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ISSUES FOR GOVERNMENTS

In 1995 all governments agreed to work together in a co-ordinated manner towards introducing greater competition into our economy where it benefited the overall community.

Specifically, governments agreed to focus on reviewing laws and regulations to make sure they don't unduly restrict markets. The reviews of shop trading hours are an opportunity for governments to determine if past practices are continuing to meet community needs.

The key question for all governments when reviewing shop trading hours is whether the benefits of removing restrictions on trading hours are greater than the associated costs, for the community as whole. Governments must show there is a benefit overall - to businesses, their employees, consumers and employment - if they decide to retain restrictions.



SHOP TRADING HOURS

In Bendigo, a non-compulsory referendum was called after a group called 'Save our Sundays' expressed opposition to Sunday trading, and in the ACT surveys were conducted after restrictions were reintroduced. In both cases, there was strong community support for extended trading hours. Sunday trading continued in Bendigo and the restrictions were lifted in the ACT.

The Shire of Yalgoo (WA) told the Productivity Commission Inquiry into the Impact of Competition Policy Reforms on Rural and Regional Australia that restrictions on trading hours in WA worked against the interests of people from remote communities who make infrequent visits to the city. They argued that the restrictions limit the amount of business that can be undertaken in a day and often necessitate an overnight stay.



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SETTING THE SCENE

Historically, state governments have had laws restricting shop trading hours for a number of reasons, including observance of the Sabbath, protection of small businesses and to reduce the need for shop employees to work outside traditional working hours.

Shop trading hours vary dramatically across Australia. Whilst in some states and territories shop trading hours are virtually unrestricted, in others there are various arrangements including designated days for late night shopping during the week and restrictions on Sunday trading (see insert).

Often the restrictions are less for central city and tourist precincts compared to suburban and rural areas.

State laws supporting these restrictions also differentiate between businesses on the basis of size, location or the product sold. Mostly, small local shops, like the corner shop store, and small to medium independent retailers are exempt from trading hours restrictions, while larger stores are prevented from trading at certain times. However, the current restrictions have led to a range of anomalies.

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SHOP TRADING HOURS ARE CHANGING

Over time, shop trading hours have changed. The range of shops that are exempt from restrictions has been widened and the hours of operation extended. In particular Victoria, NT and the ACT have very few restrictions on when shops can trade whilst Queensland, South Australia, Tasmania and Western Australia still have significant restrictions.

Pressure to change laws that restrict trading hours has arisen from a range of sources, from retail business people to consumer groups. A main driver of change is changing social and work patterns, such as an increasing number of dual income households, more flexible and longer work hours and an increase in single parent households. These changes are influencing how and when people like to shop.

New South Wales	Monday to Saturday trading hours unrestricted with some restrictions on Sunday trading.
Victoria	Monday to Sunday trading hours unrestricted.
Queensland	Monday to Saturday trading hours restricted, and Sunday trading prohibited outside major towns and tourist precincts.
Western Australia	Monday to Saturday trading hours restricted, and Sunday trading prohibited outside tourist precincts. No restrictions above the 26th parallel.
South Australia	Monday to Saturday trading hours restricted, and Sunday trading prohibited outside Adelaide CBD.
Tasmania	Monday to Saturday trading hours restricted, and Sunday trading prohibited for shops employing more than 250 people.
ACT	Monday to Sunday trading hours unrestricted.
Northern Territory	Monday to Sunday trading hours unrestricted.

THE COSTS AND BENEFITS OF CHANGING TRADING HOURS

Competition policy requires that laws that restrict retail trading hours reflect what is best for the community as a whole, not just a particular group.

In reaching a conclusion about what is best for the community, there are several matters to consider. These include:

- the cost or disadvantage to consumers of restricted access to retailers compared to the benefits of less restricted access for consumers;
- the extent to which restrictions provide an artificial advantage to some retailers merely on the basis of ownership, size, or location; for example a city business as opposed to a suburban business;
- employment consequences, for example, less restrictions may bring perceived benefits – such as increasing employment opportunities for those seeking casual or weekend jobs – as well as perceived costs – such as a reduction in the number of full-time jobs or those jobs confined to traditional working hours; and
- the effect on small businesses and sole traders, particularly in balancing work and family commitments.

In Tasmania, an independently owned store with less than 250 employees is free from trading hours restrictions. However, if the same store with the same number of employees, selling the same goods were part of a chain, which had more than 250 employees, that individual store would be restricted as to when it could trade.

In Western Australia, a store located in the Perth CBD, or a tourist area like Fremantle, can open for part of the day on Sunday. However, if the same store were outside these zones, it would not be permitted to trade on a Sunday at all. However if it were north of the 26th parallel, it could open whenever it wanted.

In South Australia, antiques can be sold outside general trading hours, but the sale of other collectibles, notably coins and stamps, are subject to the restrictions.



Consumers and consumer groups often advocate the benefits of less restrictive trading hours through improvements in choice. Consumer choice is based on a range of factors including convenience, price, quality, service, range and atmosphere. Flexible shopping hours allows consumers to choose according to their individual needs and tastes. In cases where the community has had the opportunity to express its views directly, there is clear evidence that consumers value this choice.

Smaller retailers sometimes argue that extended trading hours favour larger retailers and can lead to significant hardship for small and sole trader businesses. In particular, smaller retailers are concerned that increased competition is detrimental to family life and their ability to enjoy leave and working hours available to the majority of the work force.

Small retailers face pressures from a range of factors - not just the possibility of unrestricted shopping hours. In addition to larger retailers, competitive pressures also arise from other small businesses and e-commerce. In these circumstances, there is a question as to whether restricting the hours that larger stores can open will offer much protection.

Extending retail trading hours does not mean that all stores will have to open 24 hours a day, seven days a week. Rather, retailers can choose to open when they wish without fear of breaking the law.

In addition some are concerned that restrictions would lead to job losses, particularly in the small business sector, and a replacement of permanent full time employment with casual, part time jobs.

While there have been changes in part time and casual employment in retailing, these trends have been emerging for some time and have occurred in all states and territories, not just those with unrestricted trading hours.

Available data tend not to suggest that fewer restrictions on trade will necessarily reduce employment. For example, retail employment in Victoria grew by 6 900 people, from 314 800 in February 1997 to 321 700 in February 1998, covering the period following the removal of restrictions. This trend has continued and as at February 2000, employment in the industry had risen to 339 700. (ABS Cat no. 6202.02)

Furthermore, an inquiry by the Productivity Commission concluded that overall retail trade and employment has increased in those states and territories that have unrestricted shop trading hours. (Productivity Commission, Inquiry Report No.8, Impact of Competition Policy Reforms on Rural and Regional Australia).

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