



Council of **Small Business**
of Australia

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Submission to

Select Committee on A.C.T. Supermarket Competition Policy

The Council of Small Business of Australia (COSBOA) wishes to make a submission to the Select Committee on A.C.T. Supermarket Competition Policy. COSBOA has been in existence since 1977 and represents people who earn a living from their own small business and who often employ other people.

Small business people are not only the backbone of the Australian economy but they also provide a capacity to manage change and provide a difference to consumers and industry.

Small business people are the ones who make communities different from other communities. They are the ones that provide opportunity to local artists, musicians, writers and young people to display their products, test their talents and entertain their friends. Big business more often than not inhibit talent, small businesses more often than not promote innovation and creativity.

It is our belief that the ACT Supermarket Competition Policy needs to be considered in tandem with urban planning. This will stop the control of retail and retail space by large businesses.

The current control of retail by several large out of town landlords is inhibiting the retail experience for consumers and discriminates against local small business people and local landlords. The current urban planning process does not take into account the effect on shopping experiences of the partnership between large supermarket owners and large shopping centre developers and owners.

The large shopping centre owners work in partnership with Coles and Woolworths to create a monopoly on shopping in town centres and in regional centres. The large centre owners offer low rental rates to the large retailers to help attract consumers, they then charge much higher rentals to small business people who do not have the same negotiating ability. They also ensure that the only place that a consumer can park or travel to is their shopping centre. As a result smaller shops outside the shopping centre close and the choice for consumers decreases and eventually prices go up.

This is not a situation unique to the ACT as many urban centres around Australia have been affected by this partnership and as a result many retailers outside shopping centres have been forced to close.

The reason they have closed is not due to their lack of skills of the small retailer or their inability to change and deal with changes in consumer tastes. It is due in the main to the lack of opportunity for consumers to get to the shops outside the large shopping centres.

This occurs as local councils close car parks, rearrange bus routes and bus stops and realign streets to meet the need of the shopping centre.

In the end the consumer ends up with a lesser shopping experience and it has been shown that eventually prices go up as competition declines.

In Canberra this situation has occurred in all the major centres and as a result the quirky shops have closed.

The experience in shopping centres is less due to the policies they have that are developed with the general consumer in mind, rather than for niche markets. As a result we see the same colours, hear the same music and see the same goods. It is very predictable. Shops run by owners with attitude or with different ways of selling and marketing will not be permitted in a shopping centre for fear of offending the majority.

There are some examples of the large shopping centres not being part of the Canberra community and forcing their ways and thoughts onto Canberra citizens. These include:

Some years ago the managers of the Canberra Centre forced school students to remove three works of art from a Year 12 art display as the paintings depicted naked women. Thus we had Queensland morals and ethical standards imposed upon the Canberra community.

The organisation that runs the "Big Issue Magazine" were forced to find a new pick up point for its sellers as the Canberra Centre management had banned their best seller from entering the centre. This shows a lack of support for community and that people who do not fit their mould are not allowed to enter their building.

One way of resolving this issue is to have "Business Impact Statements" completed by any person or company that wants to complete a new large development. The ACT Government, to its credit, was the first that we are aware of to ask for such an impact statement. At the time this was announced we congratulated the government and we looked forward to the first example of an impact statement. This occurred earlier this year when the Queensland Investment Corporation (QIC) completed a business impact statement as part of their request for approval to extend the Canberra Centre. The response from QIC was a statement that involved no consultation with consumers or businesses and was not an independent study. It was more of a marketing document. We consider it to be insulting to the small business community and it showed no respect to the ACT government. We suggest that there should be a request for a bone fide impact statement completed and this should be completed independently and that the government run the tender process for the consultants to complete the study. The QIC, in this case, would pay all associated costs.

If an impact statement shows that businesses would close then the developed would be asked to compensate those businesses for their loss before they could proceed.

The other way is to ensure that strip shopping can survive is by creating car parking that is easily accessible for people who prefer strip shopping.

In the end the policies of the ACT are good policies except that they need to be considered together rather than separately.

Please contact Peter Strong on 0433 644 097 for further information.