

SMALL BUSINESS — TRADING

358. Hon LYNN MacLAREN to the Minister for Small Business:

- (1) What has been the impact of the global financial crisis on small businesses in Western Australia in terms of closures and profits?
- (2) How is Sunday trading projected to impact on small businesses with particular reference to increased competition from large businesses?
- (3) Will the minister please provide details of —
 - (a) the number and type of inquiries directed to the Small Business Commissioner since his appointment in December 2011; and
 - (b) disputes mediated by the Small Business Commissioner with details of the outcome of each mediation?
- (4) In relation to unrestricted trading hours in special precincts, is there evidence in the track record of the Small Business Commissioner to date that his office will be effective in protecting small businesses that do not wish to open on Sundays?

The PRESIDENT: That is a very detailed question.

Hon SIMON O'BRIEN replied:

It is all right, Mr President; I have a very detailed answer! I thank the honourable member for notice of the question.

- (1) It is difficult to answer this question with certainty. There is no doubt that, anecdotally, some small businesses in Western Australia have been negatively impacted by the global financial crisis in terms of business closures and profits, but other small businesses have grown or moved into new markets. It is also misleading to rely on and draw conclusions from reports and statistics about business closures, such as the Australian Bureau of Statistics data on counts of Australian businesses, including entries and exits. When the Australian Bureau of Statistics refers to business exits, this does not necessarily mean business failures; there may be a number of other reasons why a business event has occurred, including events relating to selling a business, for example, due to an owner or operator retiring, changes to the structure of a business due, for example, to a merger or takeover activities et cetera. Such events may result in one or more business exit events occurring and, in some cases, no net loss of businesses.
- (2) The Liberal–National government has introduced legislation to allow Sunday trading for all shops in the Perth metropolitan area. This will correct present market distortions between those general retail shops located near to but outside special trading precincts and those within precinct boundaries and produce a fairer and more equitable market place for both traders and consumers. I look forward to the legislation passing through this house and giving the people of Western Australia the choice they deserve.
- (3) The Western Australian Small Business Commissioner commenced on 17 January and the alternative dispute resolution service, which is overseen by the Small Business Commissioner, commenced on 26 March. The ADR service is a phased approach with the initial phase involving the provision of information and advice to enable the parties to resolve the dispute themselves. If required, an inquiry is escalated to a case manager within the Office of the Small Business Commissioner, who will investigate the issues and use a variety of methods, including guided resolution and formal mediation to assist with the resolution of the dispute. Between 26 March and 8 June more than 700 dispute-related inquiries have been received by the Small Business Commissioner.

I refer the member to an answer I provided yesterday to a question on a similar matter asked by Hon Kate Doust. The types of disputes presented include non-payment for services or goods, market rent review, alleged misrepresentation, overpayment of outgoings, repairs and maintenance, alleged faulty disclosure statements, local government planning. Fifty-one inquiries have been escalated to a case manager with the following results: 14 resolved, seven in an advanced stage nearing resolution, 16 in an early stage or ongoing, 14 closed for a variety of reasons.
- (4) Protections are already in place under the Commercial Tenancy (Retail Shops) Agreements Act 1985 and the Retail Trading Hours Act 1987 to prohibit landlords from forcing retail shop tenants to open at specified times.