

15 October 2021

Committee Secretary
Education, Employment and Training Committee
Parliament House
Brisbane QLD 4000

Via email: EETC@parliament.qld.gov.au

Dear Committee Secretary

RE: QUEENSLAND TRADING HOURS REVIEW

The Australian Retailers Association (ARA) is grateful for the opportunity to make a submission to the inquiry on the operation of the *Trading (Allowable Hours) Act 1990* (the Act).

The ARA is Australia's oldest, largest and most diverse retail body, representing a \$360 billion sector that employs one in ten Australians. As Australia's leading representative group for retailers, the ARA informs, advocates, educates, protects and unifies around 7,500 independent, national and international retail members, with more than 100,000 retail shop fronts.

Further deregulation of trading hours is needed desperately in Queensland. Deregulating trading hours will create jobs, keep local retail trade in the local community, and allow retailers greater flexibility to choose when they open their doors to meet changing consumer behaviour. In a post-Covid environment, deregulation will also be critical to ensuring the health and safety of the community, by smoothing out peak trading periods.

The pandemic has accelerated retail trends already underway, with many more consumers turning to online shopping, some for the first time. These changes in consumer behaviour are likely to prevail and create new competition for traditional bricks-and-mortar stores. Without the flexibility to meet the community's need for greater choice, through extended trading hours, we anticipate that many consumers will continue to shop online, to the detriment of the Queensland economy and the vibrancy of the local community.

Removing the current restrictions on trade also has the potential to drive incremental economic activity, with a recent report by the Centre for International Economics estimating that an increase in trading hours could generate an additional \$200 million of economic activity in Queensland each year. And according to the Harper Review on national competition policy, "regulation of trading hours should cease as it impedes competition is not in the public interest."

The 2016 reforms to Queensland's trading hours were a step in the right direction because critical steps were taken toward fewer restrictions on trading. While the ARA supports the complete deregulation of trading hours in Queensland, we appreciate that this may not be achievable at this time.

However, we welcome the opportunity to make the following recommendations to the Committee, with the aim of creating consistency in trading hours across the state and only requiring stores to close on Good Friday, Christmas Day and until 1pm on Anzac Day. This approach will create more choice and flexibility for consumers, drive incremental economic activity in local communities, and help bricks-and-mortar retailers remain competitive in the face of online shopping.

Reduce regulatory barriers to trading hours

The ARA recommends that, at a minimum, there is a further relaxation of the policy settings that currently prohibit extended trade in regional, rural and remote communities in Queensland. One of the areas of most concern under the current regime is that non-exempt retailers in regional areas must remain closed on Sundays and public holidays. Even if the current moratorium were lifted (below) these constraints would remain in place. Reducing these regulatory barriers to trade would provide more choice and flexibility for Queensland consumers, particularly in regional areas, and keep local retail trade in the local community.

Lift the moratorium on Sunday and public holiday trading

The ARA recommends that the five-year moratorium in relation to trading hours changes be lifted and not extended. Lifting the moratorium and allowing trade on Sundays and some public holidays would provide Queensland consumers greater flexibility and allow retailers in Queensland to apply for extended hours to accommodate changing consumer behaviour.

The current moratorium prohibits any changes to trading hours for non-exempt stores in retail precincts outside Southeast Queensland that are not defined as tourist areas or larger regional centres.

This means that stores in areas where Sunday trading and public holiday trading was not already in place before the reforms commenced, are currently not able to apply for extended trading hours. This includes supermarkets and specialty retailers in large regional centres like Mount Isa, Proserpine and Ayr.

As well as providing greater flexibility for Queensland families living in regional and remote towns, extending trading hours to cover Sundays and public holidays would create an immediate boost to local employment, with new roles for new employees or additional hours for existing employees. These benefits would be amplified by tourists traveling through Queensland, who may not be aware that major supermarkets and small local retailers are closed on Sundays and public holidays.

Make an exception for Christmas 2021

The ARA recommends that an exemption be granted for Christmas 2021, assuming that regulations cannot be relaxed, nor the moratorium lifted, by that time. With Christmas Day and Boxing Day both falling on a weekend this year, some Queensland retailers in regional and remote communities will be unable to trade for four consecutive days.

As well as constraining consumer choice and local economic activity, a shut-down of this duration creates unnecessary complexity and cost for retailers, particularly in relation to the management of perishable stock. Bulk buying leading into these extended shutdowns compounds these challenges for retailers.

Trading hour relaxation also ensures that during periods of peak demand, such as Christmas, customer and employee safety can be better managed, by spreading out the number of customers in a store at one time and allowing for social distancing with strong in-store security.

Support post-Covid recovery

The ARA recommends that policy settings that supported flexible trading hours through the pandemic be maintained, as the retail sector continues to emerge from lockdown.

Trading hour exemptions made by government during the pandemic were a lifeline for many retailers and allowed local demand for goods and services to be met by local businesses. In this post-Covid climate, flexibility also allows for customers to shop as safely as possible by smoothing out peak trading periods and helping to protect the most vulnerable members of our community.

Conclusion

The health of our retail economy has never been more important, with the pandemic demonstrating how vital local stores are to the health of local economies and the wellbeing of our community. To preserve the vitality of local stores and the incomes of local store owners and their staff, Queensland retail needs to be able to modernise its operations and compete with digital, interstate and overseas options.

Given the high proportion of our members with stores in Queensland, this is an important issue for the ARA and so we welcome the opportunity to provide this submission on the review of Queensland's trading hours.