



THE MCKELL INSTITUTE

# High Risk, Low Reward

THE CHALLENGES *of* DEREGULATING  
SOUTH AUSTRALIA'S RETAIL  
TRADING HOURS

MARCH 2018

# ABOUT THE MCKELL INSTITUTE

The McKell Institute is an independent, not-for-profit, public policy institute dedicated to developing practical policy ideas and contributing to public debate.

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## EXECUTIVE SUMMARY

As South Australia enters a state election period, the oft-discussed issue of retail trading hours deregulation has once again emerged as a central issue in the state. The state opposition have argued for the further deregulation of retail trading hours, with the incumbent state government arguing that the status quo should remain in place.

For a generation, debate has raged over whether or not South Australia should radically change its regulations around trading hours. Currently, major retailers with floor space above 400 square metres are prohibited from trading after 5pm on Saturdays and Sundays and all day on Public Holidays. This legislation has existed primarily to offer smaller, independent, South Australian-owned retailers to compete with the two major supermarket chains that dominate the Australian (and South Australian) market – Coles and Woolworths.

For independent retailers, greater flexibility regarding trading hours has long been permitted. This has enabled South Australian run businesses not to incur the cost of competition over longer hours. In a small state such as South Australia, there is a real risk that profits made by larger organisations headquartered outside of the state will be transferred out of South Australia's local economy and into other economies.

This report explores the impact that trading hours deregulation may have in South Australia if the opposition is victorious in the March 2018 state election, and implement their proposals.

It first explores the proposals put forward by the opposition, and extrapolates the argument for and against the proposed changes. It identifies that the proposed changes will disproportionately benefit major national retail chains at the expense of locally owned retailers and their employees.

This report recommends that the existing trading hours in South Australia should be retained to provide competition in the South Australian economy, to ensure that small, independent businesses within the state are not put out of business, and that more money and jobs are retained within the South Australian economy.







## PART ONE: AN OVERVIEW OF SA'S TRADING HOURS & PROPOSALS FOR CHANGE

Debate over the trading hours of South Australian retail outlets has been front and centre of community and political debates in the state for decades. Currently, the hours in which shops are open are dependent on the size of the business, its location and what it sells.

### Trading hours today

Almost all small businesses are 'exempt' from South Australia's trading hour regulations, and permitted to trade with very few limitations across the state. While small businesses tend to be closed on key public holidays, such as Christmas Day, Good Friday or ANZAC Day, there are few restrictions on when smaller retailers and other businesses can trade within the state.

### South Australia's shopping districts

South Australia is divided into three distinct shopping precincts that lie under the umbrella of the Greater Adelaide Shopping District: The Central Business District (CBD) and Tourist Precinct, The Metropolitan Shopping District, and The Glenelg Tourist Precinct. The CBD and Tourist Precinct cover exclusively Adelaide city, with the Metropolitan Shopping District expanding the breadth of Adelaide's suburban area, and the Glenelg Tourist Precinct covering a small area near Glenelg beach. There are also three Proclaimed Shopping Districts that cover regional areas in Binnun, Grace and Millicent.



### Exempt versus non-exempt

Retail outlets in South Australia are either exempt or non-exempt from regulations governing trading hours. A 'vast majority' of South Australian retail outlets are exempt, which allows most South Australian businesses to trade as they see fit, including on public holidays.

A SHOP IS EXEMPT IF THEY MEET ANY OF THE FOLLOWING CRITERIA AS OUTLINED BY SAFE WORK SA:<sup>1</sup>

- **It is not located in the Greater Adelaide Shopping District (GASD)**
- **It is located in the GASD, but:**
  - ▶ has less than 200m<sup>2</sup> of retail floor area, or
  - ▶ is a grocery store with less than 400m<sup>2</sup> of retail floor area, and
  - ▶ has an adjacent or adjoining storage area no bigger than half the shop's retail floor area
- **It is a shop of the following types regardless of size:**
  - ▶ cafes, restaurants and take-away food
  - ▶ service stations, licensed under Section 17 of the Act, selling a range of goods common to service stations which could include goods generally stocked by convenience stores
  - ▶ hairdressers
  - ▶ ten pin bowling alleys, squash centres and golf courses
  - ▶ antiques (other than coins or stamps)
  - ▶ live fish and aquariums etc.
  - ▶ paintings and crafts
  - ▶ bookshops and newsagents
  - ▶ pharmacies
  - ▶ cosmetics
  - ▶ medical and surgical appliances

- ▶ florists
- ▶ non-alcoholic drinks, ice-cream, confectionery or light refreshments
- ▶ pets and accessories
- ▶ plant nurseries
- ▶ souvenirs
- ▶ tobacconists
- ▶ cash-and-carry wholesale warehouses
- ▶ horticultural or agricultural shows
- ▶ short-term charitable, religious or benevolent sponsored
- ▶ agricultural machinery
- ▶ fine art, either by auction or on commission
- ▶ caravans and/or trailers
- ▶ hire rather than sale of goods (e.g. video hire, machinery hire etc.).<sup>2</sup>

For a clear majority of SA businesses, trading hour regulations governed by the *South Australian Trading Hours Act 1977* simply do not affect their operating hours. Those that are affected tend to be only major grocery chains – businesses with retail floor space of above 200 square meters, grocery stores with floor space above 400 square meters – as well as major department-type stores.

### The proposed changes

The changes proposed by South Australia's Opposition would represent a dramatic and unprecedented shift in the state's trading laws. The proposal would allow all businesses, irrespective of size, to trade between 00:00 and 21:00 seven days a week, with the only exceptions being Christmas Day, Good Friday, and ANZAC Day morning. The proposed reform as outlined in the Opposition's policy proposal would allow:

1. "Greater Adelaide Shopping District (CBD and suburbs) open Monday-Saturday – midnight to 9:00pm
2. Greater Adelaide Shopping District and CBD open Sunday and Public Holidays (except Christmas Day, Good Friday, Anzac Day morning) – midnight to 9:00pm
3. Proclaimed Shopping Districts open Monday-Saturday – midnight to 9:00pm
4. Proclaimed Shopping Districts open Sunday and Public Holidays (except Christmas Day, Good Friday, Anzac Day morning) – midnight to 9:00pm".<sup>3</sup>







# PART TWO: HOW REGULATED TRADING HOURS HELP SOUTH AUSTRALIA'S ECONOMY

## South Australia's retail landscape

South Australia's trading hour regulations affect a minority of businesses

South Australia's trading hour restrictions apply to a minority of South Australia's retail outlets.

The stores that are affected are only larger grocery stores and retailers with more than 400m<sup>2</sup> and retail stores with over 200m<sup>2</sup> of floor space. In the shopping districts where these larger stores are non-exempt from the restrictions, small independent retailers fulfill the demand of the consumers as the results from the survey in Part 4 illustrate.

## Retail in South Australia is performing well

South Australia maintains a strong retail sector. The 2016 Census demonstrated that around 90,000 South Australians – or 10.7 per cent of the state labour force – were employed in the sector, with only the health services industry playing a more sizeable role in providing employment to South Australians.<sup>4</sup> The 90,000 South Australians who are employed across the retail industry include those in grocery retail (around 85 per cent) as well as those in other forms of retailing. Retail in South Australia currently contributes 5.8 per cent to the state's economy overall, running higher than the national average of 5.2 per cent.

Compared to other economies within Australia, the South Australian economy is a relatively small market. But, unlike other jurisdictions in Australia, South Australia has managed to successfully resist the duopolisation of the supermarket sector to the extent that is occurring elsewhere in Australia.



FIGURE 1  
Percentage share of the economy comparing South Australia and the nation

PERCENTAGE SHARE OF THE ECONOMY			
INDUSTRY	SA	AUSTRALIA	DIFFERENCE
Health care and social assistance	10.4	7.6	2.8
Manufacturing	8.7	7.3	1.4
Financial and insurance services	8.6	10.1	-1.5
Construction	7.2	9.1	-1.9
Public administration and safety	7.2	6.1	1.1
Education and training	5.9	5.5	0.4
Agriculture, forestry and fishing	5.8	2.6	3.2
<b>Retail Trade</b>	<b>5.8</b>	<b>5.2</b>	<b>0.6</b>
Transport, postal and warehousing	5.8	5.4	0.4
Professional, scientific and technical services	5.5	7	-1.5
Wholesale trade	5.4	4.8	0.6
Mining	4.8	10.2	-5.4
Electricity, gas, water and waste services	4.2	3.2	1
Administration and support services	3.2	3.1	0.1
Accommodation and food services	2.7	2.8	-0.1
Information media and telecommunications	2.7	3.4	-0.7
Rental, hiring and real estate services	2.6	3.3	-0.7
Other services	2.6	2.2	0.4
Arts and recreation services	1	0.9	0.1

Source: Australian Bureau of Statistics

As seen in the table above, the Retail Sector in South Australia makes up for a larger portion of the whole economy in comparison to the rest of the country. This indicates that the retail industry continues to be significant in its impact

on the South Australian economy as employment in this industry is above the national average and proponents of de-regulation have not demonstrated evidence that deregulation would lead to even further employment in this sector.

### Size matters: Deregulation in small jurisdictions has been more consequential than in large jurisdictions

South Australia is Australia's fifth smallest jurisdiction in terms of economic output and population.

For individuals who feel connections to particular public holidays and who value the leisure time to spend it with friends and family, deregulating trading hours on a public holiday may reduce these opportunities and worsen the work-life balance leading to lowered consumer surpluses and employee welfare as the results from our polling show in Section 4.

In a previous report by the McKell Institute on the Economic Impact of deregulating Boxing Day Trading in NSW,<sup>5</sup> it shows that, even though since December 2015 businesses in New South Wales were permitted to trade on Boxing Day without restrictions, there was no dramatic uplift in retail spending in 2015 and 2016 – two years since the deregulation. Additionally, the analysis proved that total expenditure in fact grew at a slower rate than the previous years in NSW.

In another report by the McKell Institute on the argument for the deregulation of trading hours in Queensland,<sup>6</sup> the report calls for the protection of trading hour restrictions in order to maintain community leisure times and other benefits to the economy. The report referred to academic studies conducted in the 1990s which found that deregulation is likely to have little to no impact on lowering prices and could in fact lead to higher prices for consumers if shops experience an increase in operating costs due to longer operating hours.

This is an argument for the protection of current restrictions on trading hours in South Australia, as unless large firms benefit from economies of scale in extending their trading hours, their costs will rise and this will translate in to higher prices for consumers who previously shopped at smaller stores after-hours. Care must be taken

in making sure that the deregulation provides optimum results to consumers and the broader economy.

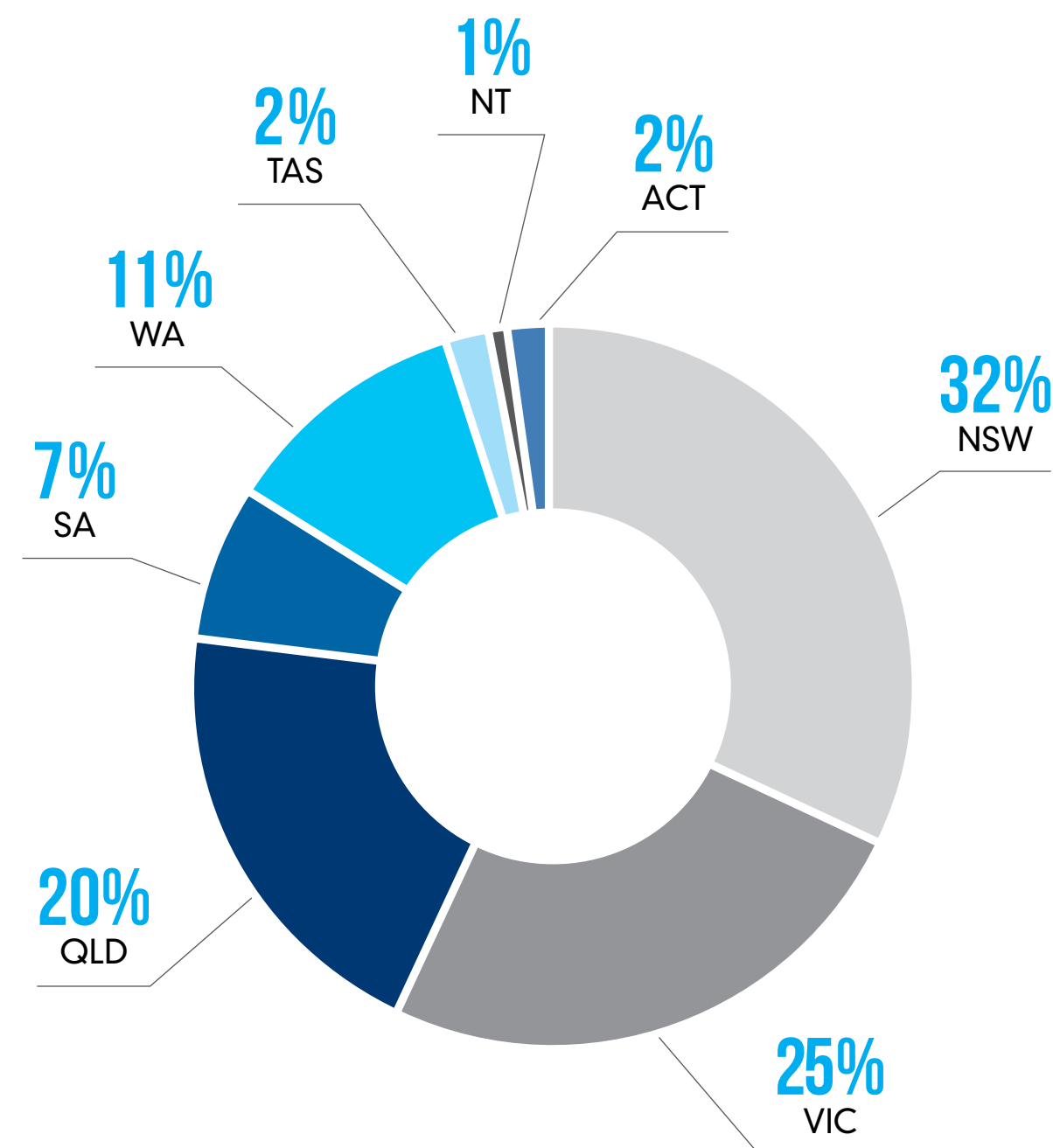
Additionally, proponents of deregulation claim that South Australian consumers shop online due to the restricted trading hours at present. However, the December 2017 NAB Online Retail Sales Index<sup>7</sup> shows that compared to the rest of the nation, South Australia, along with Tasmania, Queensland and Victoria spent less on online shopping per person relative to the national average. Therefore, it is evident, that the spending patterns of South Australian consumers are not dramatically affected by restrictions in trading hours.

The Reserve Bank of Australia in its research, notes that it is more feasible for small businesses to operate in smaller jurisdictions like South Australia due to the reduced opportunities for economies of scale that occur if large businesses and retail chains extend their trading hours.<sup>8</sup>

Data from the ABS 2017 shows that household consumption in South Australia has been steadily increasing for the past few years and has been increasing by small movements every quarter.<sup>9</sup> This is the likely trend that is expected even if trading hours are deregulated. We recognise that there is a need for harmonising the trading hour exemptions so that consumers are certain about what services they can access on weekends.

However, this has not deterred the South Australian retail market. When the population of South Australia is compared to the rest of the states, it has the fourth highest population after NSW, VIC and QLD<sup>10</sup> and relative to this, its retail turnover is proportional and not unusually low as ABS data shows.<sup>11</sup>

**FIGURE 2**  
**Retail turnover in states of Australia**



Source: Australian Bureau of Statistics

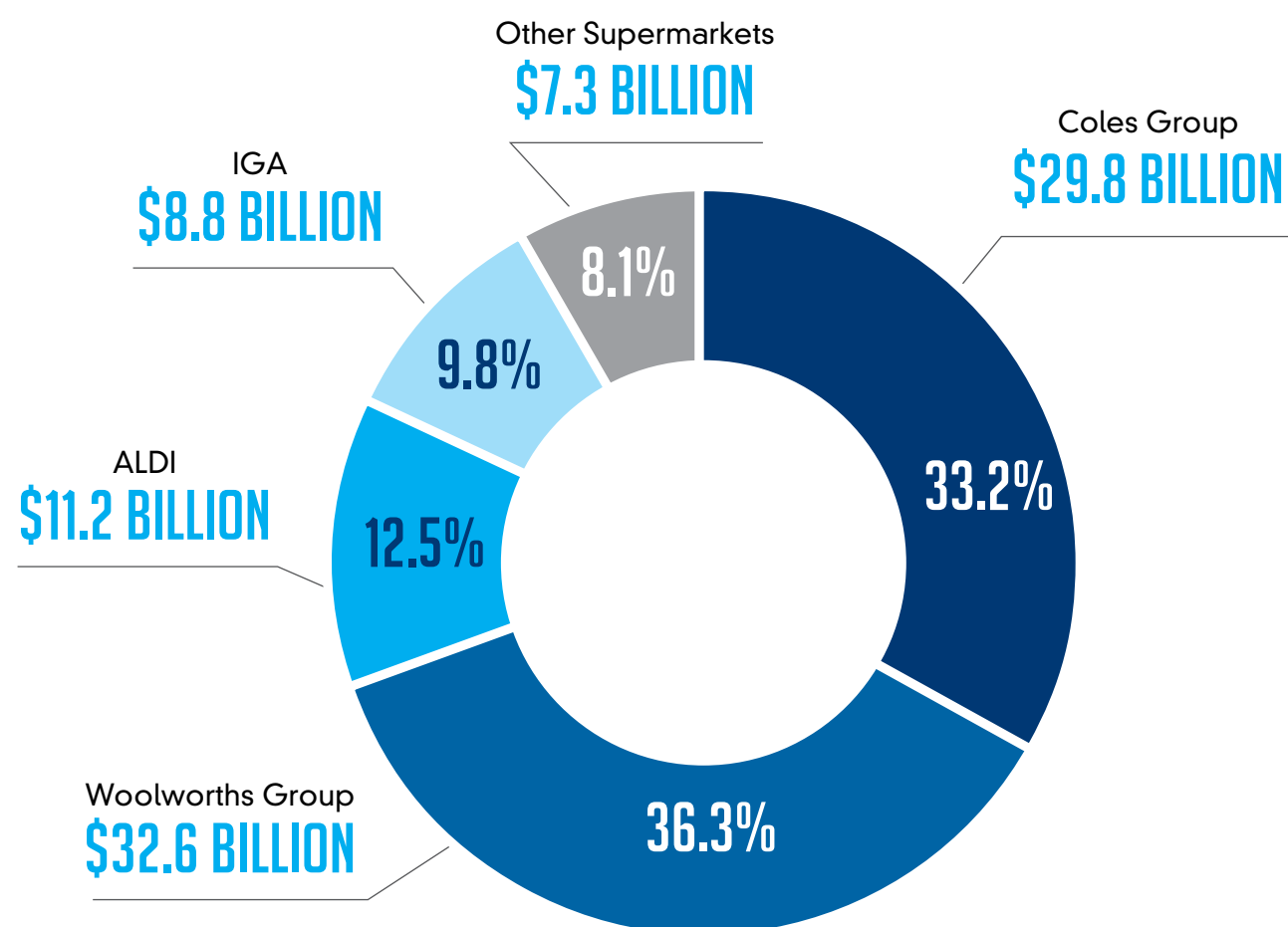


The deregulation of trading hours would allow large supermarkets like Coles and Woolworths to operate for longer hours which will cause market share held by small independent retailers to shift towards these large supermarkets. The income generated from this increased market share will most likely leave the South Australian local economy to the head offices of these retail chains which are usually located in New South Wales and Victoria thus rendering no benefit to the local economy. Additionally, local suppliers and producers who are usually supported by independent stores will suffer from increased market share to supermarkets and thus this will create adverse impacts on employees of these

local businesses and reduce social welfare, i.e. the quality of life of these workers.

Independent supermarkets in South Australia currently hold 32% of market share which is a significant proportion in the market; this could change if larger supermarkets expand their reach in the Adelaide Metropolitan Area. In comparison, in Australia, as a nation, the market share of independent retailers for 2016 was only 8.1% as shown in the graph below.<sup>12</sup> It is evident that independent supermarkets in South Australia hold a large proportion of the market in comparison to the rest of the nation. This would change if shopping hours are deregulated.

**FIGURE 3**  
The market share of retail stores in Australia in 2016



To the extent that transfers of expenditure account for any increase in spending in the Adelaide Metropolitan Area on public holidays, it is not likely that there would be any net benefits to economic activity, with any benefits only evident through consumer welfare. If expenditure is shifted from other forms of consumption the impact on economic activity is ambiguous depending on the characteristics of the sector(s) from which expenditure shifts (e.g., benefit transfer from suburban retailers to CBD retailers). Only increased expenditure by tourists unambiguously increases economic activity in South Australia due to the deregulation.<sup>13</sup>

Overseas research on the economic effects of extending shop hours<sup>14</sup> show that employment goes up only slightly due to an increase in

threshold labour – more casual hires etc. The author states that the true impact of such a deregulation will depend significantly on the average number of additional hours as a consequence of deregulation.

Large scale firms will benefit more to the detriment of smaller retailers if trading hours are deregulated.

Further, a report by the Productivity Commission details the inconclusive evidence for increased employment and economic benefits due to deregulation in Australia.<sup>15</sup> In comparison to the effects overseas, the empirical research conducted in Australia does not support the view that employment and social welfare will rise significantly due to deregulation.



## PART THREE: THE ECONOMIC CONSEQUENCES OF DEREGULATING TRADING HOURS

A key challenge with the deregulation of South Australia's existing trading hours is ensuring the pursuit of liberalised trading laws does not undermine small and local businesses, who many argue are the entities that find some protection under existing laws. Traditionally, campaigns supporting the deregulation of trading hours in all Australian jurisdictions have been spearheaded by the major supermarket chains, with resistance traditionally coming from smaller, independent retailers.

### Consolidating the supermarket duopoly

In South Australia, out of 90,000 retail sector employees, approximately 15,000 are employed by independent stores. On the other hand, Coles and Woolworths both employ approximately between 6500-7000 workers each in their stores across South Australia.<sup>16</sup> These two retail chains hold the majority of market share in South Australia but only use approximately 8-9% of their sales revenue on wages while independent retailers expend close to 12% of their sales revenue on wages and employment related expenses.<sup>17</sup>

### Mission creep: deregulating trading hours could threaten non-grocer independent retailers

Australia's two major supermarkets not only control a majority of the grocery retail market in Australia, but have also expanded to be dominant players in other industries. Most notably, both

Coles and Woolworths are major players in the liquor retail, petrol retail, discount-clothing and home-ware retail sectors. In effect, the demonstrable business model of these two major supermarket chains in Australia has been to expand and dominate through the 'every day needs' markets. The consolidation of more market share under this dominant duopoly in a South Australian context would be undesirable considering the significant portion of the state's retail trade sector that is owned and operated by independent, locally owned operators.

Economic theory suggests that when markets are controlled by oligopolies – (two or more large firms dominate the market and the actions of one firm can significantly affect and influence the actions of the other firm), the consumers are faced with less competition and thus maybe subjected to high prices and reduced choices by the large firms and an overall reduction in consumer welfare.

With this proposed new change in regulation, small independent firms may be forced out of

the market as now, the large firms will remain open for trading at longer hours. Therefore, the net impact on consumers may not be completely positive due to the reduction in competition from smaller firms leaving the market.

For the major supermarkets, the deregulation of trading hours in South Australia would remove regulations that currently make it challenging for them to broaden their remit to begin selling products that haven't traditionally been part of their business. The major supermarkets are increasingly entering into fast-food type markets, offering take-away food such as hot chickens, pizza, and other ready-to-eat meals. Existing trading hours grants small businesses in Adelaide, such as local chicken and pizza shops, or other independent take away food operators, a competitive advantage on weekends. Existing regulations prohibit large major retailers from operating after 5PM on Saturday and Sunday nights, permitting local, independently run and operated stores to provide services during these hours. Were major retailers allowed to open on these nights, many small, independent food-retailers would simply not be able to compete.

### Regulations facilitate competition, improve consumer outcomes and keep money in SA

Australia's grocery retail sector is among the most uncompetitive in the world.<sup>18</sup> Poor policy choices by successive Australian governments at both state and federal levels have facilitated an environment in which two major supermarkets control 68.9 per cent of all Australian spending in grocery retail.<sup>19</sup> When including Aldi, a relatively new player on the grocery market in Australia, this total market share by major supermarket chains equates to 82.1 per cent of total market share, leaving less than 18 per cent of Australia's grocery market for independent retailers. In contrast, South Australia is the state with the highest grocery market share for independent retailers, at 32 per cent<sup>20</sup> – or 14 per cent higher than the national total.

The high market share in South Australia for independent retailers provides significant benefits for the local economy. Firstly, it allows for true consumer choice. Proponents of deregulating trading hours argue that consumers will be the ultimate beneficiaries of such change, but the reality is that smaller, independent, South Australian owned supermarkets and other retailers do operate outside of the trading hours that restrict the opening of major, large supermarket chains. This provides consumers with greater choice in the long run. With more operators in the grocery retail market, true competition is facilitated, granting South Australians more choice, and putting downward pressure on prices for local consumers.

Enacting a policy setting that facilitates a duopoly in a market that every South Australian engages in, risks increasing cost of living pressures in a state with a population already challenged by lower incomes and higher unemployment than other Australian jurisdictions. Secondly, the high percentage of locally owned retailers allows more money to remain within the South Australian economy itself. The







two major Australian supermarket chains of Woolworths and Coles are not headquartered within South Australia, and the profits from their South Australian operations are accordingly used both within and outside the state. ALDI, the third major grocery retailer with 13.2 per cent of market share,<sup>21</sup> are a company headquartered outside of Australia. In contrast, independently run and owned grocers in South Australia tend to retain their capital within the state. This means less consumer dollars being transferred out of the state, and more retention within.

### **There is no strong evidence that deregulation will correspond with an above-trend increase in employment**

Arguments in favour of deregulating South Australia's trading hours tend to be centered around employment. The Leader of the Opposition, for example, has argued that the deregulation of trading hours will create 'more opportunities for South Australians [and] that local businesses will be able to employ more staff and create more jobs'.<sup>22</sup> While it is admirable to be searching for public policy responses to improve the rate of employment in South Australia, proponents of trading hour deregulation have failed to identify specifically how many job opportunities will be created, and where they will be created, in South Australia. Evident in proposals for change is a lack of concern about the welfare of those already employed in the retail sector – some 10 per cent of South Australian workers – and particularly those who are employed in independent retailers – at least 15,000 South Australians. In fact, the report by the Productivity Commission reports that following deregulation in New South Wales and Victoria, there was no significant evidence of increased economic benefits or positive impact.<sup>23</sup>

### **A nail in the coffin for the local store**

Deregulating the existing trading hours will mean that local independently owned businesses will soon start losing consumers to larger retail chains. This will consequently have an adverse impact on employment and consumer welfare within the state and it will mean eventually, a duopoly market for grocery stores. There is no proven consumer benefit from deregulation especially in smaller jurisdictions like the South Australian market and as our polling shows in the next section, many individuals oppose any changes to the current trading hours.



## PART FOUR: PUBLIC OPINION ON TRADING HOURS IN SOUTH AUSTRALIA

In January 2018, ReachTEL polling conducted a survey of approximately 1000 residents across South Australia in order to illustrate public opinion about deregulation.

The results of the survey are shown in this section.

Additionally, local retail workers were interviewed and asked about their opinions on the changes proposed to trading hours. Here are some of their responses:

**AS SHOWN HERE,  
THE IDEA OF DEREGULATING  
TRADING HOURS ESPECIALLY IF IT MEANS  
THE LOSS OF PUBLIC HOLIDAYS, WAS NOT  
POPULAR AMONG LOCAL SOUTH AUSTRALIAN  
FAMILIES AS THEY VALUE THE TIME SPENT  
WITH FAMILY AND CARRYING  
OUT LEISURE ACTIVITIES.**

Christmas and boxing days are all about time with family. Retail workers are already overworked at Christmas. It will not create more jobs. Saturday arvo and Sunday trade proved that it only stretches out the current staff's hours and has less staff actually in the stores.

– GRAHAM

"I don't want the shops to open earlier because I'll never see my mum."

– RILEY

"I have a family and am a single mum who relies on kindy/childcare services."

– SUSAN

"As a mum of 4 kids, I already miss too many soccer games and do not want to miss any more special milestones. My family matters as much as yours Mr Marshall."

– SARAH

"I have a young family and treasure weekends and public holidays spending time with them."

– DINO

"Family time is more important than being forced to work hours which would put staff members' health and safety at risk."

– FELICITY

"My family works weekdays. Weekends and public holidays are the only time we have to catch up as a family."

– CAROL

"I work hard and long hours to provide for my family. If you're going to take away the already limited time I have with my family – what's the point of working in the first place?"

– SAM

"It's not fair on families. There are no childcare facilities at night so it's not good for single parent families."

– LEAH

"I'm a single parent working retail. I work through school holidays and start early year-round so I can help him with his homework (he has learning difficulties) public holidays are our odd extra chill out days together. This sort of family time is just as important for retail workers as anyone else."

– JANET

"Extending trading hours especially on weekends and public holidays disadvantages the little guys – it takes away family time, time from sporting commitments and music performances and my time to relax."

– LISA

"I am a sole parent of a four year old and already work unfriendly family hours this will devastate me if the hours change."

– HELEN



**ADDITIONALLY,** the following quotes from small businesses and independent retailers in South Australia show that they are not in favour of deregulating trading hours.

"There's no doubt about it that extra hours will mean extra costs and that must be passed on to the consumers in the end."  
"I really feel for the butcher, the fruit and veg shops; these small businesses that the Liberal Party is supposed to support are just going to the wall."

"All this will favour the big end of town – it will favour the Coles, the Woolworths and the Westfields... Because the big end of town can afford to open, they can withhold the extra wages that they'll have and all of a sudden they'll push the butcher shop and the fruit shop out. They'll be forced to close and where will the volume shift? It will shift to the big end of town."

**– ROGER DRAKE- OWNER  
DRAKE SUPERMARKETS**

"... It seems that vehicle dealerships aren't the only ones who think that working on a Sunday is a bad idea."

**– PAUL UNERKOV  
CEO, SA MOTOR TRADES  
ASSOCIATION**

"We only sell to independents. So my business is born and bred and survives off independents. So without these guys we don't have a business."

**– JAY ROGERS  
LOCAL GROCERY  
WHOLESALE**

"The deregulation of trading hours only favours major shopping centres and the big national supermarket chains."

"Deregulation only favours Coles, Woolworths, and Aldi, at the expense of SA's proud local fruit & veg, butchers, bakers, independent supermarket businesses and other locally owned general retailers."

"The change to trading hours will not stimulate the economy and will not employ one more person, rather we will see other industry sectors affected with businesses forced to operate."

**– COLIN SHEARING  
CEO, SA INDEPENDENT RETAILERS  
ASSOCIATION**

"In a time of low wage growth and increasing household expenses, deregulation is not going to create any more money for us to spend in our retail stores. Some would suggest that the deregulation of shop trading hours is a panacea for improving consumer confidence that will create jobs and prosperity for all. I don't buy it. In fact, I believe it will result in the big boys squeezing out smaller, family businesses."

"Deregulation of shop trading hours will benefit larger shopping centres and take customers away from small traders in our city and suburban streets. History tells us that when you reduce the number of independent retailers, jobs are displaced, product choice evaporates, prices go up and profits are shifted interstate or offshore."

"There is also no evidence to suggest that deregulation will create more jobs. In fact, the opposite could be true."

**– MARTIN HAESE  
LORD MAYOR OF ADELAIDE  
AND FORMER RETAILER**

"Deregulating trading hours will force our independent fruit and vegetable retailers to work 365 days a year."

"The growers and wholesalers already operate and service these businesses at all hours of the morning and look forward to and deserve the small breaks they do get."

**– ANGELO DEMASI  
CEO,  
SA PRODUCE MARKET**

"There's no need to be 24 hours, and I think that would be ridiculous in Adelaide."

"The same spending would be spread over more time and the business becomes less efficient."

**– JOSEPH ROMEO  
DIRECTOR,  
ROMEO RETAIL GROUP**



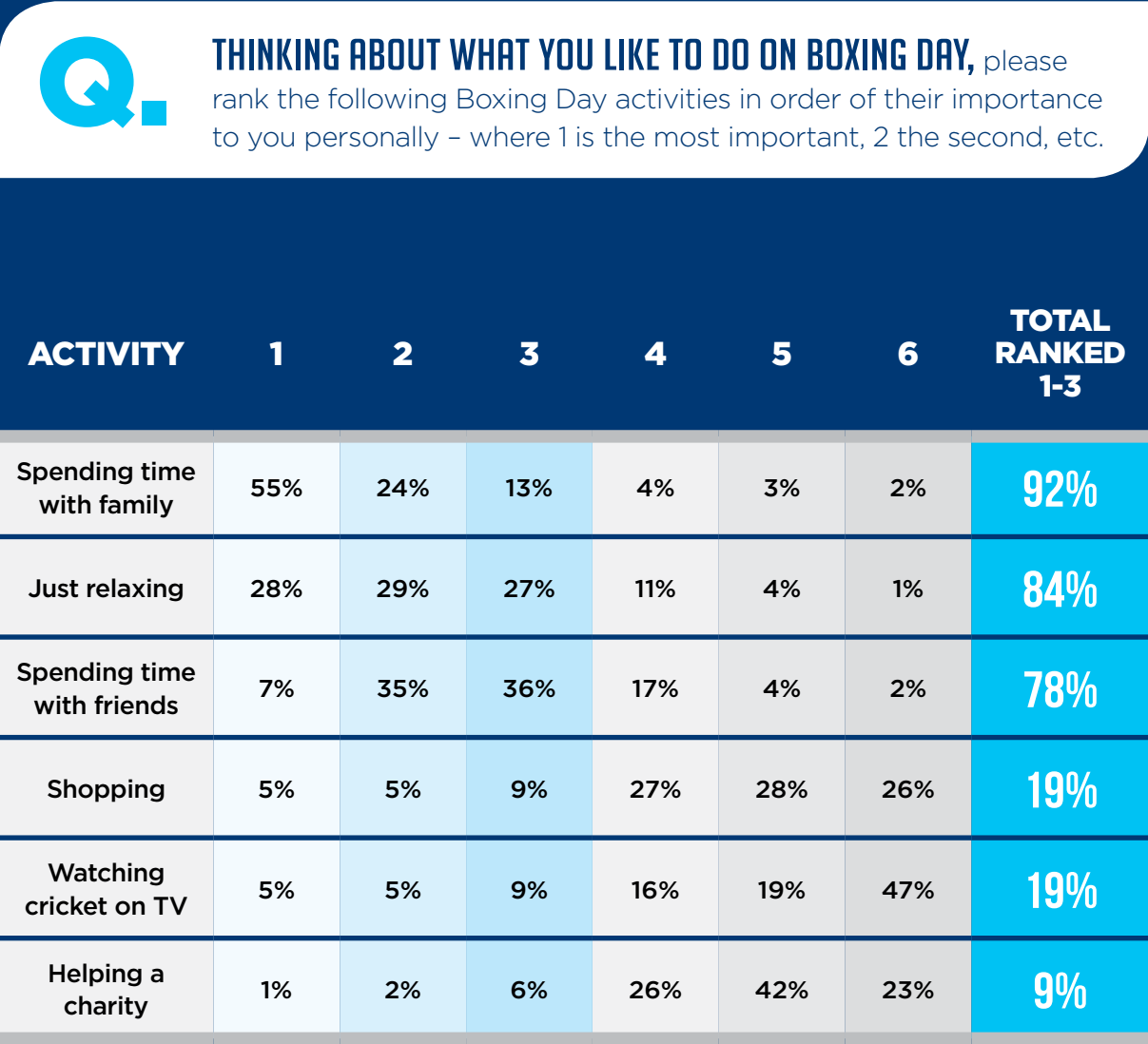


Deregulation has not been popular in other states

In January 2016, following the introduction of Boxing Day trading for all retail stores in New South Wales, Essential Media conducted a poll on the activities and opinions of residents regarding the deregulated public holiday. A majority of respondents stated they preferred spending time with family and friends or relaxing on Boxing Day. Going shopping was reported as the 6th most important activity by respondents for what they prefer to do on Boxing Day, following socializing. Watching the cricket and going to the beach.<sup>24</sup>

The following table shows a snapshot of the results from the survey conducted about Boxing Day in NSW.

FIGURE 4  
Essential Media poll results – 2016



Results from the survey

The results shown below conducted by ReachTEL along with additional statistics from the survey showed that South Australians were more than satisfied with the current trading hours and were not in favour of deregulation and working for longer hours.

FIGURE 5  
The results from the survey – public holidays as days off

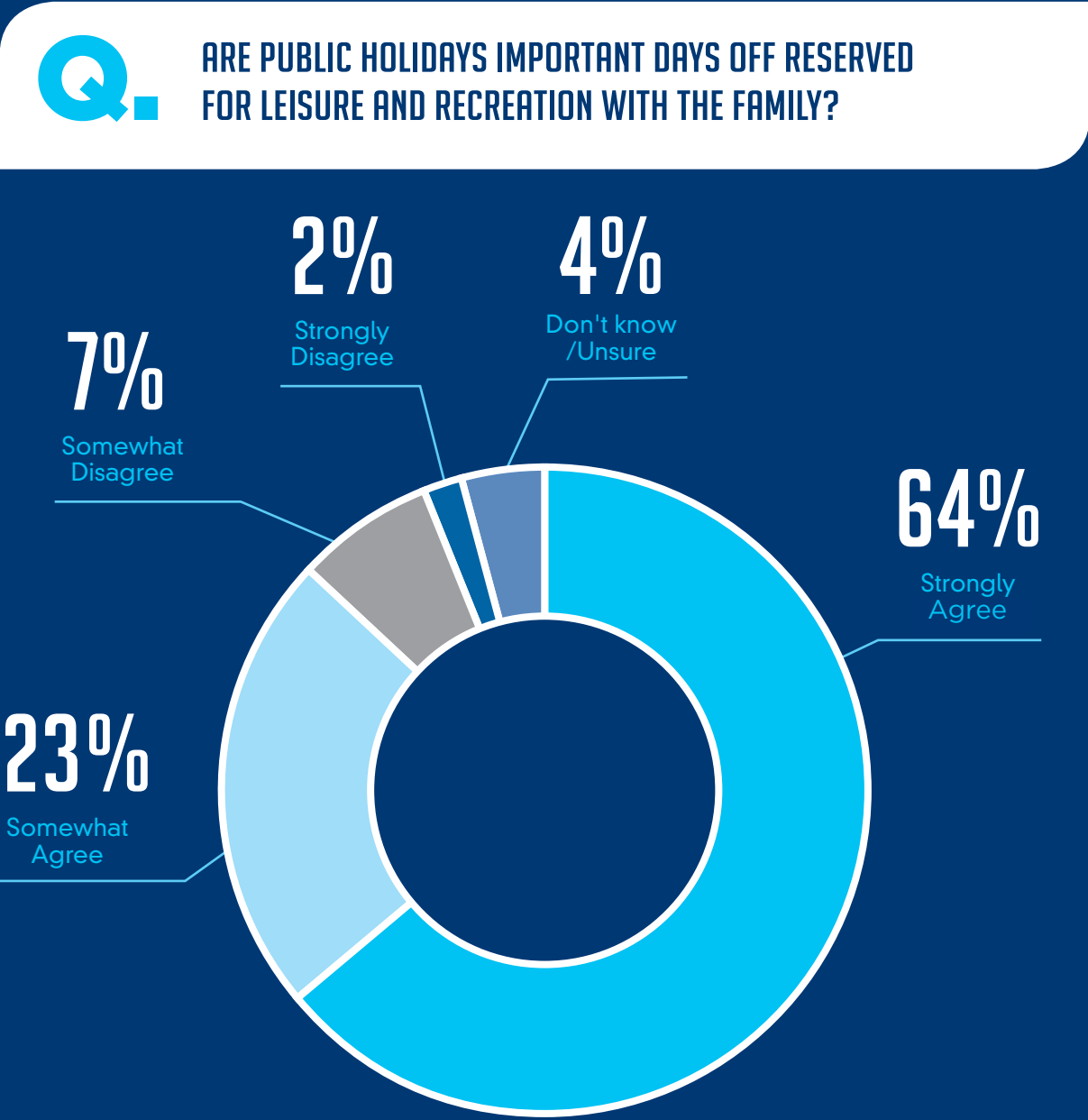
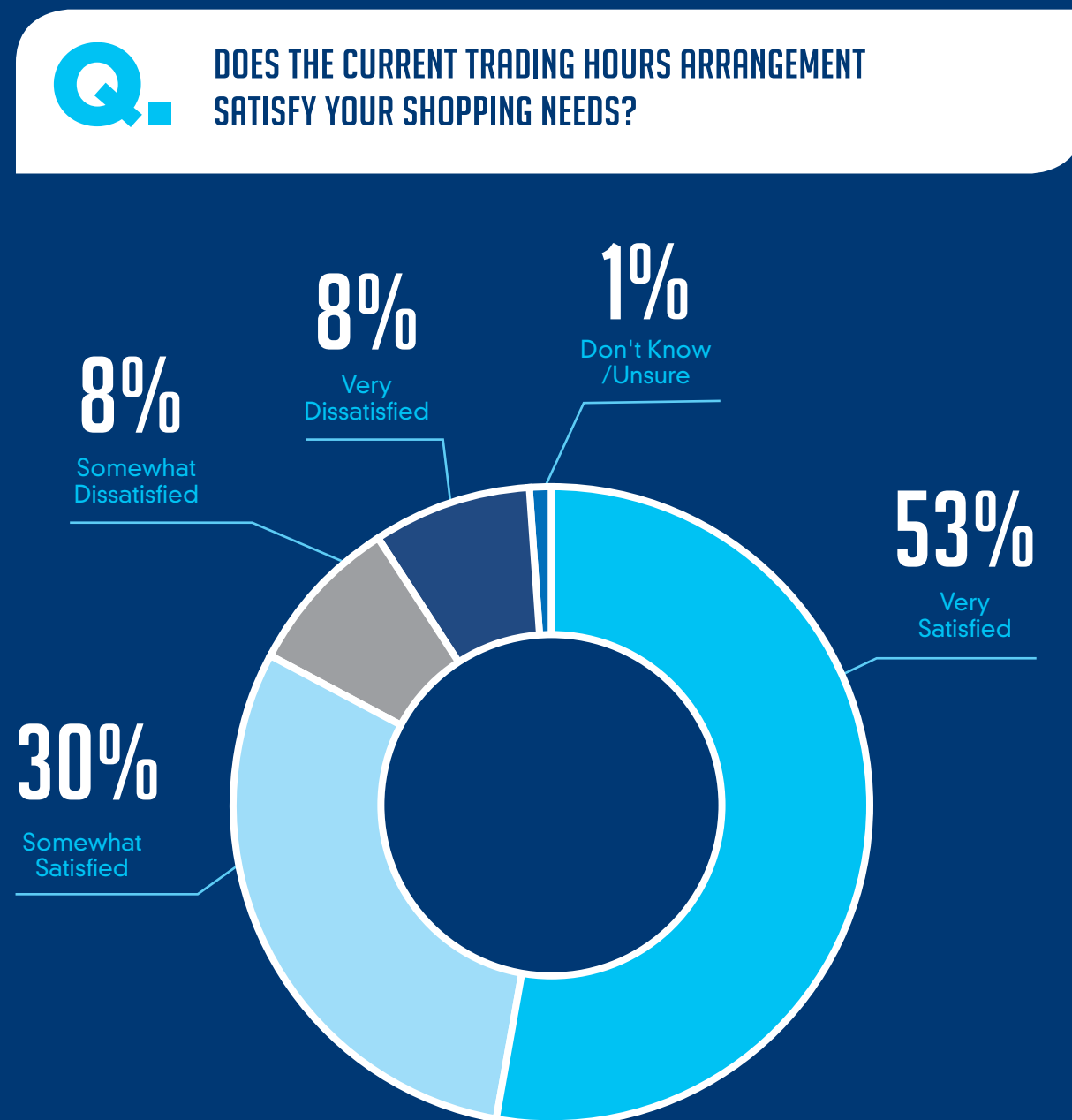




FIGURE 6

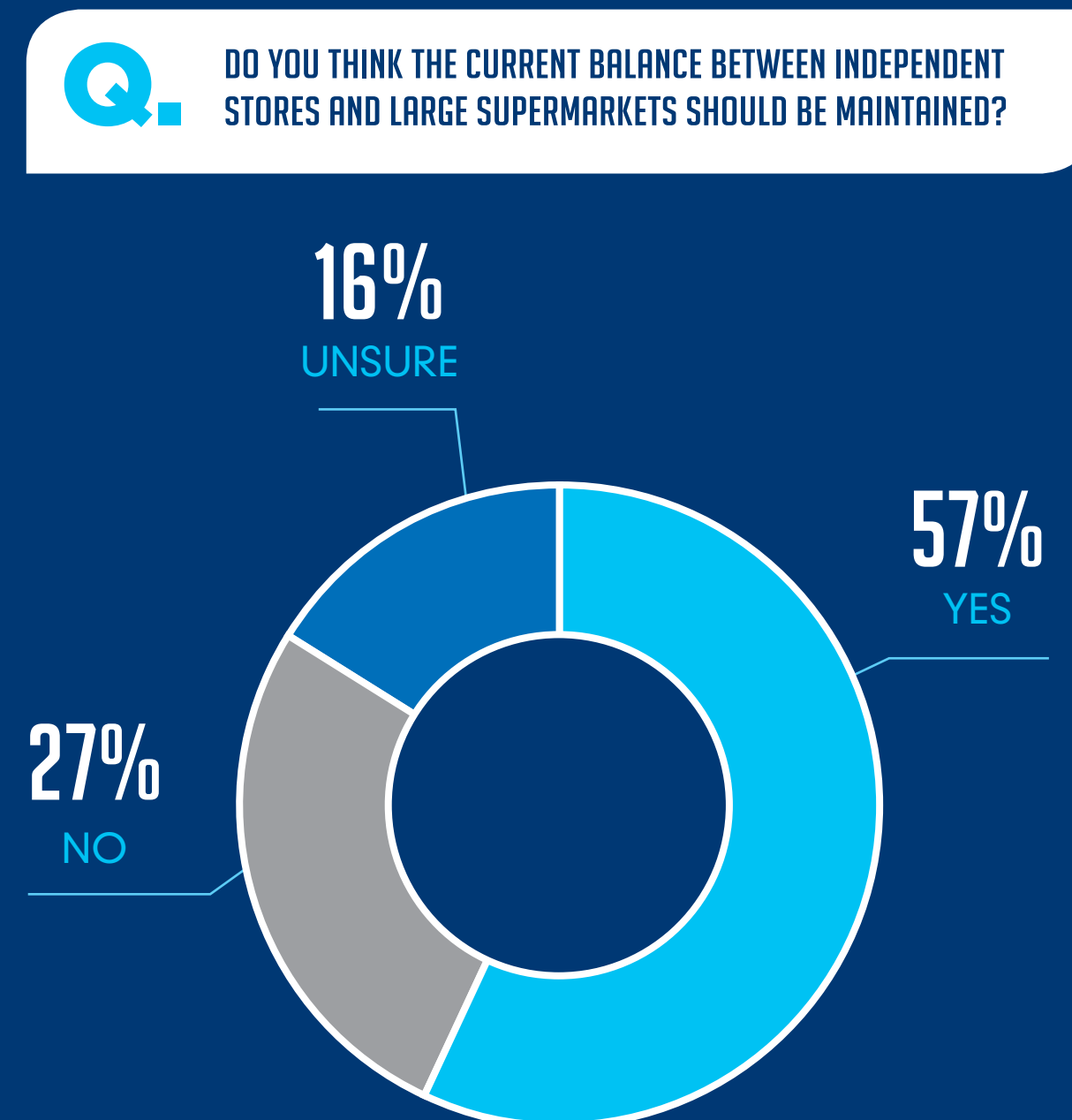
The results from the survey – satisfaction with current trading hours



53% of the respondents were very satisfied with the current trading hours legislation and were not in favour of deregulation. Moreover, 32.2% of respondents thought that there were too many chain supermarkets in South Australia and 51.7% were happy with the balance currently between independent grocers and chains. Additionally, 40% of respondents were opposed to the deregulation of trading hours if it meant that the larger chain would grow at the expense of smaller, independent chains.

FIGURE 7

The results from the survey: Balance between large and small stores



Small business owners (less than 20 employees) in the survey responded with 57% agreeing with the current market share and only 27% wanting it to change.

Moreover, 40% of the respondents thought that there will be no impact from de-regulation of trading hours. It is evident from the results of the survey that South Australians are more than happy with the way things are and are not in favour of changes to the shopping hours.





## CONCLUSION

The deregulation of trading hours shows no significant positive impact on consumer welfare or the economy and thus will not render the benefits the proponents of deregulation claim it will do.

South Australia is a small economy in comparison to the other states and locally owned independent retail chains are a vital part of this economy contributing positively to employment and income in the economy. The deregulation of trading hours will cause local businesses to rapidly lose their market share to large supermarkets that will carry profits and income out of the local economy back to larger jurisdictions where they are headquartered. This will negatively impact small, local suppliers, independent stores, their employees and the broader economy.

Moreover, the results from the polling indicate that individuals in the economy are more than satisfied with the current trading hours and do not wish for deregulation to result in the growth of large supermarket chains at the expense of smaller, locally owned businesses.

This report recommends that the existing trading hours in South Australia be retained to maintain healthy competition in the South Australian economy, to ensure that small, independent businesses within the state are not put out of business, and that more money and jobs are retained within the South Australian economy.



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