

NATIONAL INDEPENDENT RETAILERS ASSOCIATION

Media Release

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Small business and consumers to wear cost of leave tax

The National Independent Retailers Association (NIRA) is disappointed by Tony Abbott's announcement on paid parental leave.

Peter Strong, CEO of NIRA, said today "NIRA supports paid parental leave; it is long overdue and will give more flexibility in the labour market, maintain skills and add to the quality of life for new parents. We also know that any tax on big business will be immediately passed onto small business, and in particular small retailers."

Mr Strong provided several examples, "the boards and the CEOs of the big landlords will need to recover the cost of this proposal and they will have only one way of doing that, and that will be through increased rent for the small retailers based in their shopping malls. They will be unlikely to increase the costs for their subsidised anchor tenants such as Coles and Woolworths and will increase rent at an even higher rate for the small shops, this will add to the costs of small retailers and decrease the income for the those families. There will also be extra costs added from other sources. For example Toll Holdings and other large transport companies will need to recover the costs of this tax and they will do so by increasing the fees on deliveries. Suppliers of power, raw materials and products will also increase their prices and small retailers will be hit by increased rent, increased cost of deliveries and increased cost of goods."

Mr Strong added that "no level of government or any political party has a good history of protecting families who run a retail business from the behaviour of big business. This new tax will cause the failure of some small retailers and is not acceptable. It is laughable to think that big business will not pass on the cost of this new tax."

NIRA believes that paid parental leave provisions needs to be introduced as soon as practical but that leave should be paid for through general revenue not through any extra red tape or costs for small business.

Mr Strong highlighted that "small business operators have enough red tape to deal with and all political parties claim that they will reduce red tape and not actually increase the demands on the person running a small retail business. The current parental leave proposal from the government adds red tape to the process for small business and increases complexity in an already complex environment. The proposal from the opposition also adds to demands on small retailers. Let's make sure that payment for parental leave is made direct to the parents and that the cost of this comes from general revenue."

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Charts of electoral information available at www.nira.com.au