

# ARA Policy & Advocacy Overview 2025

Australian retail: driving economic  
growth, creating jobs and  
supporting communities



**2025 is pivotal for retail**, as we build towards a **Federal election** and the **ARA's amalgamation** with the National Retail Association (NRA). Our case to government focuses on the economic impact of retail, the growth opportunities ahead and that when retail prospers, the whole community benefits.

Over the past five years, retailers have faced **significant challenges**—slowed consumer spending, rising business costs, labour shortages, a retail crime wave and supply chain disruptions and an intense government reform agenda. Despite these hurdles, Australian retailers have shown **great resilience**. Now, the sector is **primed for growth** and eager to collaborate with the next federal government to unlock its potential and drive broader economic success.

Australia's **\$430 billion retail sector** is a cornerstone of our economy, contributing 18% of the nation's Gross Domestic Product. It's the **largest private sector** employer in the country, employing one in ten Australians, and is dominated by small to medium-sized businesses – many family owned. Retailers play a vital role in **connecting communities**, providing essential services, and reinvesting billions of dollars back into local economies. They are the country's biggest buyers of local produce, are major taxpayers, and are strong supporters of local communities, both in good times and bad.

# Retail Sector Performance



**\$430b**

value of retail economy

Source: ABS



**16.8%**

online share of retail spend in 2023

Source: Australia Post



**35%**

Australians buy and sell second hand items

Source: Roy Morgan



**1.4m**

Australians work in retail

Source: ABS



**85.9**

consumer confidence December 2024 **-0.7pts** from November 2024

Source: Roy Morgan



**30,500**

vacancies across the retail sector

Source: ABS



**\$36.991b**

retail spend December 2024 **+4.6%** YoY

Source: ABS



**2.4%**

The monthly CPI indicator rose 2.5% in the 12 months to December 2024

Source: ABS



**27.2m**

population of Australia **+2.1%** YoY

Source: ABS



# Advocating for a strong retail sector

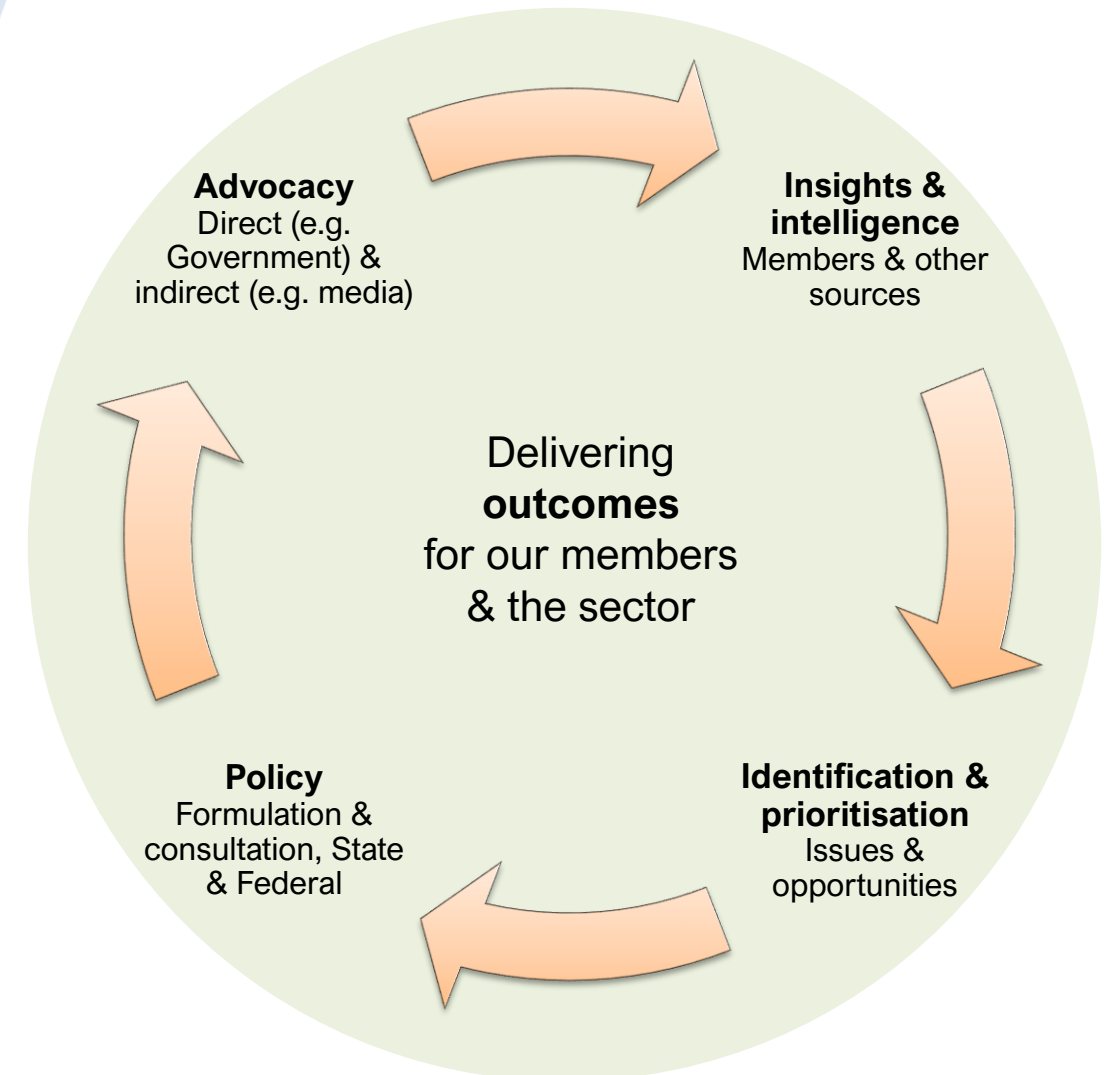
## Listening & engaging with our members:

- 15 dedicated advisory committees
- Conducted 25 member surveys
- Comprehensive annual member research
- Robust consultation process around every submission

Leveraging exclusive access to **data & insights** through our **strategic partnerships**

**Constructive engagement** 30+ industry bodies & cross-sector working groups

Continuous & growing engagements with **Fed, State and local govt reps** across the country





# Responding to Government consultations

## ARA Policy framework supporting 80+ submissions

- ARA one of the most active associations with more than 80 submissions last year
- Proactive & reactive response to intense reform agenda
- Supermarket, competition & and other inquiries required additional focus
- Unifying voice across other industry bodies to strengthen position
- Strategic government relations approach to influence outcomes, including through Parliamentary Friends of Retail
- Joint ARA X NRA submissions underway

### KEY FOCUS AREA 1

#### STRONG SECTOR

We want to build a strong, thriving sector by reducing costs, minimising complexity and removing barriers to growth

### KEY FOCUS AREA 2

#### PRODUCTIVE WORKFORCE

We want to build skills and employment pathways into a contemporary workplace relations system that benefits employers and employees

### KEY FOCUS AREA 3

#### SAFETY AND INCLUSIVITY

We want to create inclusive experiences for employees and consumers, and play a positive in physical and mental health while protecting and enhancing safety.

### KEY FOCUS AREA 4

#### SUSTAINABLE BUSINESS

We want to empower the transition to the low-carbon, circular economy of the future and mainstream responsible sourcing

### KEY FOCUS AREA 5

#### RISK AND RESILIENCE

We want to build a safe and resilient sector that protects retailers, employees and consumers from risks and threats

### 2024

- Designated Complaints ACCC 12.01.24
- Digital ID Bill & The Digital ID (Transitional and Consequential Bill) 22.01.24
- Modern Slavery Amendment (Anti-Slavery Commissioner) Bill 24.01.24
- Pre-Budget Submission 25.01.24
- Competition Review – Merger Reform 29.01.24
- Supermarket Prices Inquiry 02.02.24
- Modern Award Review – Job Security 05.02.24
- Application to Vary the GRIA – Form F48 06.02.24
- Application to Vary the GRIA – Form F48 06.02.24
- Modern Award Review – Award Useability Response 19.02.24
- Australian Accounting Standards Board – Climate Reporting 01.03.24
- NSW Single-use Plastics: Next Steps 04.03.24
- SA Single-use Plastics 09.03.24
- Climate-related Financial Disclosure Draft Legislation 09.03.24
- Modern Award Review – Work and Care 12.03.24
- New Vehicle Efficiency Standard 14.03.24
- Feasibility Consultation on Limiting "Unhealthy" Food Advertising 15.03.24
- NSW Industrial Manslaughter Laws 18.03.24
- Blueprint for VET Workforce 26.03.24
- Amendments to SOCI Act for Cyber Security 27.03.24
- Annual Wage Review 2023-24 28.03.24
- SA Select Committee on Grocery Pricing 05.04.24
- ACCC Supermarket Inquiry 09.04.24
- OECD/G20 Two-Pillar Solution 16.04.24
- Divestiture Bill 19.04.24
- Modern Award Review-Work and Care Reply 26.04.24
- Buy Now Pay Later Regulations 28.04.24
- Annual Wage Review Reply 29.04.24
- GST Determination Pre-prepared Foods 05.05.24
- Responsible use of AI in Retail 15.05.24
- Draft Modern Award Delegates' Rights Terms 21.05.24
- The Review of the Australian Apprenticeships Incentive System 21.05.24
- Variation of Modern Awards to include a Right to Disconnect 21.05.24
- JSA Core Skilled Occupations List 31.05.24
- Sunset Review of Trading (Allowable Hours) Regulation 05.07.24
- Digital ID Rules, Accreditation Rules and Data Standards 05.07.24
- Suitability of ASTM F2057-23 Toppling Furniture 07.06.24
- The Independent Review of the Fair Work Amendment 07.06.24
- Right to Disconnect Reply Submission 12.06.24
- Non-Compete Clauses and Other Restraints 12.06.24
- Reform of Australia's Anti-money Laundering Regime 21.06.24
- Response to DEWR Paper on Review of Apprenticeship System 10.07.24
- FWC Casual Employment Terms 30.07.24
- FWC Draft Right to Disconnect Model Award Terms 1.8.24
- Merger Reform Exposure Draft 16.08.24
- Small Business RLO Exemption 22.08.24
- Payment Times Reporting Rules Amendments 22.08.24
- Old Exposure Draft Liquor & Other Legislation Amendment Bill 06.09.24
- GST Determination Supplies of Sunscreen 13.09.24
- Senate Committee Inquiry into 'Big Box' Retailers 27.09.24
- Revitalising National Competition Policy 02.10.24
- Exposure Draft Legislation: Industry Codes Penalties 08.10.24
- SA Plastics Independent Review 14.10.24
- Anti-Money Laundering Financing Amendment Bill 2024 14.10.24
- Exposure Draft: Mandatory Food and Grocery Code 18.10.24
- Mandatory Guardrails in High-risk AI Settings 21.10.24
- ACCC Supermarket Inquiry: Interim Report 25.10.24
- DCEEW Reform of Packaging Regulation 25.10.24
- Exposure Draft – Franchising Code of Conduct 28.10.24
- Exposure Draft – Product Safety Regulations 28.10.24
- ARA Application: Outline of Submissions 11.11.24
- FWC Model Terms for Enterprise Agreements and Copied State Instruments 01.11.24
- NSW Plastics The Way Forward Action Plan 14.11.24
- DCEEW Reform of Packaging Regulation 11.12.24
- Opportunities in the Circular Economy 19.11.24
- Consumer Guarantees and Supplier Indemnification 21.11.24
- GSTD 2024/D3: Food of a Kind Marketed as a Prepared Meal 21.11.24
- Consumer guarantees and supplier indemnification 21.11.24
- Review of AI and the Australian Consumer Law 26.11.24
- Model Terms for Enterprise Agreements and Copied State Instruments 28.11.24
- Recycled Content Traceability Tutorials 29.11.24
- Review of the Secure Jobs, Better Pay Legislative Amendment 29.11.24
- Consideration of a franchising licensing regime 06.12.24
- National Transport Commission Review 10.12.24
- Merchant card payment costs and surcharging 10.12.24
- Model Terms for Enterprise Agreements and Copied State Instruments 13.12.24
- Workplace Gender Equality Amendment Bill 20.12.24
- Review of the SA Environment Protection Policy 20.12.24

# Delivering outcomes for the sector



## REGULATORY

- Advocated for fair regulation within the **supermarket sector** / ensured industry's voice is heard within public arena.
- Successfully advocated for Stage Three Tax Cuts to be considered within the **Annual Wage Review**.
- Successful advocacy around flexible **trading hours** – with increased flexibility announced in a number of jurisdictions.
- Successfully advocated for government support for small businesses across **energy, cyber security and mental health**. Small business interests also used to demonstrate impact of key reforms on vulnerable business players



## EMPLOYMENT RELATIONS

- ARA led important reforms to **Closing Loopholes** outcomes
- ARA led reforms to the **General Retail Industry Award (GRIA)**, with changes—ranging from shift break payments to updated overtime provisions—that will benefit for years to come.
- Commenced collaborative response to **Junior payrates** case
- Secured support to help businesses navigate the complex array of **workplace reforms**



## RETAIL CRIME

- **Elevated Retail Crime** issue to Federal level. Worked with the SDA to secure retail specific legislation in further jurisdictions with commitments made in QLD, VIC and TAS in addition to NSW, SA and WA.
- Positioned technology's key role helping retailers prevent crime and improve safety.
- Established **Retail Employer Safety Council** to tackle worker wellbeing collaboratively with SDA.



## WORKPLACE HEALTH & SAFETY

- ARA supported committee overseeing **ANROWS research** allowing us to take a leadership position in developing responses.
- Worked collaboratively with SDA & members on **sexual safety of young workers** in workplace findings.
- Launched ARA **Gender Equality Playbook** and supported **Diversity, Equality, and Inclusion Symposium**.



## CRISIS MANAGEMENT

- ARA advocacy helped encourage formation of the **National Coordination Mechanism** to support with disaster response
- Coordinated response around **Bondi Junction incident** with political leaders, government and authorities and media
- Coordinated industry response to **Crowd Strike event** and subsequent resilience planning

# Media as an advocacy tool

## How we can get retail sector back on its feet



FLEUR BROWN

Most Australians have a strong connection to retail – whether it be a first job, a career step or a connection to someone who works in retail or owns a business. And we are all consumers.

Retail is also the backbone of our economy – as our largest private sector employer, which contributes 18 per cent of the nation's GDP. We can't have an economic recovery without a retail recovery, which is why the sector must be a priority focus at the March federal budget.

After five years of weathering the storms of low consumer spending, rising business costs, high interest rates and a retail crime wave, it's time to help get this important sector back on its feet. Retailers are calling for support measures that will grow

creation. This measure would provide relief to retailers that have experienced higher costs and cashflow challenges over the past three years.

We must also see the Instant Asset Write-Off scheme become permanent with increased thresholds to encourage businesses to invest in technology, innovation, and productivity-boosting assets.

Retailers are helping lead the transition to a more sustainable economy. Government investment in recycling infrastructure, a national circular economy framework, and incentives for low-carbon logistics will ensure the sector can contribute to Australia's environmental goals, while maintaining profitability.

Labour shortages remain high and, along with skills gaps, constrain the growth of the sector.

We also need to see clearer career pathways for young people, greater access to training, and targeted policies to encourage workforce participation from under-represented groups.

## OPINION 31

### We can beat wave of crime

Paul Zahra



Retail crime is one of the most concerning issues facing the Australian retail sector, costing the industry around \$9 billion per year.

And we're continuing to see a rise in retail-related crime, with the latest data from the Crime Statistics Agency showing a significant spike in thefts from retail stores in the past year.

For retailers plagued by the cost-of-doing-business crunch, and a significant decline in consumer discretionary spending, this is an added pressure that causes severe emotional and financial strain.

The Australian Retailers Association is calling for action from governments, law enforcement and retail industry leaders across the country.

We need to see stronger laws and deterrents for offenders, improved relationships between the retail sector and police, improved access to information relating to retail crime, increased visibility of the impact of retail crime, and greater adoption of safety-related technology.

On Thursday, the ARA hosted its second Retail Crime Symposium in Melbourne in partnership with the National Retail Association. We gathered industry leaders across the nation to tackle this issue and found key areas that need addressing.

There must be stronger penalties for people who assault frontline workers. We have seen some states move forward with

## COMMENTARY RETAILERS FACE TOUGH TIMES

But there are signs consumers are starting to spend



FLEUR BROWN

Retail performance has long been a bellwether for the economy, and this year's Christmas and post-holiday period have never been more critical for Australian retailers.

As we reflect on 2024, the past year has certainly packed the punches for a sector which employs one in 10 Australians and contributes an enormous \$83 billion to our economy.

Encouragingly, we are projected to end the year with a welcome spending boom, as Australians prove eager to embrace the festive season and spend on gifts, food, and leisure. This is a positive sign for the retail sector, which has been struggling for some time.

22 per cent on last year's figures. This modest growth is testament to confidence and spending is welcome in a year of economic uncertainty.

This year's challenges have been multifaceted, with retailers facing higher costs, supply chain disruptions, and competition from international e-commerce giants. However, these challenges have also spurred innovation and resilience within the sector.

Our research shows shoppers are beginning to spend more on gifts, food, and leisure. This is a positive sign for the retail sector, which has been struggling for some time.

These figures reflect Australia's commitment to making Christmas special.

Small businesses have had a challenging 2024. They have faced higher operating costs, supply chain disruptions, and competition from international e-commerce giants. However, these challenges have also spurred innovation and resilience within the sector.

The Australian Retailers Association and Australian Express Small Retail Index found that many small retailers will be reporting a modest recovery in sales during the festive season. This is a positive sign for the retail sector, which has been struggling for some time.

enhance their customer reach. The pandemic accelerated the adoption of online shopping, and small retailers are increasingly utilising e-commerce, social media, and customer engagement strategies to meet consumers where they are.

This year Australian retailers have demonstrated their commitment to making Christmas special, and retailers have responded by providing an ever-evolving shopping experience that meets the demands of the modern consumer.

Despite the hurdles of 2024, it seems the Christmas spirit is well and truly alive, and Australian retailers are embracing the festive season with optimism and excitement.

As we enter the new year, we will take new lessons with us from the growing significance of e-commerce to the importance of consumer feedback and experience. This peak season will no doubt help shape the future of Australian retail for years to come.

Fleur Brown is the Australian Retailers Association's chief industry affairs officer.

## ARA Pushes for Clearer, More Flexible Retail Award

### Retailers spotlight federal election 2025 priorities

By Christopher Kelly | 18 December 2024

### RETAILERS WELCOME COMMON-SENSE APPROACH FROM CROSSBENCH ON CLOSING LOOPHOLES

CONVENIENCE WORLD EDITOR • 2 FEBRUARY 2024

## THE AUSTRALIAN

HOME NATION WORLD BUSINESS HEALTH COMMENTARY SPORT ARTS VIDEO

OMICS

### Retailers warn on tough Christmas conditions as tax cuts banked

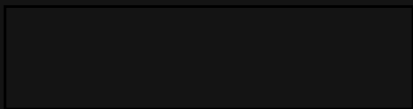
By JACK QUAIL

8:30pm October 25, 2024



### Many retailers 'hanging on by their fingernails' amid rate rises

July 04, 2024 • 9:13AM



# The Year Ahead: Context, challenges, & opportunities

Ryan Swenson  
Director, Policy & Advocacy



# Operating context in 2025



## Political Context

- **Federal Election** most likely on 12<sup>th</sup> April or 17<sup>th</sup> May
- Polling indicating likely **hung parliament**, highlighting importance of Crossbench & Greens
- Follows a period of intense **legislative reform**
- Key focus will be **on cost-of-living**
- **Budget in March 25** will provide early indication of government's thinking on election
- Increased **union campaigns** against industry-led industrial relations reforms
- **Continued pressures** from government to retailers



## Economic Context

- Australian GDP rose 0.3% in 12 months to Sep 2024, with forecasts of **+1.6% in 2025**
- Retail spending **well below trend** – sales growth for 2024 likely to be **+2.6%** against long-term (25yr) average of 5.0%.
- **Inflation** ended 2024 at **2.4%**, continuing to moderate
- **Cash rate held** at 4.35% in 2024, with expectations of a **0.25% cut** in February
- AUD\$ trading at near **five-years lows** of \$0.62c
- **Unemployment rate** of 4.0% forecast to rise in 2025



## Social Context

- **Cost-of-living pressures** intense and remain central to government narrative
- **Annual wages growth** at 3.5% (reported in September), declining from 4.1% annual growth in the June quarter.
- Retail job **vacancies falling**, down from Nov-22 peak of 49,900 to 32,000 in late 2024
- **Increase in anti-social** behaviour and assaults against retail workers
- Reporting of **gender pay gap data** will maintain focus on gender equality
- Incursion of **health policy** through diabetes review and advertising standards



## Technology & Regulation

- Rise of **Artificial Intelligence (AI)** presents risks and opportunities for business
- **Cyber security risks** highlight digital divide between small and large business
- **Supply chain pressure** due to flooding, conflicts, industrial disputes and issues such as avian flu, **requiring greater infrastructure investment & resilience**
- Significant **regulatory burden** on business as government reforms shift into **implementation and compliance**
- **Red tape reform** slow and frustrating



## Sustainability Context

- **Globing temperatures** reached +1.5 degrees c in 2024 – a critical climate threshold
- **Global disruption** from climate-related weather events increasing
- Australia's **low-carbon energy transition** is progressing despite historical policy uncertainty, however resulting in **higher costs** with emission targets likely to be missed
- Global **circularity decreased** to 7.1% in 2024, with **Australia tracking at 4.4%**, with a target to double by 2035
- **US political landscape** challenging sustainability progress, however global **momentum, investment & commitment** remains

# How we are responding

## Higher degree of influence

## Lower degree of influence

1.

Challenging trading conditions coupled with **rising CODB**

- Stakeholder & media narrative highlighting CODB alongside COL
- Trading challenges highlighted at every opportunity
- Targeted policy measures for cost relief

2.

Increased **regulatory** & compliance requirements, impacting **productivity**

- Leading IR reform strategy for the industry, including GRIA & junior wages
- Calls for greater harmonisation & red-tape reduction
- Advocating for SME's through reduced complexity & taxes

3.

Customer aggression and **retail crime** impacting **well-being** & causing **financial harm**

- Elevating role for Federal leadership, with a focus on organised crime syndicates
- Increasing state-based advocacy to strengthen and harmonise laws
- Coordinating a strategic multi-stakeholder approach

4.

**Digital disruption 2.0**, including from rapid growth of international competitors & AI

- Forming industry policy position to level playing field & close loop-holes
- Advocating for measures to build digital capability
- Elevating retail's voice in driving the AI agenda

5.

Sectoral reputational impacts from political **business-bashing**

- Deploying a coordinated election campaign across all channels
- Direct advocacy & issues management to correct and steer the narrative where possible
- Highlighting the diversity of the sector

# 2025 Federal Election campaign focus

**FEDERAL ELECTION PRIORITIES**  
**Australian retail: driving economic growth, crime reduction and supporting communities**

Australia's \$430 billion retail sector is a cornerstone of the nation's Gross Domestic Product. It's the one in ten Australians, and is dominated by family-owned. Retailers play a vital role in connecting consumers with local produce, are major taxpayers, and are a source of jobs and income, both good and bad.

When retail prospers, the whole economy prospers. However, the retail sector faces significant challenges—slowed consumer spending, crime wave and supply chain disruptions.

Despite these hurdles, Australian retailers are resilient for growth and is eager to collaborate with government to drive broader economic success.

**INDUSTRY SNAPSHOT**

 **1.4m**  
Australians work in retail

Source: ABS

 **\$430b**  
value of retail economy

Source: ABS

**OUR TOP PRIORITIES**

With extensive input from the retail community, we have identified the top priorities ahead of the federal election. These are:

 **EMBRACE A GROWTH MINDSET**  
Given the important role that the retail sector plays in driving economic growth, we seek policies that:

- Increase consumer confidence and disposable income;
- Recognise the economic impact of the retail sector;
- Restore business confidence, particularly for small business;
- Apply downward pressure on business costs; and
- Reduce complexity by driving national alignment on state matters.

 **GROW THE RETAIL WORKFORCE**  
To create more jobs and strengthen our position as Australia's largest private sector employer, we seek policies that:

- Drive productivity through a flexible workplace relations system;
- Support tripartite efforts to provide safe and inclusive workplaces;
- Connect people from diverse backgrounds with retail jobs;
- Co-invest in vocational training to upskill our sector; and
- Address residual vacancies and skills gaps through migration.

 **COLLABORATE ON COMMUNITY OUTCOMES**  
To create a more resilient, sustainable and future-focused sector, we need to partner with government on policies that:

- Reduce instances of retail crime, with a focus on organised crime syndicates;
- Navigate cyber security and the responsible use of technology and artificial intelligence;
- Accelerate our transition to the low-carbon, circular economy;
- Improve resilience of the local and global supply chain; and
- Drive investment in community infrastructure and housing.

**WHO WE ARE**

The Australian Retailers Association (ARA) and National Retail Association (NRA) are the industry bodies that represent Australia's vibrant and diverse retail sector. This includes large international and national retailers, as well as the small and medium sized businesses that make up 95% of the ARA's and NRA's membership. Our members operate stores and online shops nationwide - from food and fashion to hardware and hairdressing.

**Advocating for the retail sector**  
email: [policy@retail.org.au](mailto:policy@retail.org.au)

## Primary Campaign Focus

**Federal leadership to  
Incentivise national  
harmonisation of inefficient,  
duplicated and outdated  
regulations**

**Grow small, medium and  
family-owned businesses**

**Prioritise retail worker safety  
by reducing retail crime**

## Secondary Campaign Focus

**Increase Australia's lagging  
productivity performance**

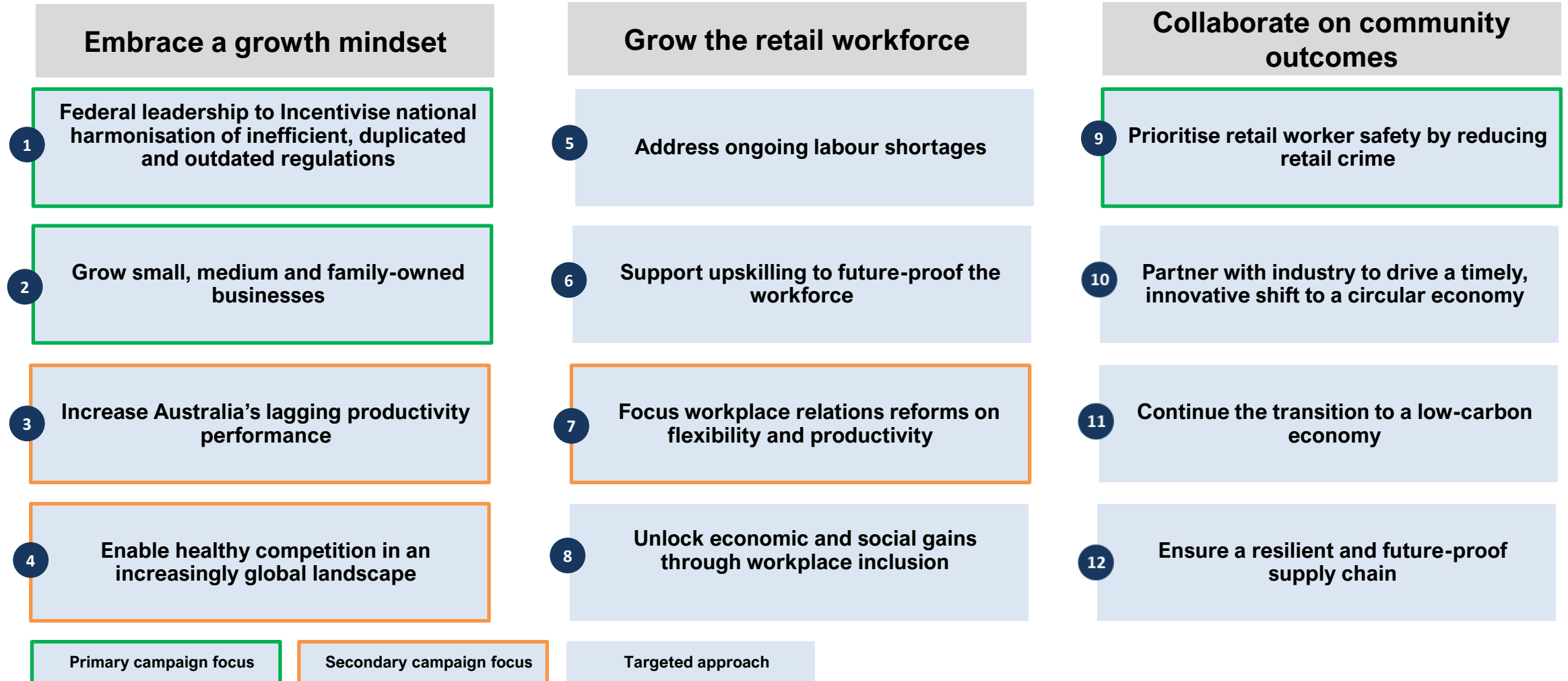
**Enable healthy competition in  
an increasingly global  
landscape**

**Focus workplace relations  
reforms on flexibility and  
productivity**



# Comprehensive policy platform

The public advocacy focus topics are part of a comprehensive policy platform that covers 12 topics and over 50 specific policy recommendations





## Approach

## Key Milestones

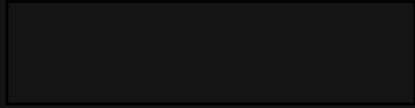
### Federal

- Engagement targeting high-priority stakeholders, including **Treasury, Small Business, Workplace Relations** across **Government & Opposition**
- Strengthening **cross-bench relationships** including with Zali Steggall, Allegra Spender, Dai Le, Rebekha Sharkie & Andrew Wilkie & **the Greens**
- **Reactive & proactive** approach to issues management, aligned with policy & advocacy priorities
- **Unifying policy positions** across industry bodies to **amplify advocacy**

### State & Territory

- Continued focus on addressing **retail crime** and **harmonisation** of laws across states and territories
- Focus remains on addressing **trading hours** discrepancies
- **WA election** to be held on 8<sup>th</sup> March
- **State-based policy platform** to be revisited, aligning to national priorities
- Post Federal election, attention will shift to state-based engagement ahead of **SA, Tas, NT, ACT & Vic elections** expected to be held in **2026**

- RBA decision – 18 February
- WA election – 8 March
- GRIA FWC hearings – end March
- Federal Budget delivered – 25 March
- Federal election called – possible end March
- Annual Wage review –closing date for initial submissions 4 April 2025
- Federal election – likely 12<sup>th</sup> April or 17<sup>th</sup> May
- Junior Wages hearings – end May
- ABS introduces new retail reporting data – 1 July



# Strategic Project Update: Modernising the General Retail Industry Award (GRIA)

Tristram Gray

Chief People & Capability Officer, Kmart  
Chair, GRIA Project Group, ARA

# Q&A

