

Dear Sir,

My son and I own and operate a retail bicycle store situated at the above address. We have established the business from a Greenfield site over the past three and a half years.

During the past three and a half years we have noticed a steep decline in sales of not only bicycles, but parts accessories and clothing. The decline has been greater in the last twelve months than the preceding two and a half years, presumably because of the high dollar.

We are fully aware that this is a result of internet buying as we have customers bringing new bikes they have purchased direct from overseas into the store to have assembled. We also have many customers who bring new parts in with their bikes to have the old parts removed and the new ones fitted.

We have ceased stocking some items of clothing and shoes as it is common for customers to consume our time trying them on and leaving the store without making a purchase. Again we are fully aware from feedback that these customers use our service to get correct sizing so they can then purchase the product at a cheaper rate direct on line.

We have also researched sites ourselves such as Pro Bike Kit, Wiggle and Chain Reaction only to find that in most cases we as a retailer can purchase products cheaper than we can through an Australian distributor.

The system is unfair and if it is allowed to continue businesses such as ours will not survive. I have heard comments made along the lines that the Australian retailers will need to look at their margins and would submit that the people making these comments are so far off the mark they have obviously never owned and operated their own business. We are selling most products well below the RRP and in some cases are lucky to achieve a GP of 20%. That does not even cover rent and wages.

The Government needs to act now and at least impose the same level of taxes on direct imports that the Australian retailers pay or risk many businesses folding in the near future.

Yours Sincerely

Peter Haddin