and build the notion of livable neighbourhoods. The smaller supermarkets also provide an industrial relations environment more consistent with a family environment, rather than the impersonal, corporate style of environment that is evident in the larger chains. In excess of 250 jobs are provided by small retailers in the Joondalup electorate. This figure is based on the survey of 30 traders which was responded to in March 2003.

Small family-owned local supermarkets have a direct link to community groups, sporting organisations and schools. Sponsorship of these groups by the major chain stores is invaluable and irreplaceable. All of the family operators in the electorate of Joondalup provide direct sponsorship and discounts to the community-based organisations. The major chains also contribute, but on a much more impersonal basis, through such schemes as the Coles' computers-in-schools project. Although both sectors contribute, small family-owned businesses are better placed to meet the immediate needs of the local communities and do so on a regular basis without the need to contact a corporate office interstate. If I may give an example, a local family in Ocean Reef lost their home due to a fire. Accommodation was found with neighbours and the local supermarket provided a basket of groceries in an immediate response to the situation. I doubt that eastern States-based chain stores could respond so quickly.

In excess of \$50 000 per annum is contributed directly to local sporting, community and parents and citizens associations in Joondalup. This is normally done through personal approaches and it relies heavily on the local retailer having a strong partnership with the organisation. Currently, small family-owned businesses can respond to the individual needs of employees, for example, by giving consideration to examination timetables at local schools, and by accommodating the demands of local sport and local festivals and so on. The corporate structures of the two big chain stores are not in a position to respond individually and locally on these issues.

The small family businesses in my electorate source the vast majority of their primary produce from the local area. The major chain stores purchase on a much larger scale through a national tender process, allowing little consideration of the particular needs of local producers. A prime example of this is the deregulation of the dairy industry, which has meant that the major chain stores now almost completely ignore the local producers in preference for eastern States suppliers. If not for the continued support of the independents in Western Australia, the local dairy industry would have collapsed.

Retailers in the Joondalup electorate currently source more than \$1.5 million worth of produce through local growers and producers. The employment benefits of this cannot be underestimated in the quest for deregulation. The residents of Joondalup support their local suburban shopping centres and do not want to lose any of them. Deregulation will put at risk not only our small retailers but also our neighbourhood spirit, which has been developed through the community meeting place, the suburban shopping centre.

I ask that the minister look at the results of deregulation and how it will affect our shopping centres.

**MR J.C. KOBELKE** (Nollamara - Minister for Consumer and Employment Protection) [9.59 am]: I thank the member for his grievance. I recognise his strong advocacy on behalf of small retailers throughout his electorate. He has indicated that he has a larger number of small shopping centres in his electorate. My electorate has only four, which is nowhere near the number that the member has in his electorate. I am mindful that any change to retail trading hours could impact on small businesses. Many small businesses already face real pressures. The member alluded to one centre in his electorate that had closed down, which reflects the competition faced by small businesses and that, from time to time, these businesses prove not to be viable. There are a range of factors for that. In some instances it results from the management of one business. I do not think that is the issue across the bulk of the industry, which is currently concerned about any impact that will result from a change to retail trading hours. From time to time there are shifts between retail sectors. Whole new areas such as fast food may open up and another sector may contract because people do not want to spend their money in that sector. These businesses have to meet the needs of their customers. They have to be adaptable as market trends change. If other changes come on top of that, real concerns clearly arise.

I appreciate the representation the member for Joondalup has made on behalf of the businesses in his area. Small businesses are important employers in local neighbourhoods. The Government must consider the outcome for overall employment should changes be made to retail trading hours. It is not a clear-cut issue. While I am mindful of existing businesses and the people they employ, another argument has been mounted that extended trading hours would open up more employment.

The consultation the Government has engaged in means that all those people can put forward their points of view and any facts to support them. Those representations will be considered. The Government will weigh up whether the extension of trading hours will create or destroy jobs, because both points of view are currently being put in the public debate. That is an important issue. The consultation that is currently under way has proved very dynamic. The Government has received strong representations from a range of sectors. As I indicated to the House yesterday, hundreds of submissions have been received. The submission time was extended by one week to give people who were having trouble meeting today's deadline an opportunity to get their submissions in.

An active debate is currently under way in the community. Local supermarkets are campaigning vigorously, which I respect. In doing so, they are talking about this issue with their customers. The feedback that will come directly from customers will be interesting. Some of that feedback will obviously be through standard form letters. The Government respects that as an appropriate way for people to put forward their views. Other customers have approached the Government with different points of view. Customers have a range of views on this issue, as do the key stakeholders, who feel that their businesses may be advantaged or disadvantaged should any change occur. Of course, the large chains are keen for an extension of trading hours. They are putting their case. The Government will take on board their submissions. Small businesses in larger shopping centres are another part of the equation. If large shopping centres stay open for extended hours, direct or indirect pressure will be placed on small retailers in those centres to adjust their hours. We must take that issue and the interests of those small businesses into account. I have also been approached by a number of small businesses that want extended hours. Those small businesses are not predominantly in the large centres but in smaller centres. They carry specialty lines etc, and feel that the current restrictions constrain their businesses. Those competing forces must be taken into account.

Another matter the member rightly raised was the concern that local suppliers might be put in jeopardy if trading hours were extended. That is another matter that must be carefully considered. The argument is that if trading hours were extended, there would be a concentration of market power in the larger companies. There is some evidence to support that argument. The Government must size up that matter and determine the facts. If that is the case, it is claimed that the larger retailers will not buy from local suppliers. Although concerns have been

raised on this issue, one must recognise once again that there are contrary arguments. A number of small retailers in Western Australia have contracts with Coles and Woolworths, and produce products that go across the whole of Australia. In fact, Woolworths informed me that Mills and Ware's, a well-known Western Australian company that was taken over by a multinational, has now been reinitiated by a Western Australian-based company as a biscuit manufacturing business using the Mills and Ware's name. That business won Woolworths' supplier of the year award. Instead of just supplying 60 or 70 stores in Western Australia, that company now supplies hundreds of stores across Australia. The risks and opportunities must be balanced. Some small suppliers would be adversely affected by any changes that flowed from a change to retail trading hours. However, we also know that a number of suppliers in Western Australia are expanding and have considered the opportunities of the national market. Those companies will continue to grow.

There are a number of important issues. I thank the member for Joondalup for his strong representation on behalf of businesses in his area. I am sure he will continue to make representations to the Government as we go through this process of determining the most appropriate retail trading hours for Western Australia.

The DEPUTY SPEAKER: Grievances noted.