



## Shop Hours Force Small Business Into Crisis

Friday, 31 October 2003

Revelations by Tasmanian Independent Retailers that they know of more than 30 small businesses forced to close because of trading hours deregulation is an indictment on the Tasmanian Government, Senator Guy Barnett said today.

Senator Barnett challenged Premier Jim Bacon to explain to the owners of IGA Friendly Grocer at Deloraine, which is closing today, why the Government's financial assistance for retail giants like Woolworths is helping to force small grocers like IGA out of business.

"I challenge Mr Bacon to eyeball IGA owner Mary Gleeson at Deloraine and explain what he is doing for her future and the future of her five employees after today, given that he has helped Woolworths with a \$1.4 million tax break, all in the name of "restructuring" after deregulated trading hours," Senator Barnett said.

Senator Barnett has written to the ACCC and Federal Treasurer Peter Costello asking them to assess whether the State Government has breached National Competition Policy by treating Woolworths to a \$1.4 tax holiday.

"It constitutes an unfair competitive advantage for Woolworths and to my mind breaches the spirit if not the law of National Competition Policy – so much for the State receiving \$18.2 million in National Competition Payments, because if anything retail competition is dying in Tasmania," Senator Barnett said.

He reiterated his call on the State Government to make a portion of the \$18.2 million available to small businesses as restructuring assistance.

He said Tasmanian small businesses are being forced to either lay off staff or close as a direct result of last December's shop trading hours deregulation.

"I keep hearing from small businesses who are going broke as a direct result of deregulation. The rest of the community needs to know about the down side to deregulation and extended trading hours," Senator Barnett said.

Senator Barnett said he predicted 18 months ago that trading hours deregulation would force many small stores to close, and sadly this is precisely what is happening.

In December 2001 the State Government deregulated shop trading hours in the name of National Competition Policy, while promising that small business would not suffer. In return for creating a so-called competitive environment the State Government receives national competition payments from the Australian Government, worth \$18.2 million a year.

Senator Barnett said small business in the State, which makes up 50.5 per cent of Tasmania's private sector workforce - the highest rate in Australia - was under attack from big market forces like never before, and needed the State Government to ensure there is a level playing field.

"Small businesses needs structural adjustment assistance to help it cope with deregulation, and as an employer of half the Tasmanian private sector workforce the small business sector deserves such consideration," Senator Barnett said.