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Bill Shorten
Assistant Treasurer
Minister for Financial Services and Superannuation

Senator Stephen Conroy
Minister for Broadband, Communications and the Digital Economy

Senator Nick Sherry
Minister for Small Business

Brendan O'Connor
Minister for Home Affairs

Government welcomes Productivity Commission's draft report into retail

The Government welcomes the release of the draft report from the Productivity Commission on the economic structure and performance of the Australian retail industry, and will carefully examine the issues discussed in the report.

The Government appreciates the pressures and challenges currently facing the retail sector.

As the Commission's report has highlighted, the low value threshold is not the main driver of issues within the Australian retail sector. However, it does find the changing nature of retail in Australia is part of a global structural shift driven by increasing trade exposure through the rise of online retail.

The Government is aware that increasing competition from online shopping has the potential to benefit Australian consumers through ensuring greater choice and lower prices. There are also new opportunities for traditional bricks and mortar retailers to expand and innovate through online retailing.

The report also identifies barriers to local retail productivity, including planning and zoning issues and shop opening hours.

The Government is aware of the high level of public interest this inquiry has generated. More than 120 submissions were received by the Commission, reflecting a very positive and active level of engagement with this inquiry by Australian retailers, consumers and industry groups.

We would like to thank Commissioners Philip Weickhardt and Louise Sylvan, and their team for their work so far in examining what is a vital sector of our economy and some of the complex issues this sector is facing.

The Gillard Government recognises the value of the retail sector as a major employer and contributor to the Australian economy. That's why we stood by the

sector during the GFC and commissioned the Productivity Commission to provide a blueprint for the future of the sector over the next 20 years. We encourage the sector and consumers alike to provide their feedback on this draft report.

The Commission will now hold further consultations, prior to providing its final report to the Government by November 2011.

The draft report is available on the Productivity Commission website – www.pc.gov.au

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Media Contacts: Shannon Walker – 0414 694 476 (Shorten)
Lyall Johnson - 0408 258 457 (Conroy)
Joe Scavo – 0413 800 757 (Sherry)
Jayne Stinson – 0458 547 512 (O'Connor)