

Chinchilla Chamber of Commerce

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CHINCHILLA Q 4413

President: Mr W Gleeson
Secretary: Lyndall Calleja
Treasurer: Tony Minnis

28/10/98

The Commissioner
Impact of Competition Policy Reforms Inquiry
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Sir / Madam,

Reference is made to your September 98 Issues Paper regarding the Impact of Competition Policy Reforms on Rural and Regional Australia. The Chinchilla Chamber of Commerce intended that several representatives attend your public hearing to be held in Dalby on Tuesday 20/10/98, however due to the short notice change of location to Roma, these representatives were unable to attend.

On behalf of this Chamber of Commerce, I would like to make the following points in relation to National Competition Policy, and at the same time direct these points to the Inquiry Issues on Page 7 of the Issue Paper.

- NCP lacks creativity and in the end will create monopolisation, through centralised power of markets. Idealistically it would be creditable should all competitors start with the same financial equity.
- In country towns, regulation of hotels, pharmacies, newsagencies, meat retailers etc. allows individual businesses to succeed and create employment. When every shop in small towns sell a little bit of everything, no one business can maintain a profitable margin.
- Major retailers have unfair rent advantages in country shopping centres over small business operators and with predatory pricing, force small business out and at the same time down size employment.
- Many rural towns have locals who have invested collectively an enormous amount of \$'s in buildings and property creating employment through small business only to see one major retailer (who takes all the profits out of the rural town) set up and will sell groceries, meat, fruit and vegetable, pharmacy, rural supplies, bedding and linen, beer and spirits, clothes, stationary, fuel etc. These small businesses lose their investment. How many of the larger retailers contribute by sponsoring annual shows, rodeos, golf days, sports days, local festivals, campdrafts trophy donations to sporting clubs etc.? Our experience is that their policy is not to assist these local organisations.

- NCP has created a reduction in services at the expense of share holder profits, eg banks, Telstra, rural agencies i.e. Elders. It certainly appears that the return to the share holders overrides customer safety and service (*example* - Solicitor with legal property settlements to be made, waits in excess of 7 days for repair of fax machine.)
- NCP has seen a reduction in the quality of work and services being performed - poorly constructed buildings, roads, insufficient power to meet our needs.
- Through the NCP the government has introduced the user pays system which effectively is a double dipping of taxation. Governments have a responsibility to provide services to business and industry for the sake of protecting the community from health risks, safety and in educating and informing the public.
- The overall impact of the NCP will create further unemployment particularly in rural and regional Australia. Already we see government centres gutted in country areas etc.

This Chamber has been pleased to table this submission and looks forward to a successful outcome which will assist small business in rural and regional Australia.

Yours faithfully



W.A. Gleeson
President