



Australian Retailers Association

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Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Environment and Communications Legislation Committee

Friday 22 November 2013

Dear Secretary Christine McDonald,

Peak retail industry body the Australian Retailers Association (ARA) has long campaigned against the cost imposts of the carbon tax. We recently met with Prime Minister Abbott in Melbourne to discuss the carbon tax's unnecessary cost burden on retailers and consumers.

The ARA supports the immediate removal of the carbon tax to be implemented on the government's announced timeline by 30 June 2014. We continue to call on the opposition and minor parties not to play politics on this issue and to support the removal of the tax.

The abolition of the carbon tax would mean a spending boost of around \$500 pa for consumers – a major boost for the retail sector. In addition, many of our members have supplied direct evidence of the price impact on their energy bills, with some retailers such as supermarkets and fast food operators reporting energy usage in excess of all other outgoings short of wages thanks to the impact of the tax. Major retailers are now anticipating savings for their businesses as well as increased consumer confidence and spending post 1 July 2014.

Furthermore, the ARA also supports the government using the ACCC to see cost savings being passed onto businesses and consumers. We have major concerns that utilities, landlords and suppliers won't pass on all savings, however, we believe retailers will pass on savings because of the competitive nature of retail.

We will seek assurances from the government and ACCC that they will assist in working with retailers to fix any inadvertent pricing problems, and that small business won't be pursued for inadvertent pricing issues (as was the case during the introduction of the carbon tax).

The ARA will do all we can to assist the government in educating retailers around cost compliance, and will also seek to put a blow torch on issues such as landlords writing the carbon tax costs into retail rental agreements - even though outgoing energy costs for centres are paid separately by retail tenants.



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The ARA always has and always will continue to oppose the carbon tax and was an active member of the anti-carbon tax campaign.

The ARA believes that without the prompt removal of the carbon tax in line with the government's announced schedule, there will be considerable negative impacts on both consumer spend and business viability within the retail sector.

Kind regards,

Heath Michael
Director Policy, Government and Corporate Relations
Australian Retailers Association