

Submission to Harper Competition Policy Review

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Further to my oral submission made at the Parmelia Hotel on 16 October, I would like to reiterate that the recommendations of the Review, like deregulation of hours, will substantially affect the operation of small businesses. Whilst I understand that you are trying to de-regulate trading hours across Australia, there are many other issues which need to be resolved in advance of such a change. For example, and in regard to extended hours are wages and penalty rates, electricity, rent free periods, purchasing power of the major retail chains and the allocation of outgoings, particularly.

Retail Trading Hours

Whilst trading hours are a State issue, recommendations by the Panel will likely be adopted by the Federal Government in subsequent discussions with the states on competition bonuses. The Panel's reference to online shopping as a justification for deregulating trading hours is wrong. The main drivers of online shopping are price and choice, NOT the trading hours of local shops. In the grocery sector and after a decade of operation, the proportion of online shopping as a percentage of overall trading is just .0025%. The nature of grocery shopping does not lend itself well to online shopping because it does not offer a greater choice or lower prices. Trading hours deregulation has allowed major players to increase their dominance and buying power, which if allowed to continue is not in the medium or long term interests of the consumers or the grocery sector itself.

Planning

I support the Review's recommendations that State planning systems should take account of competition matters as part of the assessment process for new development. It is my observation that councils need guidelines to know how to do this.

Section 46

I support the addition of an 'effects test'. The current 'purpose test' prevents the application of S24. However, the replacement of what constitutes a breach of S46 from damage to a competitor, to a substantial lessening of competition to the market, unnecessarily complicates what is currently a clear and sensible prohibition. The SLC test in S50 has been very difficult to understand and its vagueness will make S46 just as useless as it is now.