



Speech by

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Hansard 21 July 1999

SMALL BUSINESS

Mrs ATTWOOD (Mount Ommaney—ALP) (11.23 p.m.): Honourable members would have all heard of instances of small businesses in their area going bust. This is happening all too frequently in the electoral district of Mount Ommaney. Every day I hear of shops closing down. In fact, in the past few weeks the Mount Ommaney shopping centre has lost a butcher, a greengrocer and a deli. Yet they are building more shopping centres in the area. The centre management is not worried. It will get someone to lease its shops—someone who will be prepared to give it a go, anyway. They will give it a go until the rent they pay gets out of control, or the supermarket down the road starts to undercut their prices. These are the difficulties facing small business today.

Governments would be wise to support and help to maintain small business enterprises. After all, if every small business were able to employ one more person, the unemployment problem would be solved. Big business is turning the work force into a part-time one. It does not offer any big incentives for people to work there. In fact, it is always out for maximum profit, sometimes at the expense of the worker.

A local newsagent has complained that the big business next door sends its visitors in between 12 and 2 each day to check out the prices of their books. On occasions they have even purchased books that they could not purchase elsewhere. The next step is to take the merchandise back to the big business boss, who marks it down and blatantly advertises that the book is \$2 cheaper than the local newsagent. Customers will of course buy the cheaper product from the supermarket.

Competition centred strategies in the form of predatory pricing directed towards weakening and destroying a competitor are receiving increasing emphasis in the courts and among anti-trust theorists and policy makers. Faced with declining market growth, resource scarcities and the proliferation of new technologies, companies are increasingly pursuing profit gains at the expense of their rivals through market share rather than market growth.

Some say that strategies of that type are welfare enhancing, because they facilitate efficient competition. However, on the other hand, competitive strategies may also possess the objective of weakening or destroying a competitor—that is, cut-throat competition. These strategies can be injurious to competition and may potentially reduce consumer welfare. In fact, these strategies, along with increased rental obligations, have resulted in local businesses having to close their doors.

Most small business entrepreneurs start out by investing their small nest egg in the purchase of an existing small business or starting up a new one. These people have worked hard all their life to build that nest egg and want to invest that money in a viable, long-term concern, where they have a say in how it is run and how long they work. Many small business operators whom I know work seven days a week, have no holidays and generally earn less than the average weekly wage. Some still have a vision to become wealthy and to expand into further business.

The Government should be encouraging these enthusiastic, independent people to make profits and to employ more people. These small businesses are good for our economy. Big business will always survive no matter what. Rarely do we see big businesses go bust. Service is certainly not a selling point for some big businesses. Don't honourable members get tired of talking to a machine? We dial the number, a machine message gives us a choice of numbers for specific services. If we press the wrong button, we have to start all over again. This gets frustrating when we are put in a waiting queue

every time. This is how big business deals with its customers. I would rather talk to a human being the first time round—someone who can set us straight first up.

I believe that provision of service is where big business falls down and small business excels. This will keep a customer coming back to a business for more. There is a lot to be said for the personal approach, something that in this age of technology is becoming a thing of the past and missed sorely by everyone we talk to. The other advantage small business has is enthusiasm and innovation. Small business is not limited by big store regulations or protocol. It is the master of its own profits and has more control over its business.

It is in the first few years that businesses either survive or fail. Support needs to come early until a profit margin is established. The Department of State Development and Treasury continue to look at ways in which Government funds can be utilised to create jobs. Support for small business is a job creator.
