

March 2026

## Review of the Child Protection (Working with Children) Act 2012

The Australian Retail Council (ARC) welcomes the opportunity to contribute to the NSW Office of the Children's Guardian review of the Child Protection (Working with Children) Act 2012.

ARC, represent a \$444 billion sector, and employs 1.4 million Australians, one in ten workers, making retail the nation's largest private sector employer and a cornerstone of the Australian economy, contributing 16 percent of national GDP.

Our membership spans the full breadth of Australian retail: from family-owned small and independent businesses, which comprise 95% of our membership, to the largest national and international retailers that support thousands of jobs and sustain communities across both metropolitan and regional Australia. Our industry operates more than 155,000 retail outlets nationwide, with the majority of those also represented by an online or e-commerce presence.

A strong retail sector delivers widespread benefits to all Australians, with a significant portion of every dollar spent in retail flowing back into employees, suppliers, superannuation funds, and local communities. We are united in advocating for the policy settings, reforms and collaboration that will drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it.

### Executive Summary

The Australian Retail Council (ARC) supports strong child-protection frameworks and recognises the important role of the Working with Children Check (WWCC) regime in safeguarding children in genuinely child-focused environments. Reform arising from this review should strengthen child safety outcomes while remaining proportionate, evidence-based and aligned to demonstrated risk.

Retail is Australia's largest private-sector employer, generating \$444 billion in annual turnover and employing 1.4 million Australians, including almost one-third of the workforce aged under 25. For many young Australians, retail represents the primary entry point into employment, providing first-job opportunities, foundational workplace skills and pathways into long-term careers. At a time when youth unemployment remains significantly higher than the national average and productivity growth is weak, regulatory settings affecting retail employment have direct implications for youth workforce participation, economic inclusion and broader economic performance.

The retail workforce relies on flexible engagement models that enable rapid labour-market entry while supporting education participation and regional employment. High-volume recruitment and onboarding are essential to maintaining store operations and essential supply chains. Regulatory changes that slow hiring processes or introduce universal screening requirements in low-risk environments therefore risk creating unintended barriers to youth employment pathways without addressing a demonstrated child-protection risk.

ARC submits that mainstream retail operations should not be brought into scope through broad or indirect expansion of statutory definitions, co-worker categories or exemptions. Ordinary retail roles involve brief, transactional interactions with the public rather than sustained or supervisory engagement with children and do not constitute child-related work as contemplated by the Act.

A central consideration for this review is whether proposed policy changes will achieve their intended outcome. Expanding WWCC requirements into general retail settings represents a significant regulatory shift, and reform

should be assessed against whether broader screening obligations would meaningfully reduce risk to children or instead add compliance burden without a commensurate safety benefit.

ARC therefore urges that any reforms remain targeted to genuinely child-facing roles, preserve a risk-based regulatory approach and maintain nationally coherent settings. Policy change should strengthen child protection while avoiding unintended consequences for youth participation, workforce mobility and the role retail plays as Australia's most significant pathway into employment.

## Body of Submission

### 1. Retail Sector Context

Australia's productivity performance and cost-of-living pressures have sharpened scrutiny of regulatory complexity across the economy. Labour productivity growth has more than halved since 2015, real wages have fallen back to around 2011 levels following recent inflation, youth unemployment sits at around 10 per cent compared with 4 per cent for the general population<sup>1</sup>, and analysis commissioned by ARC from Mandala Partners estimates that the cost of complying with Commonwealth regulation increased from around \$65 billion in 2013 to approximately \$160 billion in 2024, equivalent to 5.8 per cent of GDP<sup>2</sup>.

In this environment, regulatory design affecting retail carries economy-wide implications. The sector employs 1.4 million Australians, generates \$444 billion in annual turnover and operates essential supply chains that directly influence household prices. Mandala analysis further indicates that a 1 per cent increase in retail productivity lifts output across other industries and boosts GDP by approximately \$3.2 billion each year, while reducing consumer prices and saving households around \$1.3 billion annually<sup>1</sup>.

Retail operates across overlapping Commonwealth and State regulatory frameworks governing workplace safety, industrial relations, child employment and discrimination. For national retail networks, regulatory coherence and harmonisation are central to maintaining consistent operating models and compliance systems at scale. Fragmentation increases administrative burden and systems complexity, particularly in high-turnover environments with large numbers of young employees entering and exiting the workforce.

Retail is one of Australia's largest employers of young people and a primary entry point to the labour market for first-job seekers. Almost one-third of the retail workforce is aged under 25. Youth participation is closely linked to flexible engagement models, with around 46 per cent of retail employees working part time and approximately 32 per cent of employees in the Retail Trade industry engaged on casual arrangements. These workforce patterns underpin seven-day trading and rapid scaling during peak periods such as Christmas and back-to-school cycles. Regulatory changes that slow recruitment or onboarding therefore have disproportionate effects on youth employment opportunities and store operations across essential supply chains.

Retailers are already subject to extensive statutory duties under Work Health and Safety legislation, child-employment regimes, anti-discrimination frameworks and the Fair Work Act. ARC members supplement these requirements through recruitment screening for supervisory roles, structured induction programs for junior employees, supervision and mentoring arrangements, codes of conduct, escalation mechanisms and safety audits.

In this context, ARC submits that reforms to the Working with Children Check framework must account for the scale and youth profile of the retail workforce, the sector's reliance on flexible engagement models and rapid onboarding,

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<sup>1</sup> Mandala, Regulatory fragmentation in the retail sector 2026

<sup>2</sup> Mandala, The cost of Commonwealth regulatory complexity, 2025

and the importance of regulatory coherence for national employers. Settings should remain targeted to genuinely child-focused work, avoid creating barriers to youth participation, and be supported by evidence-based design and practical regulatory settings.

## **2. ARC's Overarching Position**

ARC supports strong child-protection frameworks and recognises the important role of the Working with Children Check regime in safeguarding children and young people in settings where interaction with children is a central feature of the work being performed.

ARC submits, however, that mainstream retail operations are not child-related workplaces for the purposes of the Act and should not be brought into scope through broad or indirect changes to statutory definitions, exemptions or worker categories. Ordinary shopfloor roles, the employment of junior staff and routine interactions with child customers do not constitute child-focused work as contemplated by the legislation. Extending the WWCC regime into general retail would therefore represent a significant regulatory shift, with material implications for youth employment pathways, workforce participation and operating models across a sector employing more than 1.4 million Australians.

Regulatory design should remain risk-based, proportionate and targeted to roles and environments where engagement with children is a usual and defining part of the work. ARC recognises that some retailers operate discrete child-facing programs or activities, which may warrant targeted treatment within the existing framework. Such circumstances, however, should not recalibrate obligations across mainstream retail operations.

ARC also emphasises the importance of national consistency and regulatory coherence for employers operating across multiple jurisdictions. Fragmented approaches to screening regimes, exemptions and verification requirements increase compliance costs, payroll and systems complexity and the risk of inadvertent non-compliance in high-turnover workforces with large numbers of young employees. Reforms should therefore be developed with harmonisation in mind and supported by clear regulatory guidance.

Finally, ARC notes that existing workplace-safety, child-employment and anti-discrimination frameworks already impose substantial positive duties on retailers to protect young workers and prevent inappropriate conduct. These regimes, together with internal safeguarding systems adopted by retailers, form a layered approach to risk management that should be taken into account when assessing whether further regulatory expansion is necessary or proportionate.

### **Policy Effectiveness and Targeting**

Before extending the scope of the Working with Children framework, it is important to assess whether the proposed amendments are likely to achieve the intended child protection outcomes in the context of mainstream retail.

Retail stores are not structured as child-focused environments. As such, the primary risk profile in retail differs materially from schools, childcare or organised youth programs.

Policy settings should therefore be designed to:

- Address demonstrated risk patterns, not hypothetical exposure
- Target roles involving sustained, direct and unsupervised contact with children
- Avoid imposing universal screening where the risk profile does not justify it

Expanding WWCC requirements into mainstream retail roles would represent a significant regulatory shift. The key question is whether such expansion would meaningfully reduce risk in this setting, or instead add compliance burden without a commensurate safety benefit.

### **3. Scope and Definitions**

ARC supports improved clarity in the definition of “child-related work” under the Child Protection (Working with Children) Act 2012. For large, decentralised employers such as retailers, certainty is essential to applying legal thresholds consistently across thousands of roles and locations. Ambiguity around concepts such as “incidental” versus “usual” contact, or whether written or online interactions fall within scope, creates operational risk and compliance uncertainty.

ARC submits that definitional reform should sharpen existing thresholds rather than broaden the regime into ordinary retail environments. Mainstream retail roles typically involve brief, transactional interactions with the public, including children, rather than sustained or supervisory engagement. Such interactions should not convert retail employment into child-related work for the purposes of the Act.

Retailers employ large numbers of under-18 workers in general shopfloor roles. ARC does not consider that the presence of junior employees, or routine workplace supervision, should alter the characterisation of those settings as non-child-focused environments. Screening frameworks should remain directed to roles where working with children is an inherent feature of the position.

ARC recognises that some retailers operate discrete child-facing programs or activities, such as in-store workshops or community initiatives. Where those activities involve sustained interaction with children, the existing WWCC framework can be applied in a targeted manner. These limited circumstances should not recalibrate obligations across mainstream retail operations.

Finally, ARC submits that any requirement for under-18 workers to hold WWCCs must remain confined to genuinely child-focused roles and not extend to general retail employment. Retail is a major entry point to the workforce for young people, and regulatory settings should avoid creating barriers to entry or slowing recruitment into first-job roles.

### **4. Co-Workers, Supervisors and Exemptions**

Proposals to extend Working with Children Check requirements to all adult co-workers or supervisors of under-18 employees in ordinary retail environments raise significant concerns for the sector. The scale of retail workforces, high staff turnover and the prevalence of junior employees across store networks mean that universal screening obligations would impose substantial administrative and cost burdens without clear evidence of commensurate safety gains.

These impacts are not theoretical. One national retailer advised ARC that in New South Wales alone employs approximately 13,000 adult team members alongside around 800 junior employees, meaning that a universal co-worker WWCC requirement would impose costs in the order of \$1.4 million in that State, notwithstanding existing police-check requirements already applying to hundreds of store leaders.

Young workers in retail are already protected through layered safeguarding frameworks, including obligations under Work Health and Safety legislation, the Fair Work Act and anti-discrimination regimes, together with internal systems such as recruitment screening for supervisory roles, structured induction programs, mentoring arrangements, codes of conduct and escalation pathways. Evidence across the sector indicates that the predominant safety risks faced

by junior employees arise from customer behaviour rather than from co-workers, reinforcing the importance of keeping regulatory settings targeted to demonstrated risk.

Exemptions for ordinary retail environments, short-term contractors and visiting or interstate workers remain critical to maintaining safe and functional workplaces. Retail operations rely on rapid access to maintenance, construction, cleaning, IT and security contractors to address hazards, undertake urgent repairs and meet WHS obligations. Narrowing exemptions in a way that captures mainstream retail activity could delay critical works and increase risk.

Some retailers operate discrete child-facing programs that may warrant tailored treatment within the existing framework. Such circumstances should not be used to justify blanket expansion of WWCC obligations across store workforces or contractor cohorts. A risk-based approach that preserves existing exemptions for ordinary retail operations and avoids imposing universal requirements disproportionate to the risks being addressed is therefore supported.

National consistency remains central to workable regulatory design. Coherent and portable screening arrangements are essential to avoid fragmented compliance systems, duplicated checks and additional administrative burden for multi-jurisdiction retailers.

## **5. Compliance, Implementation and National Consistency**

Changes to the Working with Children Check framework have the potential to carry significant operational implications for retail, given the scale and structure of the sector's workforce and the systems required to support high-volume recruitment and contractor access across large store networks and logistics operations. For national employers operating in multiple jurisdictions, even modest adjustments to screening categories or verification requirements can generate substantial systems costs and compliance complexity, particularly in high-turnover environments where almost one-third of the retail workforce is aged under 25, around 46 per cent work part time, and approximately 32 per cent of employees in the Retail Trade industry are engaged on casual arrangements.

Regulatory fragmentation across states and territories compounds these challenges. Divergent screening thresholds, exemptions and verification processes create duplicated checks, parallel compliance systems and additional administrative burden for multi-jurisdiction retailers, while constraining workforce mobility and increasing the risk of inadvertent non-compliance.

Such impacts would be felt most acutely by small and independent retailers, which often lack dedicated compliance teams or bespoke HR systems and would face proportionately higher adjustment costs in responding to new regulatory requirements.

In this context, ARC submits that any reforms should be assessed carefully against their operational consequences for retail, the importance of regulatory coherence across jurisdictions and the cumulative compliance burden faced by businesses operating at scale.

## **6. Sector-Wide Impacts and Alternative Approaches**

Proposals that would extend Working with Children Check obligations into mainstream retail settings would have implications well beyond individual businesses at a time when Australia faces weak productivity growth, sustained cost-of-living pressures and elevated youth unemployment and underemployment. National data show that labour-productivity growth has more than halved since 2015, real wages have fallen back to around 2011 levels following

recent inflation, and young people face unemployment rates of around 10 per cent, compared with 4 per cent for the general population, alongside youth underemployment of approximately 13 per cent<sup>3</sup>.

Retail is therefore operating in a challenging macroeconomic environment while remaining Australia's largest private-sector employer and a primary entry point to the labour market for young people. With around one in three workers aged 15 to 24, regulatory changes that slow recruitment, increase compliance costs or restrict workforce flexibility risk compounding existing labour-market pressures and constraining store operations across essential supply chains.

Mandala analysis further indicates that retail plays a central role in lifting national economic performance. A 1 per cent increase in retail productivity is estimated to lift output across other industries and boost GDP by approximately \$3.2 billion each year, while delivering lower consumer prices and saving households around \$1.3 billion annually<sup>1</sup>. In this context, measures that introduce additional regulatory friction into mainstream retail settings risk dampening productivity growth and placing further upward pressure on household costs.

ARC also submits that alternative approaches exist to strengthen protections for young workers without materially expanding the WWCC regime into ordinary retail employment. Existing statutory frameworks, including Work Health and Safety legislation, child employment laws, the Fair Work Act and anti-discrimination regimes, already impose positive duties on employers to prevent harm and respond to inappropriate conduct. Targeted enforcement of these regimes, together with education and guidance for employers, can address risks in a manner proportionate to the retail environment.

In ARC's view, reform efforts should therefore remain focused on genuinely child-facing settings and high-risk interactions, while avoiding regulatory spill-over into mainstream retail roles that could undermine youth participation, workforce mobility and productivity outcomes.

## 7. Conclusion

ARC supports strong child-protection frameworks and the role of the Working with Children Check regime in genuinely child-focused settings.

ARC submits that mainstream retail operations should not be brought into scope through broad or indirect regulatory expansion. Ordinary retail roles and the employment of junior staff do not constitute child-related work as contemplated by the Act, and extending WWCC obligations into general retail would carry significant consequences for youth employment, workforce participation and operating models.

Any reforms should remain targeted, risk-based and nationally coherent, while avoiding unintended impacts on productivity, business costs and household prices. ARC stands ready to continue engaging constructively with the NSW Office of the Children's Guardian as the review progresses.

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<sup>3</sup> Regulatory fragmentation in the retail sector