

## The forgotten costs of further deregulation of Retail Trading Hours

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This submission offers the views of churches and other faith groups, community organisations and trade unions. It is based on the stories of hundreds of retail workers who have made submissions to the NSW Take the Time campaign. "Christmas and Easter" here are treated solely as secular holidays that are important to the Australian community and Australian way of life, rather than as religious holidays. But for many Australians, the faith dimension remains an important consideration. For many of other faiths these holidays allow community events.

**The Review Panel's view (from S8.6):** The remaining restrictions create a regulatory impediment to competition by raising barriers to expansion and distorting market signals. Consumer preferences are the best driver of business offerings, including in relation to trading hours.

*Citizens are much more than consumers. They are also not atomistic individuals. Citizens are organised into families, households and other groupings. In a time where families are geographically separated from each other and where broken and blended families are the norm rather than the exception, "coordination costs" for organising family, extended family and community gatherings are already high. Removing the last few public holidays increases these costs, damaging social capital.*

*Retail employees are also citizens and consumers – and just as important as other consumers. When businesses open, employees will inevitably face pressure to work, as well as the fear of retribution in the form of reduced shifts or less flexibility, from their employers.*

*When large retailers open, small businesses are under pressure to open to defend market share. When shopping malls open, small businesses are forced to open by contractual obligation.*

*As a teenager, the Premier of NSW, Mike Baird - a keen advocate of extended retail trading - lost his job in a Chatswood video shop while attending a youth activity in January (relayed during discussion between Mike Baird and Take the Time delegation in Sept 2012). Being privileged, this was no crisis, but for many others paying rent and keeping food on the table is a pressure. The fear of a lost job or income restricts their capacity to make optimal choices about participation in family and community activities.*

**The Review Panel believes competition with the internet disadvantages "bricks and mortar" retailers. They conclude: "This provides strong grounds for abandoning remaining limits on retail trading hours."**

*This argument is deeply flawed. Competition from internet retail is just competition - which this Review is meant to encourage. Bricks and mortar retailers have websites and can offer their goods online just like online only retailers. Their high overheads are the problem – in the Review Panel's own words let these firms "differentiate their offerings to fulfill consumer demands and compete in the face" of online competition.*

*Online only retailers – along with any Bricks and Mortar retailer with a website - can take orders 24/7, but both groups have the same warehousing, supply chain and delivery hours as anybody else.*

*Within the consumer oriented framework of this review, the internet is actually a strong argument for **retaining** limits on retail trading hours as consumers already have the option to order goods 24/7, from both bricks and mortar and online only retailers.*

**The Review Panel dismisses the argument that independent & small retailers will struggle to compete, suggesting they differentiate their offerings to fulfill consumer demands and compete in the face of deregulated trading.**

*Smaller retailers will be forced to open to defend market share & in malls by contractual obligation. The marginal utility of opening for an extra day - when most states already have 360.5 or more days of retail - is likely to be significantly lower than the marginal utility of having a day off with family and friends on a traditional occasion.*

**The Panel also notes that, where restrictions apply to a particular sector or type of business, this can result in consumers having less flexibility and choice.**

*As Gordon Menzies of UTS argues in his submission, retail trading hours are already substantially deregulated. If there are any benefits at the margin of an extra hour of consumer shopping time, it is likely that this is more than offset by removal of an hour of scarce family and community time.*

**Other:** Retail is a large employer, so deregulation impacts many people, their families & beyond. Consumers choose to shop – but many change preferences when made aware of the cost to workers. Christmas and Boxing Day especially are the only consecutive public holidays. The day off allows safe travel for family reunions.