

CoSBA



Combined Small Business Alliance of WA (Inc)



Date: 4 August 2011

Hon Simon O'Brien MLC
Minister for Small Business
Parliament House
WEST PERTH WA 6005

Hon Brendon Grylls MLA
Minister for Regional Development
Parliament House
WEST PERTH WA 6005

Dear Ministers O'Brien and Grylls

Re: RESTRICTIVE TRADING

Please find attached the text of a letter received from the Manager of the SBC Wheatbelt South, Narrogin, that highlights a dire situation of market dominance and restrictive trading practices being imposed by large and powerful corporations that are dictating unreasonable terms under which the small business concerned, and no doubt other small businesses, must conduct their business, to their detriment.

Whilst we understand that the question of the problem concerning the current capacity of the internet is a matter for the Federal Government, which should be alleviated with the rollout of the NBN.

Notwithstanding, it is unreasonable for those corporations to impose such a requirement given the costs associated with internet access, upgrading and extra hardware, staff training, technical support and the printing of documents, which are unable to be passed on due to the restrictive retail prices being imposed.

This imposition of restrictive trading requirements is an untenable situation, which we believe is well within the jurisdiction of the State Government to take prompt and decisive action to redress.

We trust that we can look forward to your timely attention to this matter.

Yours faithfully

**Combined Small Business Alliance
of Western Australia Inc. (CoSBA)**

**OLIVER MOON
Chief Executive Officer**

cc. Mr Scott Ballantyne, Manager, SBC Wheatbelt South, Narrogin

Re: RESTRICTIVE TRADING

Dear Mr Moon,

I have been contacted by a small business owner in the South West of WA who has an issue that he is concerned over.

He is being asked by his suppliers to deal with them online, and being told that paperwork will no longer be sent to him. The on-line software is being supplied by the supplier, however the costs of internet access, upgrading and extra hardware, staff training, technical support and the printing of any documents are expected to be borne by him with no increase in his margins.

He deals with companies that include BOC gases, the magazine wholesalers and Australia Post who all set retail prices on their products and hence he is unable to pass these costs on to the customer.

Because of his location internet access is slow and expensive, technical support is not timely and is again expensive with the inclusion of travel, computer hardware with sufficient capacity is expensive and the loss of profits is consequently quite significant.

Are there any avenues available through the contacts CoSBA have that we might access to address the issue? I think this could be done in one of two ways. Firstly, that the small business owner be allowed to increase retail prices over the marked prices to cover the extra costs, without the suppliers being able to disallow this in any way. The second option is legislative change, which would be very difficult to establish and control.

Your response in time will be appreciated.

Yours sincerely,

Scott Ballantyne
Manager SBC Wheatbelt South

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