



Australian
Retailers
Association

Submission to the
Department of Immigration & Border
Protection

457 PROGRAMME REFORM AND SKILLS SHORTAGES IN THE RETAIL SECTOR

June 2017

1 3 0 0 3 6 8 0 4 1 | retail.org.au | policy@retail.org.au

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With special thanks to **ARA Retail Institute**

REVIEW OF SKILLED MIGRATION VISA REFORM

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REVIEW OF SKILLED MIGRATION VISA REFORM

EXECUTIVE SUMMARY

The Australian retail trade sector contributes close to \$310 billion to the Australian economy, and is the largest single employer by industry sector, providing work for more than 1.7 million people.

As the retail industry's peak representative body, the Australian Retailers Association (ARA) has been advocating for its members for almost 115 years, on issues that invariably include skills shortages in the local labour market and flow-on effects to the cost of doing business in an increasingly competitive global context.

The ARA has underwritten a host of upskilling programmes in the retail sector through the development of Vocational Education Training (VET) packages and effective employment pathways into the retail sector. This has included free training to industry newcomers, and support to host employers providing vocational training under the Federal Government's former *Productivity Places* Programme. More recently, the ARA spent two years consulting industry stakeholders and the Government in relation to an increasingly apparent skills-shortage in the areas of retail buying, merchandise planning and digital commerce.

The outcome of this review was the introduction of the Diploma of Retail Merchandise (Buying & Planning) and two Digital Commerce skillsets, which are currently before the Australian Industry and Skills Committee (AISC).

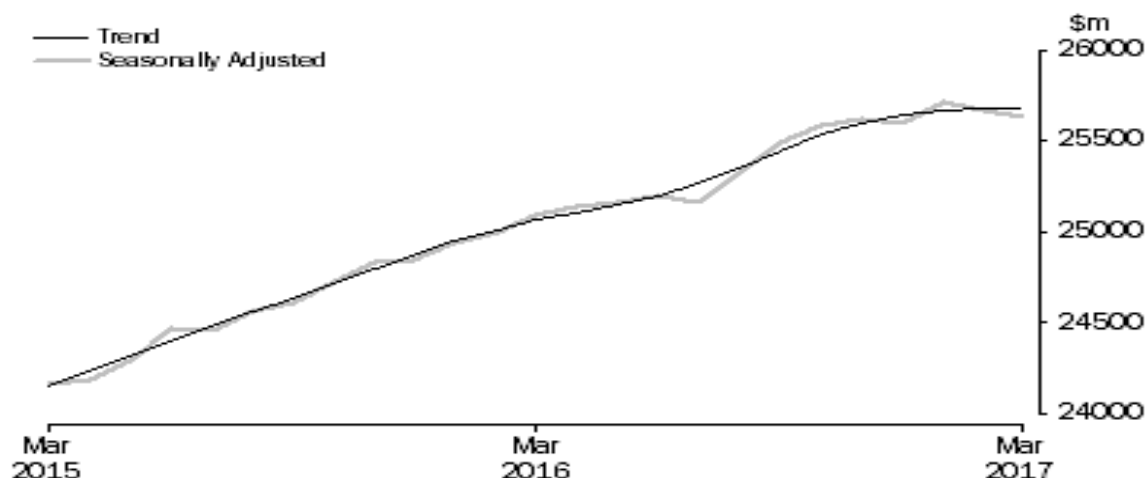
Despite these initiatives and their validation through Commonwealth funded intermediaries such as *SkillsIQ*, the retail industry now faces additional challenges brought about by wholesale reform to the 457 visa programme with immediate (and retrospective) effect from 19 April 2017.

This submission seeks to highlight the adverse effects to the retail sector caused by the removal of certain retail occupations from the Legislative Instrument responsible for specifying occupations for employer-sponsored migration. The submission also canvasses the statistical and empirical evidence which would have been put forward were there a process of stakeholder consultation prior to phase one of the reforms being implemented.

REVIEW OF SKILLED MIGRATION VISA REFORM

THE RETAIL TRADE SECTOR

The state of the retail sector has improved year on year, but (as indicated in the graph below) the trend estimate for Australian turnover was virtually unchanged (0.0%) in March 2017 following a rise of 0.1% in February 2017 and a rise of 0.1% in January 2017.



RETAIL WITHIN THE BROADER AUSTRALIAN LABOUR MARKET

Retail trade employs around one in nine working Australians and provides jobs in almost every location, including more than 400,000 in regional Australia.

The [ABS projects](#) a net employment increase of 8.4% over the five years to November 2020 with large numbers of new jobs in Clothing, Footwear and Personal Accessory Retailing (20,400), Supermarket and Grocery Stores (17,700) and Pharmaceutical and Other Store-Based Retailing (16,900).

However, a bottleneck will rise within these employment statistics unless the sector can effectively manage mass digital transformation and the pressures of competing in an open, global marketplace. There is already substantial unease in the sector as high profile footwear and apparel retailers such as Payless, Herringbone, Rhodes & Becket, Pumpkin Patch, David Lawrence and Marcs (amongst others), retreat under a perfect storm of a talent shortages, and international competition.

The ability of retailers to compete in this dynamic global market - and thereby continue to employ Australian workers – *directly correlates* with access to specialised talent.

REVIEW OF SKILLED MIGRATION VISA REFORM

OCCUPATION-SPECIFIC SKILL DEMAND

The Australian and New Zealand Standard Classification of Occupations (ANZSCO) has limitations in terms of evolving with the types roles found and required in modern day retailing, with key retailing functions relegated to Skill Level three within this framework. Some business- critical roles in contemporary retailing have been identified by ARA members as follows:

RETAIL BUYERS

Retail Buyers are responsible for identifying and constructing balanced product ranges which are consistent with the brand strategy in order to maximise commercial opportunities and deliver optimum profit and growth. Tasks usually include:

- Developing and delivering product strategies for each brand / category portfolio, with direct links to the company's overall strategy and relevant customer segments
- Managing complete range selection, order placement and financial performance of the business, including budgets and pricing
- Applying advanced negotiation skills to achieve optimal trading terms that deliver commercial targets
- Developing and executing strategies with engagement and buy-in from internal and external stakeholders
- Driving the marketing and communications strategy specific to the category, and in line with the company's strategy
- Driving and developing customer engagement, including enhancing the customer experience specific to the category

MERCHANDISE PLANNERS

Merchandise Planners deliver compelling and profitable customer offers that drives the merchandise strategy through business-trend analysis, optimising inventory and profit outcomes. Key functions include:

- Accountability for business planning and alignment of category and store planning, ensuring the most commercial decisions are made to maximise sales and gross margin intake
- Working alongside the Brand Director/General Managers and Buying Manager in supporting the development of the brand's business plans and strategies
- Building and managing business unit budgets, forecasting KPIs to ensure they are aligned to the business' strategy, maximising sales and gross margin
- Reviewing season reforecast at brand level and recommending action to protect brand budgets
- Reviewing brand 'open-to-buy' budget, together with Buyers, to maximise opportunities and minimise risks
- Actioning and reviewing markdown spend requests against category planning. Ensuring action taken maximises opportunities and minimise risks to maintain an optimum mix of regular price and markdown stock

- Building supplier business plans in conjunction with the Buying and Production teams and sets KPI targets (IE IMU, speed to market)
- Conducting regular price architecture of own brand versus competitors in the retail sector, both locally and internationally
- Leading and developing the Planners of the future to ensure there is succession planning in the business unit.

MERCHANDISE DESIGNERS

Merchandise Designers are responsible for working with the Buyers to create a fully differentiated range that meets the brand's requirements and cost/budget, targeting the market's needs. Functions typically include:

- Conducting brand-relevant trend research and working with trend/forecast team to create an offer of differentiated product using valid price points
- Creating concept boards to present the designed range to the Buying team
- Work with the Sourcing Manager to assign relevant materials and style products and accessories
- Advising the brand on best materials and block coverage to suit specification. Working with Quality Assurance to finalise the style and create the initial technical specifications pack
- Giving the brand initial cost indications on style, materials and trims and work with offshore suppliers to achieve target cost price
- Presenting brand collection to the buying team and undertaking seasonal reviews to understand brand complexity and pro-actively identify any new opportunities
- Building and maintaining a strong relationship with the brand to understand the customer profile and respond to changes in customer needs
- Transferring skills to future Designers

Under the current ANZSCO nomenclature, the above occupational categories would generally have to correlate with UNIT GROUP 6392 RETAIL AND WOOL BUYERS, and specifically, Retail Buyer (ANZSCO: 639211). This occupation was removed altogether from the Legislative Instrument: *Specification of Occupations, a Person or Body, a Country or Countries 2016/059 (IMMI 16/059)*, by the amending instrument (IMMI 2017/040) on 19 April 2017. The practical effect of this is to prevent Australian retailers from accessing three emerging skill sets from the international labour market, and to do so during exceptionally sensitive periods of economic transformation.

The shortcomings of the ANZSCO in keeping up with the modern workforce have been compounded by the Government's decision to remove Retail Buyer as the entry point for digital-commerce appropriate skillsets in the retail sector. These skills allow businesses to streamline operations, obtain international perspectives on retail operations, and deliver advanced analytical and reporting expertise in terms of merchandise planning, buying and design. For historical reasons these have not been wholly or fairly represented in the ANZSCO Unit Group to which they belong.

Closely related but distinct occupational categories of great importance to many ARA members include Fashion Designers (ANZSCO 232311), Web Designers (ANZSCO 232414) and General Managers (ANZSCO 111211), all of which have been consigned to the STSOL, which is a strong disincentive for the best expatriate talent to relocate to Australia. The same is true of Advertising and Marketing professionals

who often have the international experience necessary to the position and are able to manage brands on the global stage.

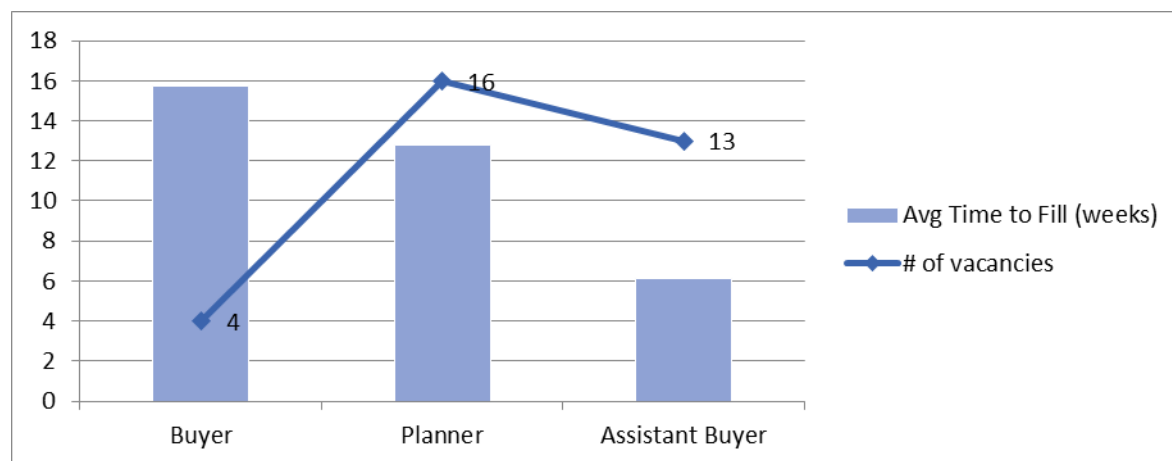
The degree to which certain retail occupations have been upskilled since conceived by the ANZSCO is evident by the remuneration offered. Although the ABS have not compiled salary data for Retail Buyer as part of its 'Joboutlook' platform, according to Mercer Retail remuneration data, the median remuneration package for Retail Buyer was \$132,000 in 2016, and Merchandise Planners attracted a median salary package of \$117,000 in the same year.

It should be noted however that the most senior buying, planning and designing roles with responsibility over multi-million dollar budgets can command salary packages of up to \$200,000.

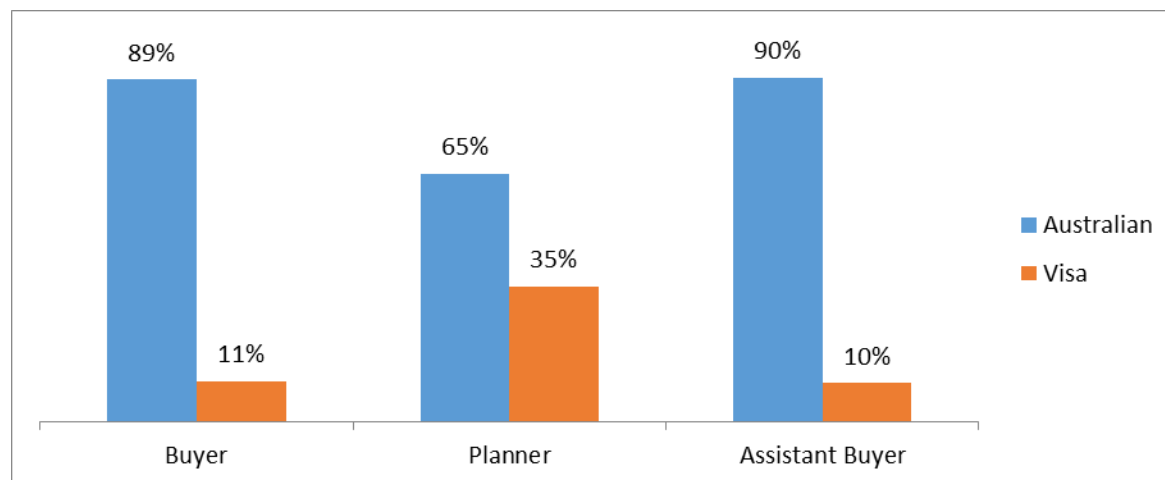
REVIEW OF SKILLED MIGRATION VISA REFORM

OCCUPATION-SPECIFIC SKILL DEMAND

Retail Buyer was amongst the top ten occupations nominated under the 457 visa programme from the 216 occupations that were removed as part of the 457 visa reform package. One ARA member has provided the following graph which plots the time it takes to fill vacancies in related roles:



The below graph reflects the member's current workforce profile (local v overseas Buyers/Planners)



ARA members will invariably look at the local labour market for qualified candidates first, with primary recruitment sources being: Job boards (e.g. Seek), agencies, employee referral programs, career forums, market mapping exercises, work experience and internships.

Yet the short-supply of qualified candidates remains one of the most frustrating realities for ARA members. There is a large body of credible reports on this subject¹, and 457 business sponsors have

¹ <http://www.careerone.com.au/watercoolertalk/job-hunting/getting-started/australias-shortage-of-super-skills-what-skills-ar>

been regularly providing summaries of their recruitment efforts as part of the nomination process [refer to a typical example from one ARA member appended at **Annexure A**].

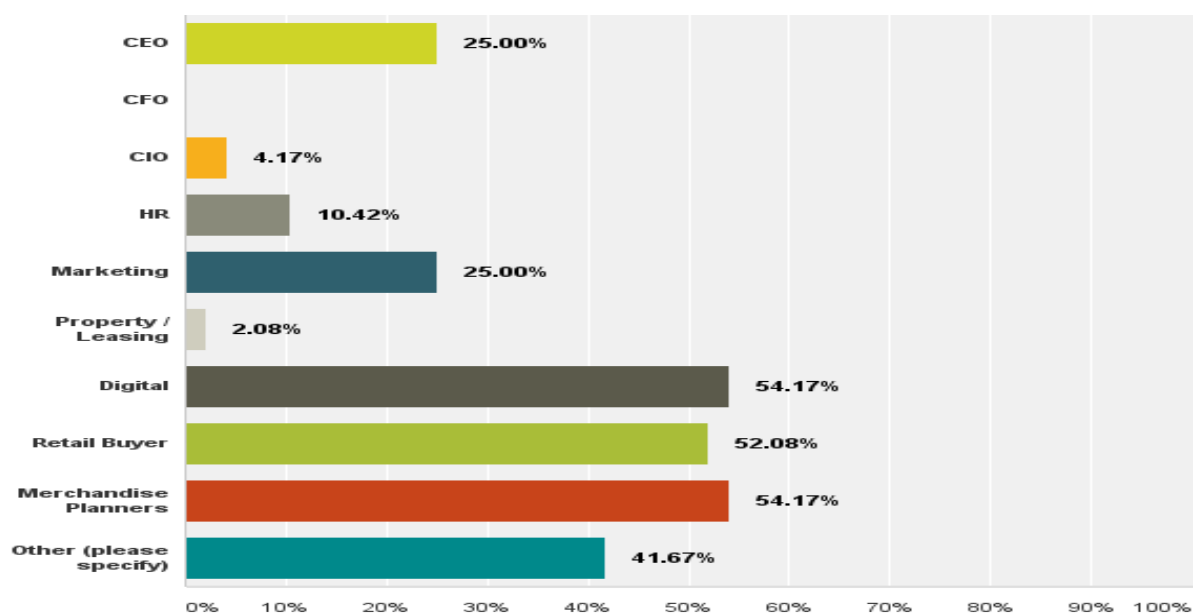
The arrival of international competitors in Australia over recent years has seen a shift in terms of buying functions now remaining offshore, and this will now be exacerbated further with the removal of Retail Buyer from the 457/TSS programme. The natural consequence of this high competition, low supply environment is for local retailers to start moving their own buying, planning and merchandising functions offshore, where most of the comparative advantage is. The Australian economy (and tax base) will not benefit from removing the option for businesses to bring the necessary talent in-house through the migration programme.

REVIEW OF SKILLED MIGRATION VISA REFORM

SURVEY RESULTS

A survey was sent out to ARA members on 12 May 2017 seeking responses in relation to difficulties in securing local talent across key occupational groupings [refer to full survey metrics at **Annexure B**]. Of the 50 respondents, the following graph confirms the majority are experiencing the supply imbalances mentioned above.

KEY SENIOR RETAIL ROLES IN SHORT SUPPLY LOCALLY



A sample of some of the qualitative responses are provided below which are representative of many of the respondents' experience.

"Our brands account for 62% of our head office headcount and of those 12% are on visa. Of those visa holders 25% accounts for Retail Buyers and Merchandise Planners. The nature of talent we source from overseas does not exist in Australia and we believe this is directly related to the fact that UK retail in particular is ahead of Australian retail & bring to the country the skills of the future for Australian retailers. For example, the power of customer insights and ecommerce became event c. 2008. During the GFC many retailers stopped investment in this area but we continued knowing this was the way of the future. However, talent in the insights space & ecommerce was very hard to get in Australia, in particular with retail & in our case specialty retailing experience. This skill set had to be brought in from the UK as UK retailing was already in full swing in this area. Today our digital team account for 5% of our HO headcount of which 36% are on visas. We also employ a full team of customer insights professionals of which 83% are on visas. If we are not able to source this talent or offer a path way for residency it

would put our business at risk in particular due to international retailers who have the talent in their own countries of origin. Australian retailers have a leap to make in innovating & building growth strategies to be able to remain relevant in our own market place. The current decision means that we have 73% of employees in critical roles at risk as there is no pathway to PR & this talent is not in the local market. It takes years to build this talent as it requires experience. Unlike the UK for example, Australians do not typically see retail as a career & so tertiary institutions do not offer pathways for education in the field. The Australian retailers Association in conjunction with retailers have commenced developing programmers and are close to being able to provide qualifications for retailers but once launched will take time to grow the talent. Experience is required in these roles and it can take years to upskill a Team Member to be a Buyer and Planner with the skill to manage what is required. Millions of dollars in budget to buy stock and logistics for it to reach our store”

And;

“Buying/merchandising roles are recognised within the retail sector as being challenging to recruit for and very competitive. The larger retailers rely on sourcing the more senior merchandise buying roles overseas where people have completed relevant tertiary studies in this area and have gained relevant experience within retail industry”

REVIEW OF SKILLED MIGRATION VISA REFORM

ARA INITIATIVES TO REDRESS SKILL IMBALANCE

Australian retailers are facing complex challenges and operating environments, characterised by change and ongoing disruption. The entrance and influence of international brands and rapid digital technology advancements have created ongoing competitive pressures within the industry. As a result, the ability to innovate and drive improved processes is imperative to remaining relevant in retail.

As noted above, retailers in the Australian industry have long been challenged by the availability of local talent to fill buying, planning and online retail roles. This shortage of skills is compounded by the lack of formal training options that support employers in growing their internal teams. Success in each of these areas is directly attributed to the skills held in key technical functions such as merchandise management, visual merchandising, and online retailing.

It has become critical that the national training system supports skills development in these key areas to ensure Australian retailers remain competitive and commercially viable. Retailers have expressed the need for industry defined, nationally recognised standards to provide skills development options for the current and future workforce - and the ARA have listened. In partnership with *SkillsIQ*, the ARA Retail institute has collaborated with retailers to fully understand the commercial impact of skill gaps and limited access to talent.

This collaboration has resulted in The New Retail Series – a series of innovative training pilots focusing on these contemporary skills requirements. The Australian retail industry broadly considers this a priority development, with the aim of this pilot program to develop a series of specialist skills programs to close the growing skills gap.

KEY AIMS OF THE NEW RETAIL SERIES

Develop Australian retail talent pool to globally competitive standards

Build consistency and currency into the skillsets of Australian retailers

Sustain long term talent development in specialised skills for New Retail

Strengthen partnerships between the industry and education sector to lead the future of retail

As the New Retail world evolves, an agile and highly skilled workforce is critical to remaining competitive and growing in these challenging times, and many major Australian retailers have acted as key drivers in the planning and development of these formalised qualifications. Extensive work has been undertaken to analyse job roles and define skills needs that allow individuals to make valuable contribution to a retail business.

Feedback was sought on the relevance and accuracy of this work and a range of retailers had the opportunity to share their views on the skills required in their sector by attending our industry forums. These forums gathered together small groups of industry professionals and subject matter experts to discuss a range of relevant topic areas. Informed by these insights, The New Retail Series aims to provide a new platform for professional development to build sustained talent and productivity improvements in merchandise and online retail teams.

Developed by the industry for the industry, the frameworks underpinning the series are a result of extensive consultation and have been developed by leading practitioners to international standards of best practice. Innovative programs like the New Retail series form part of our long-term commitment to developing talent through excellence in education and striving to guide the future of the Australian retail sector.

ARA Retail Institute is the leading national body providing for the education, consulting and professional development needs of the Australian retail industry.

SkillsIQ is a not-for-profit Skills Service Organisation (SSO) supporting industry to develop national skills standards that equips people-facing workforces with the right skills.

In addition, many of ARA member-brands undertake mitigation strategies on their own volition. Notably, these include members branching out in partnerships with organisations such as RMIT, Kangan Institute, developments of internal development programs, internships, scholarships, amongst many other initiatives.

REVIEW OF SKILLED MIGRATION VISA REFORM

CONCLUSION AND RECOMMENDATIONS

The ARA supports the view that Australian business should look first to the local labour market to fill vacancies. It is clear that the ARA and its members have been at the forefront of efforts to upskill and attract the local labour market through The New Retail Series, which will help the industry greatly in the medium and long term. In the short term however, there is ample empirical, anecdotal and statistical data to demonstrate that businesses are experiencing real difficulties in filling higher-skilled analytical jobs in the retail space, and for this, there are currently few alternatives to the 457 visa programme.

RECOMMENDATION 1:

The ARA recommends that the role of Retail Buyer be re-instated to the Short Term Skilled Occupation List to facilitate the internationalisation and digitisation of the Australian retail landscape until supply-side initiatives flow through.

RECOMMENDATION 2:

The ARA would support a more sophisticated and inclusive approach to identifying strategic retail occupations when the ANZSCO is revised. This could include upskilling Retail Buyers and Planners from current Skill Level 3 in any future revision.

RECOMMENDATION 3:

Taking a longer term view, the ARA supports the development and implementation of HECS-HELP eligible tertiary qualifications to support careers in Australian retail.

RECOMMENDATION 4:

The ARA supports a pathway to employer-nominated permanent residence for highly skilled and tested visa holders in the above occupational categories (including Corporate General Manager - ANZSCO 111211), whether it be by inclusion on the Medium and Long Term Strategic Skills List, via a negotiated labour agreement, or otherwise.

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https://australianjobs.employment.gov.au/sites/aussiejobs/files/projected_employment_growth_-_five_years_to_november_2020.pdf
2. **Mercer Consulting (Australia) Pty Ltd** - 2016 Retail remuneration data - - 810.572.350 - Retail Buyer
3. **Australian Government** *"Temporary Work (Skilled) visa (subclass 457) Programme"*:
<https://data.gov.au/dataset/visa-temporary-work-skilled>
4. **Career One:** <http://www.careerone.com.au/watercoolertalk/job-hunting/getting-started/australias-shortage-of-super-skills-what-skills-ar>
5. **Michael Page:** <http://www.michaelpage.com.au/our-expertise/retail-jobs-career-advice/overseas-stores-driving-competition-australia%E2%80%99s-retail-job>
6. **Inside Retail:** <https://www.insideretail.com.au/blog/2011/07/13/merchandise-planners-in-demand/>
7. **Service Skills Australia:** <https://www.serviceskills.com.au/sites/default/files/files/Environmental%20Scans/2015-SSA-Escan.pdf> (p.24).

APPENDIX 'A'


Summary of domestic recruitment efforts by [REDACTED]

List all modes of advertising or recruitment efforts by your organisation in the last twelve months for the occupation ¹	Provide details of where the advertisement or recruitment effort took place ²	Period/dates of advertising or recruitment	Fees paid for advertising or recruitment	Provide details of who the fees were paid to	Geographical target audience	Number of applications received	Number of applicants that were hired	Reasons that candidates were not successful
External advertising	Seek online	Jan 14 – Jul 15	\$126 per ad We have posted 18 ads = \$2268	Seek company	Australia, though the primary target is Melbourne	As attached	One applicant per role, as attached	Applicants are generally rejected when they have insufficient experience for the role.
Company website	Online	Jan 14 – Jul 15	Nil cost	-	As above	As attached		
Recruitment consultant	Online or networking	Jun 14, Sept 14, Feb 15	\$12.5k, \$11k, \$11.5k respectively	Quest Personnel	Melbourne	Unsure as this information is held by the external recruiter.	3	
Social Media	LinkedIn		Nil cost	-	Australia, though the primary target is Melbourne	They are directed to our website to apply online		

¹ For example, online, social media, newspaper, internal recruitment processes, trade publications.

² For example, name of publication, website, job or careers expo etc.

I declare that the information I have provided in this document is, to the best of my knowledge, true and accurate and I am aware of the penalties for providing misleading or false information to the Commonwealth.

Signature: 

Name and position of authorised person: **GM PEOPLE & CULTURE SUPPORT OFFICE** Date: **14TH APRIL 2016**

ATTACHMENT A: Agency Placements & Costs

Month	Cost
March 2015	\$12,100
April 2015	\$13,200
Sept 2015	\$12,100
Oct 2015	\$15,400
Oct 2015	\$11,000
Feb 2016	\$16,885

ATTACHMENT B: Advertised roles

Manage jobs - PageUp									
Home Manage jobs Suggested Sites Planner Welcome to PageUp Imported from IE									
Show other search criteria									
Job No.	Date created	User	Title	Status	Applications	Site			
614481	11 Apr 2016	KE	Channel Planner - [REDACTED]	Approved	15	Head/State Office - Richmond		\$	
613935	24 Mar 2016	KE	Planner - [REDACTED]	Approved	12	Head/State Office - Richmond		\$	
613328	7 Mar 2016	KL	Trainee Planner - [REDACTED]	Approved	88	Head/State Office - Richmond		\$	
612368	11 Feb 2016	KL	Planner - [REDACTED]	Cancelled	0	Head/State Office - Richmond		\$	
611569	22 Jan 2016	GC	Planner - [REDACTED]	Killed	25	Head/State Office - Richmond		\$	
604299	30 Oct 2015	CS	Planner - [REDACTED]	Filled	1	Head/State Office - Richmond		\$	
603838	27 Sep 2015	CS	Planner - [REDACTED]	Filled	23	Head/State Office - Richmond		\$	
601586	25 Aug 2015	CS	Planner - [REDACTED]	Filled	1	Head/State Office - Richmond		\$	
601336	19 Aug 2015	CS	Planner - U - [REDACTED]	Filled	17	Head/State Office - Richmond		\$	
601068	10 Aug 2015	CS	Planner - [REDACTED]	Filled	19	Head/State Office - Richmond		\$	
600560	23 Jul 2015	KL	Planner - [REDACTED]	Filled	15	Head/State Office - Richmond		\$	
600308	14 Jul 2015	CS	Planner - [REDACTED]	Filled	1	Head/State Office - Richmond		\$	
599700	19 Jun 2015	CS	Planner - [REDACTED]	Filled	18	Head/State Office - Richmond		\$	
598399	24 Apr 2015	CS	Planner - [REDACTED]	Filled	20	Head/State Office - Richmond		\$	
597207	19 Feb 2015	GC	Planner - [REDACTED]	Filled	19	Head/State Office - Richmond		\$	
596995	6 Feb 2015	GC	Planner - [REDACTED]	Filled	22	Head/State Office - Richmond		\$	
596781	23 Jan 2015	GC	Planner - [REDACTED]	Filled	19	Head/State Office - Richmond		\$	

Retailers affected by changes to 457 occupation lists

- Wednesday, May 17, 2017

49

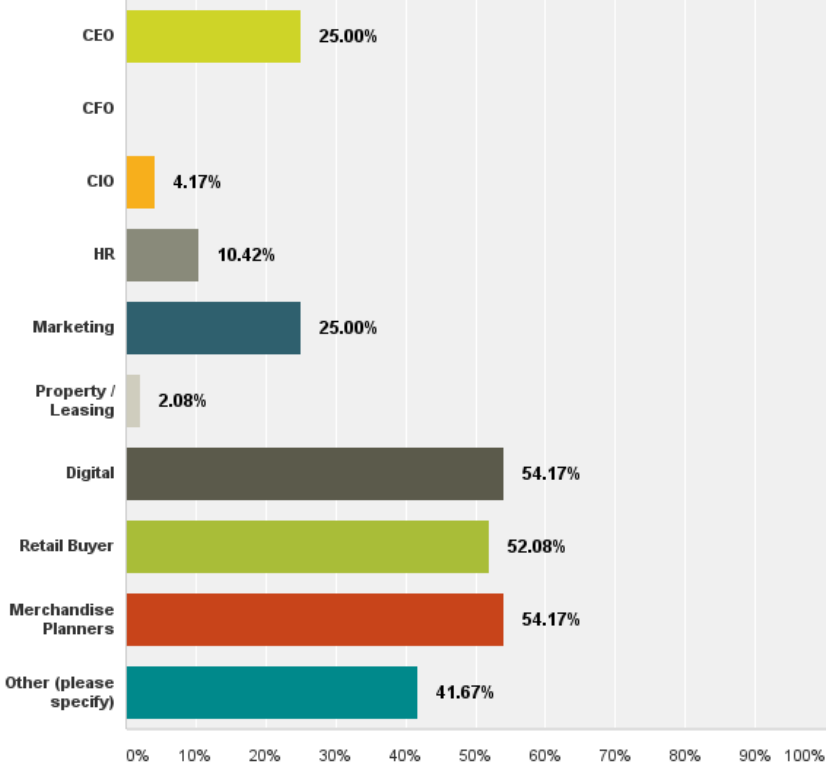
Total Responses

Date Created: Wednesday, May 10, 2017

Complete Responses: 49

Q1: What are the key senior retail roles in short supply locally?

Answered: 48 Skipped: 1

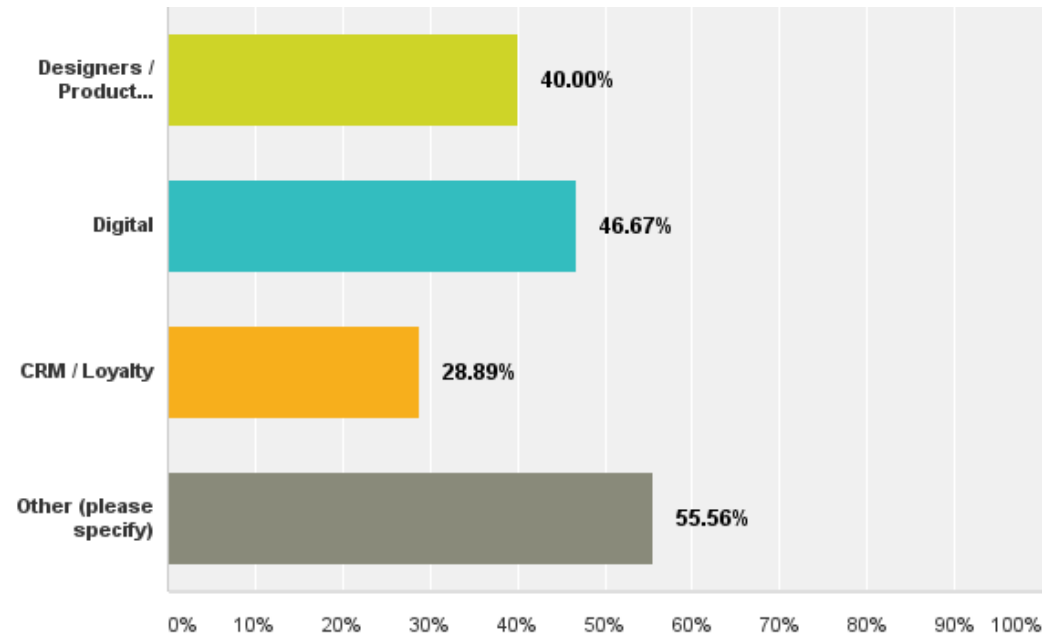


[Other \(please specify\)](#)

[Managers](#) 20% (4)
[Retail](#) 20% (4)
[Sales](#) 15% (3)

Q2: What are the key skill shortages?

Answered: 45 Skipped: 4



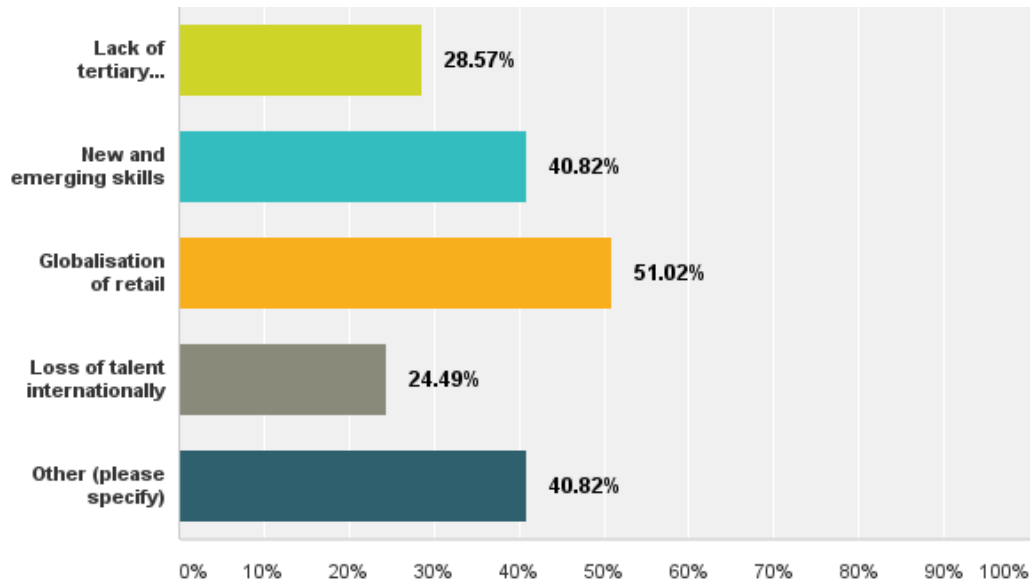
Other (please specify)	
Merchandise	36% (9)
Retail Buyer	16% (4)
Industry	16% (4)
Experience	12% (3)
Knowledge	12% (3)
Customer	8% (2)a

Comment

Merchandise & retail buyers are at the top 2 of the key skill shortages

Q3: Why can't these skills be sourced locally?

Answered: 49 Skipped: 0

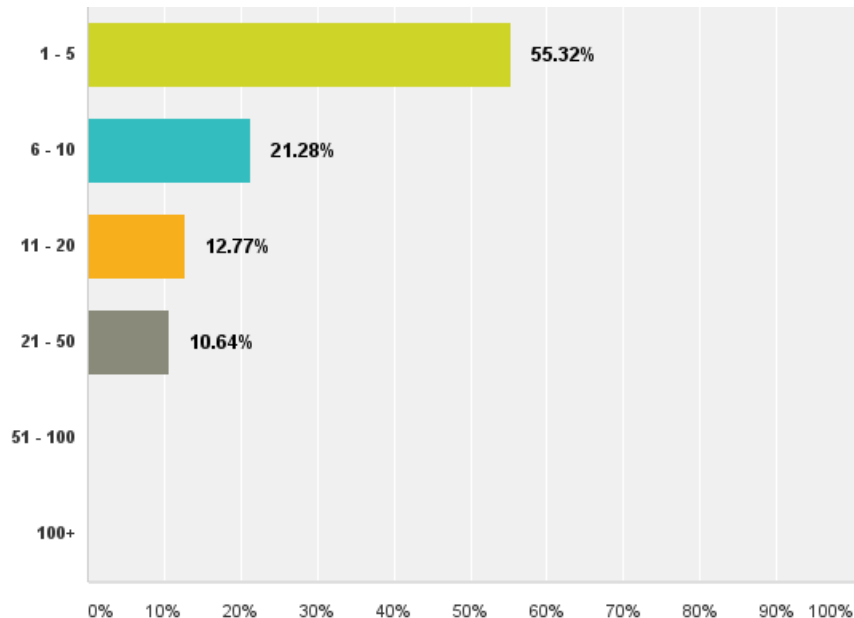


Other (please specify)

- There are not enough merchandise planners within Australia who have the skills - see further details in Q9.
- Need for individuals skilled in international digital markets
- Emerging retail skills sets in the omnichannel and Cx space are in short supply. As a not for profit, we struggle to attract quality local candidates
- Australia is an emerging market for our niche sector and there are few experience people with the knowledge required
- Understanding international branding and online challenges
- Lack of people with qualifications applying for positions

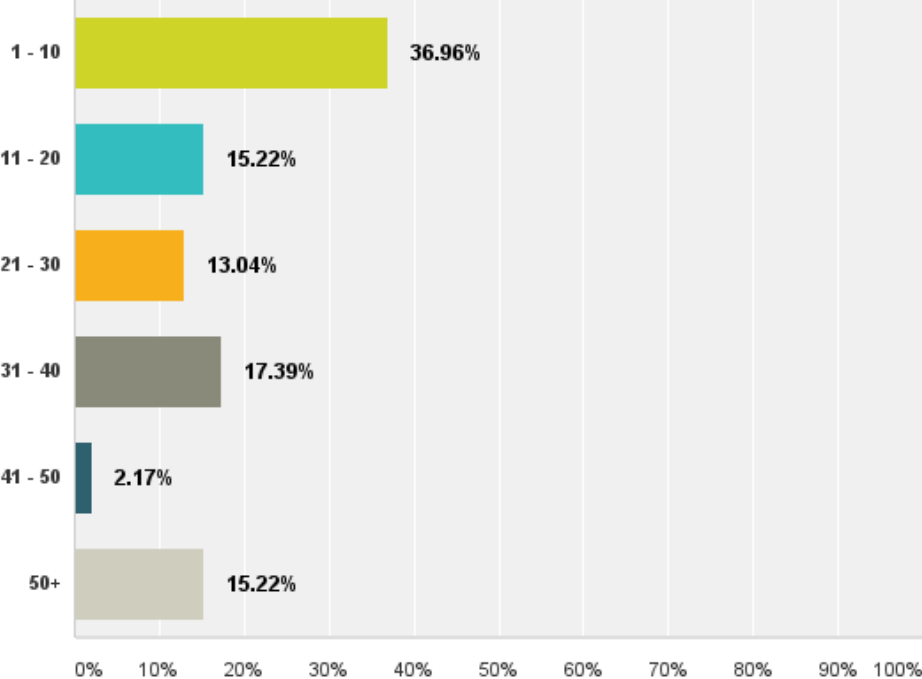
Q4: How many positions have you advertised in the last 6 months for Designers / Product Developers / Digital / CRM / Loyalty / Retail Buyer / Other?

Answered: 47 Skipped: 2



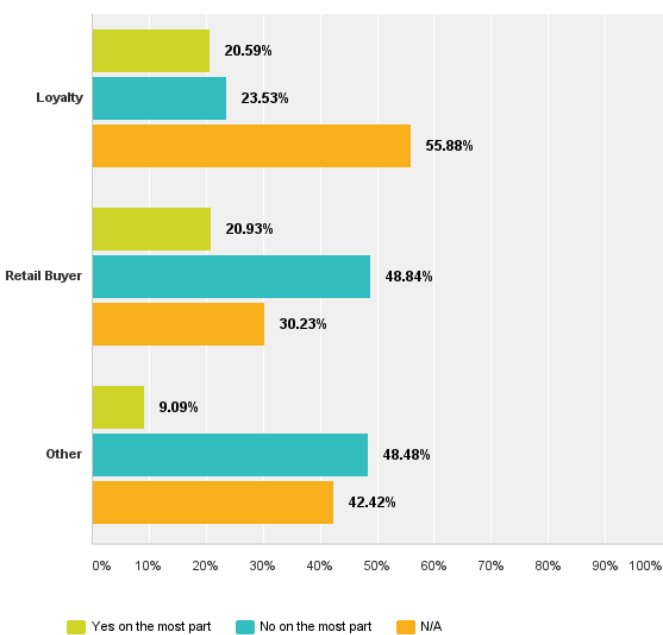
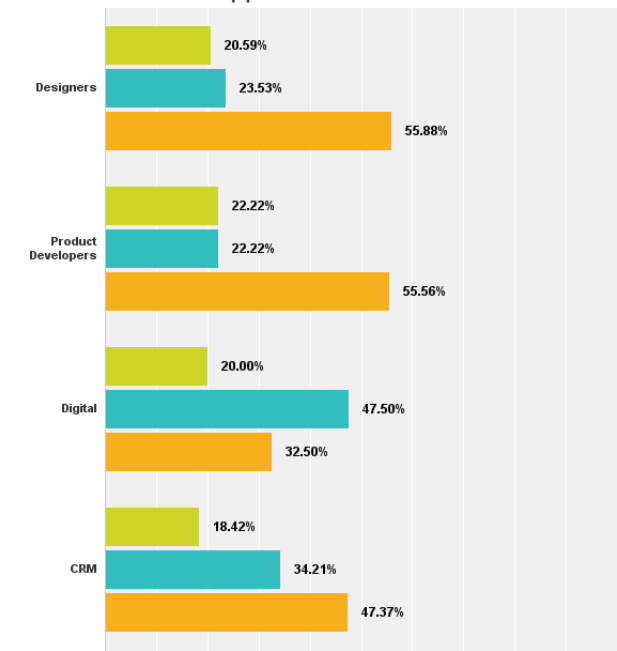
Q5: How many responses did you receive for each ad?

Answered: 46 Skipped: 3



Q6: Did you find suitable local staff to fill these positions?

Answered: 49 Skipped: 0



[Other \(please specify\)](#)

[Planners](#) 36.84% (7)

[Merchandise](#) 15.79% (3)

[Planning](#) 15.79% (3)

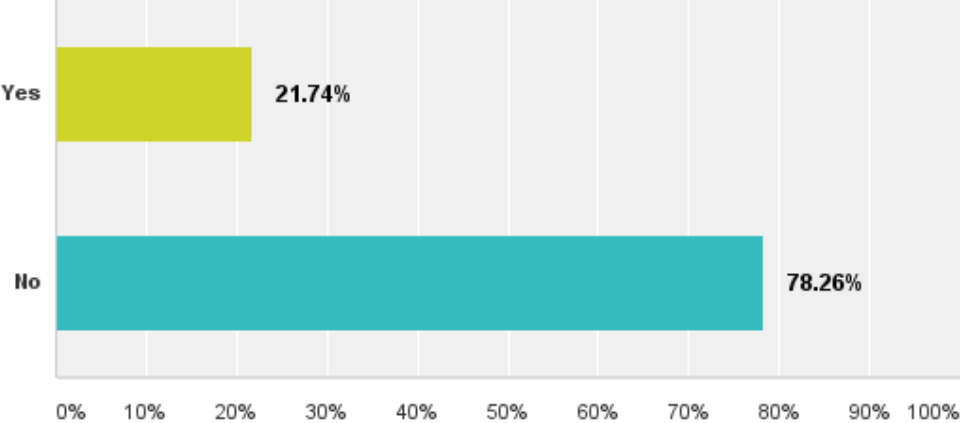
[Manager](#) 10.53% (2)

[Overseas](#) 10.53% (2)

[Staff](#) 10.53% (2)

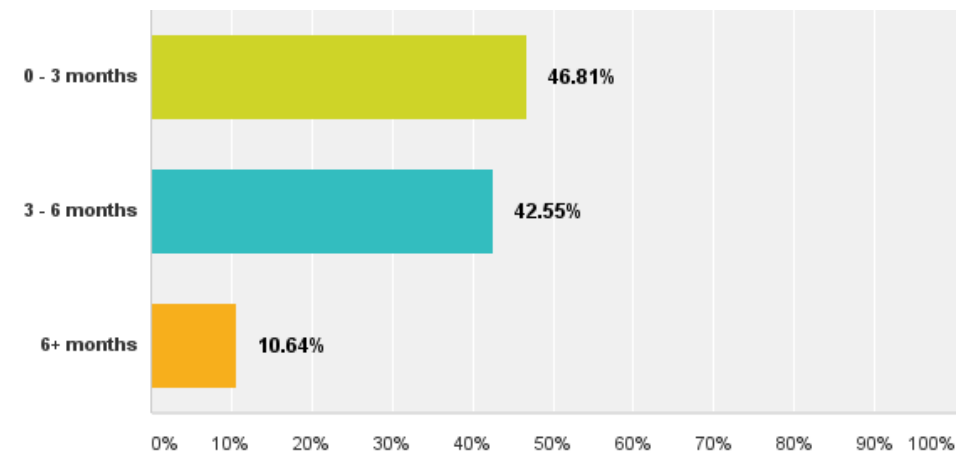
Q7: Did you find suitable local staff to fill these positions?

Answered: 46 Skipped: 3



Q8: What is your average time to recruit these roles?

Answered: 47 Skipped: 2



Q9: Can you provide evidence of your recruitment efforts over the last 6 months?

Answered: 34 Skipped: 15

- 28 out of 34 (82.35%) respondents said **Yes**, 6 out of 34 (17.65%) respondents said **No**

Q10: What are the potential negative impacts on the business by not being able to source these specialist talents?

Answered: 40 Skipped: 9

- **Buying/merchandising roles** are recognised within the retail sector as being challenging to recruit for and very competitive. The larger retailers rely on sourcing the more senior merchandise buying roles overseas where people have completed relevant tertiary studies in this area and have gained relevant experience within retail industry
- Merchandise planning is required to trade retail into a positive growth, allowing thousands of Australians to stay and hold a job. Our percentage of 457 Visa holders in comparison to the entire 13,000 population of Australian workers is extremely minimal but we do require a small proportion of to effectively continue to trade consumer products. A merchandise planner is one of the most important roles within retail given they trade, forecast and manage large commercial responsibility. When there is a vacancy the business suffers as this puts pressure on others in the team to pick up another large portfolio to manage and trade which in turn means the staff get unhappy and you continually have a revolving door of overworking other team members to support the gaps which isn't great for any business.
- Ability to compete with overseas entrants to the Australian market with skills and experience not readily available in the Australia at a time when the industry is going through disruption and business are transforming their operating models (with time horizons of 3 - 5 years).
- No business development capacity
- Digital space is critical to strategy
- Lack of competitiveness against non AU retail counterparts which affects revenue
- falling behind your competition, especially international competition.
- slow down growth, gives advantage to companies investing overseas to deliver in Australia
- Not keeping up with global retailers
- impact on product development
- Loss of global talent Loss of talent that can no longer get PR and company has spent allot of money bringing to AU
- Unable to fulfil requirements as per strategic initiatives
- lack of planners and retail buyers with the necessary skills required
- Huge loss in productivity and major projects being postponed.
- Financial results - impact on sales

Q10: What are the potential negative impacts on the business by not being able to source these specialist talents? (Contd)

Answered: 40 Skipped: 9

- Potentially these roles will remain open for longer or we will need to downgrade the role to a more junior position in order to upskill them remotely by overseas counterparts.
- Lack of Human Resource
- We loose sales with poor quality. We stress the remaining staff as they have to work long hours. Can lead to store closure as this is a critical position.
- The Aus buying process is outdated and behind Europe, therefore the expertise and experience doesn't exist in Aus
- Continuity of business and profitability longer term. Lack of diversity or experience from countries that at times are more advanced in specialist fields needed
- Loss of sales
- We will not be able to deliver on our strategy and requirements for our customers. This will lead to lose of financials for our business
- we will have to eventually close one of our stores/warehouses not because they are not making money its just we as a family business cannot sustain the workload placed upon us to keep them all open .The closure could mean the loss of at least 10/15 staff
- Delays, staff spread to thin, higher staff turnover.
- Loss of international consistency for our brand
- **Merchandise Planners** are particularly critical - don't get someone capable it can cost millions of dollars in poor cost negotiation and overstock decisions. Poor quality digital/CRM can result in significant lost sales through poor usage of online tools. Reduced CEO options obviously impacts the total business - business direction, decision making to combat international retailers, etc.
- **Planners** are the real issue for us - have had vacancies for more than 3 months in Sydney. Impacts business, and our teams due to time to find and onboard suitable talent.
- Last time we recruited a **Retail Planner** just over a year ago we struggled to find the competency in candidates. We dropped lucky with someone who had just arrived in the country. If we had not we would not have had the expertise and this would have negatively impacted on our sales.

Q11: What is the potential negative impact on the economy, if any?

Answered: 32 Skipped: 17

- Retail is the 2nd largest employer in Australia and we are a specialty retailer focusing on apparel. If we are unable to source talent and limited in our ability to grow our own due to the length of time required to upskill a buyer/planner and the monetary investment required it could mean that we need to downsize the business to manage with the current team we have. The roles that have been impacted by the visa changes are not low level roles & in fact make up the most critical skill sets in running a retail business. A General Manager/CEO is the strategic driver of a brand, the Buyer is the person who understand the customer, their needs & can develop the product the customer wants to buy and planner the 'financiers' of a brand, ensuring the right quantities & categories are purchased to deliver profitability. Without these roles, retailers will feel real impact. Without the people to perform these key roles, retailers are at real risk. International retailers will not become our biggest threat, it will be the inability to have the talent to remain profitable in an industry with lots of competition from global retail giants.
- Negative impact on the buying of products for the retail industry
- Merchandise planning is required to trade retail into a positive growth for the economy, allowing thousands of Australians to stay and hold a job. Our percentage of 457 Visa holders in comparison to the entire 13,000 population of Australian workers is minimal.
- The lack of a vibrant Retail industry with competitive Australian companies.
- Consumers will shop online with non-AU businesses who can represent themselves with higher levels of quality, service and brand appeal.
- As an Australian owned and operated business our lowered productivity means lower revenue back into the business. Many of the projects having to be postponed are in international markets which would bring revenue back into Australia.
- Loss of employment for local employees due to business channels/bricks and mortar stores closing by not employing best suitable candidate regardless of citizenship or working visa.
- If we don't have the right skills and capability in our business, that would place at risk our ability to keep operating

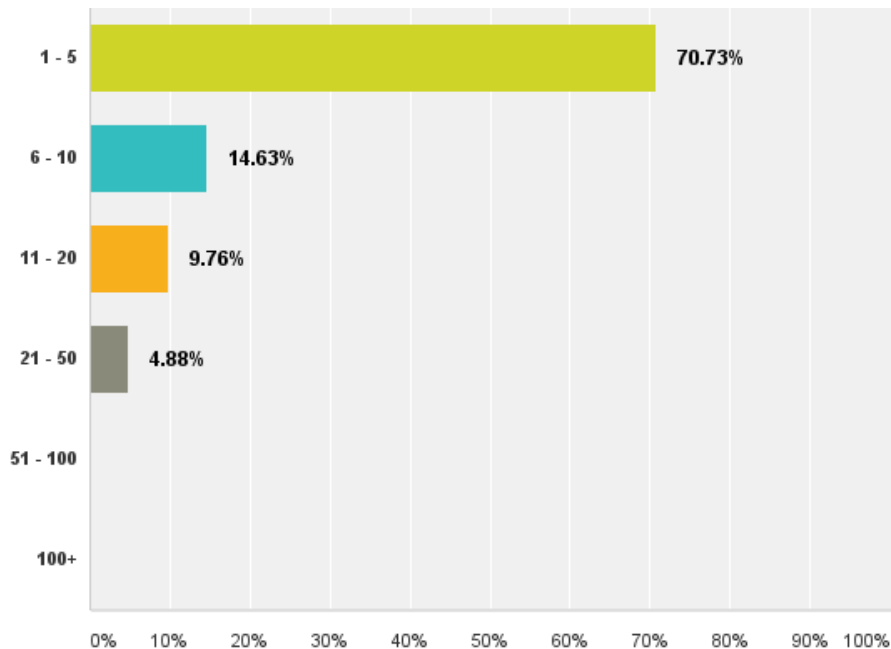
Q11: What is the potential negative impact on the economy, if any? (Contd)

Answered: 32 Skipped: 17

- Australian-grown retailers will continue to diminish, resulting in lost jobs. This could be through retailers going into administration (and we have many, many examples of that) or businesses making decisions to close non-contributing stores, resulting in lost job opportunities. This would have greater impacts in regional centres where job opportunities are already restricted.
- Global Retail is here and companies operating in Australia should have the ability to bring in the best talent to ensure retail in Australia keeps up with the rest of the world, otherwise it will not grow and support the economy.
- Drag on business and economy, inefficiency, increased cost of doing business, ultimately closure of operations and decline in employment.
- for us the negative impact is not the economy but our business. We must have someone with the knowledge to be able to complete the production process and be able to problem solve.

Q12: How many employees currently working in your business are on 457 visas?

Answered: 41 Skipped: 8



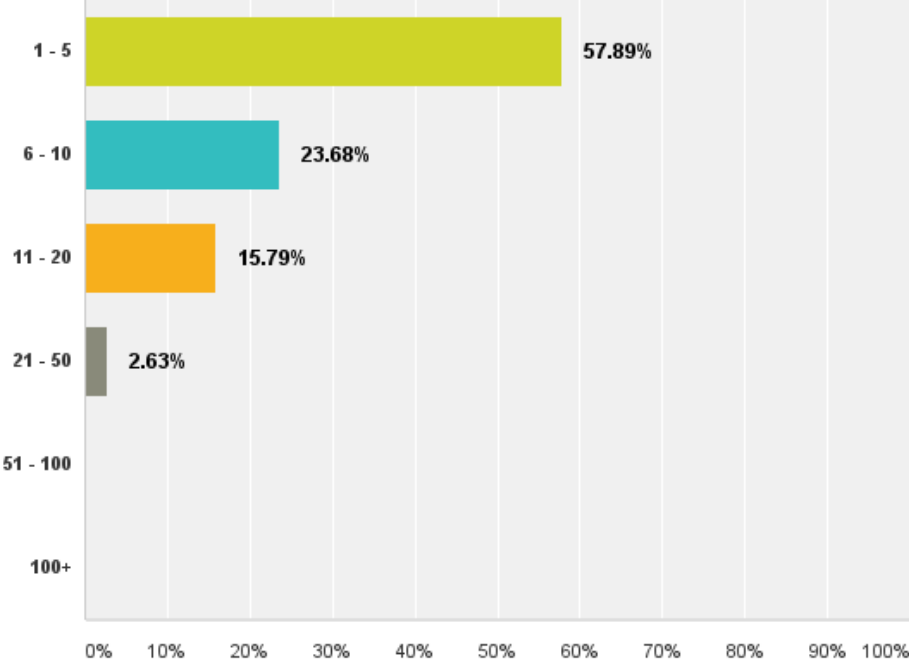
Q13: What proportion of question 12 do you anticipate will be adversely affected by the changes?

Answered: 43 Skipped: 6

- 17 out of 43 (39.5%) respondents said **Above 50%**
- 17 out of 43 (39.5%) respondent say **Between 1% - 49%**
- 9 out of 43 (20%) respondents said **No**

Q14: How many current employees do you estimate gained permanent residency via the 457 pathway?

Answered: 38 Skipped: 11



Q15: What is the likely impact of reducing maximum age of a potential 457 visa applicant to under 45 years of age?

Answered: 42 Skipped: 7

- Makes it more difficult to get the right person for the role. 45 year old employees are generally the most experienced in their field
 - It will be a significant impact because typically the more senior roles in the business are held by individuals over 45.
 - Limits the candidate pool and limits the skills and experience often searching for from a 457 candidate
 - A further reduction of eligible people who can go for PR which will prove more difficult when recruiting.
-
- This change will limit the ability to attract appropriately qualified with the relevant experience people to move to Australia. With the proposed new STSOL limiting stays for 2 years it will be difficult to entice people to come for roles for this time period (even where role appears on the occupancy list).
-
- None, as all our 457s are in the manufacturing space - these employees are being processed for citizenship over time. Don't expect to have any shortly
 - Hoping it will be a positive impact, in our industry we need young blood.
 - impact on ability to place more senior level roles
 - Loss of key executives
 - Limit potential experience in the talent pool
 - Lack of planners and retail buyers impacting productivity, sales & profit
 - little or no impact
 - Less experienced candidates for senior roles - in an ageing population, this seems very discriminatory
 - less experienced pool to choose from..esp since retirement age has been increased
-
- This is more of a broader economic impact issue. The average age of a migrant to Victoria in the last 5 years has risen from 43 to 47. It is a myth they are all young. Older migrants often come as family units and with greater buying power to enhance the local economy. Restricting ages on 457 visas will actually reduce the amount of cash flowing into the economy. Better off limiting based on job skill areas, English proficiency and likelihood of cultural integration

Q15: What is the likely impact of reducing maximum age of a potential 457 visa applicant to under 45 years of age? (Contd)

Answered: 42 Skipped: 7

- CEO/CFO/CIO levels have a higher potential for direct impact
- We don't see this having a great impact on our business
- The closure of one of our warehouse/stores
- Not that much for us, but for more senior CEO level certainly.

- Minimisation of the talent pool that enables us to compete with international retailers both in Australia and overseas - the flow on effect impacts sales growth and business viability.

- Lack of diversity and experience

- Australia will lose the ability to gain from transferable skills, which some can only be gained by experience. Skills should be the determining factor as to whether a person is suitable or not, age should not pose any area of the evaluation process.

- Further shortages at the senior and very experienced level as this level of skill and knowledge takes time to gain. More mature employees bring a more rounded, practical and mature approach and provide better learning sources for junior team members

Retail Buyer

POSITION: 810.572.350

Primary Objectives:

Buy merchandise that meets all the identified needs of the organisation's customer. Quantify and time purchases so that sales potential is maximised, clearance markdowns are minimised and stock turnover is maximised.

Analysed by incumbent

Sample size = 517	Num Incs	Q1	Median	Q3	Average	Incs % Rep
Base Salary	354	97,351	113,753	136,606	116,907	68
Leave Loading	2	--	--	--	--	0
Other Guaranteed Allowances	0	--	--	--	--	0
Total Guaranteed Cash Compensation	350	97,351	113,753	136,606	117,002	68
Car Park Value	0	--	--	--	--	0
Car Allowance Benefit Value	113	--	22,000	--	21,611	22
Car Benefit Value	1	--	--	--	--	0
Other FBT Benefits	0	--	--	--	--	0
Other FBT-free Benefits	0	--	--	--	--	0
Total Fixed Superannuation	503	9,500	11,422	13,300	11,584	97
Total Remuneration (ANZ)	350	107,359	130,310	164,643	135,321	68
Value of FBT	1	--	--	--	--	0
Total Employment Cost	517	109,500	132,000	158,292	134,507	100
Actual Incentive/Bonus > 0	147	10,642	17,737	31,320	29,581	28
Actual Incentive/Bonus >= 0	424	--	0	--	10,256	82
Target Incentive/Bonus	409	15,750	20,184	27,655	21,546	79
Sales Incentive (Actual)	0	--	--	--	--	0
Total Employee Reward	517	109,764	140,000	169,670	142,918	100
Total Employee Reward (STI > 0)	147	126,058	161,840	189,649	165,712	28
Total LTI Value	166	--	10,782	--	10,714	32
TER incl Total LTI (all records)	517	112,931	141,971	175,891	146,358	100

Analysed by organisation

Sample size = 30	Num Orgs	Q1	Median	Q3	Average	Orgs % Rep
Base Salary	20	85,598	107,790	118,452	103,489	67
Leave Loading	2	--	--	--	--	7
Other Guaranteed Allowances	0	--	--	--	--	0
Total Guaranteed Cash Compensation	18	87,699	107,790	115,313	104,632	60
Car Park Value	0	--	--	--	--	0
Car Allowance Benefit Value	7	21,200	21,952	22,000	21,165	23
Car Benefit Value	1	--	--	--	--	3
Other FBT Benefits	0	--	--	--	--	0
Other FBT-free Benefits	0	--	--	--	--	0
Total Fixed Superannuation	27	9,032	10,428	12,634	10,784	90
Total Remuneration (ANZ)	18	96,031	124,207	127,195	119,002	60
Value of FBT	1	--	--	--	--	3
Total Employment Cost	30	102,872	124,673	136,139	121,595	100
Actual Incentive/Bonus > 0	13	9,095	14,495	21,921	17,358	43
Actual Incentive/Bonus >= 0	21	0	4,304	19,286	9,919	70
Target Incentive/Bonus	19	13,928	20,479	23,629	18,775	63
Sales Incentive (Actual)	0	--	--	--	--	0
Total Employee Reward	30	106,172	125,120	143,599	127,993	100
Total Employee Reward (STI > 0)	13	105,771	136,314	156,783	134,849	43
Total LTI Value	8	10,141	10,805	11,009	11,152	27
TER incl Total LTI (all records)	30	106,172	129,258	146,294	129,753	100



CAPABLE PEOPLE MAKE CLEVER BUSINESS

Future proofing Australian retail talent

Merchandise Buying and Planning industry workshop

Tuesday 21st February 2017

8:00am – 10:30am

Australian Retailers Association Office

Level 1, 112 Wellington Parade East Melbourne

Purpose

For retailers to thrive in today's climate a skilled workforce is imperative. Australian retailers have long been challenged by the availability of local talent to fill merchandise management roles. This shortage of skills is compounded by the lack of formal training options that support employers in growing their internal teams. It has become critical that the national training system supports skills development in these key areas to ensure Australian retailers remain competitive and commercially viable.

SkillsIQ is now working alongside Australian retailers to develop the first nationally recognised qualification in Merchandise Management. Extensive work has been undertaken to analyse job roles and define skills needs that allow individuals to make valuable contributions to a retail business.

This workshop acts as a critical opportunity for you to help shape the future of retail skills development. It will present work completed to date and seek your input into the accuracy and relevance of content to your sector. Feedback gained at the session will be used to inform the ongoing development in this space. Following endorsement by the Commonwealth Government this new Merchandise Management qualification will be available mid – late 2017.

Workshop Structure

Upon arrival you will be provided with a light breakfast.

Following introductions the workshop will take a 'hands on approach' requiring you to analyse key merchandise functions and identify skills and knowledge required to perform these functions in a retail setting. Key topics to be covered:

- Merchandise strategy development
- Merchandise financial planning
- Merchandise buying
- Category and range planning
- Supplier management
- Product development, quality and compliance.



Pre workshop preparation

There is no need for any pre-workshop preparation. The session will simply require you to provide commentary based on your own knowledge and experience.

Session Facilitators

Karen Lurati



Karen's 25 years of retail experience working with key large and small retailers has covered a broad range of categories from fashion and hard goods through to food.

Karen has held senior roles and mainly specialises in Merchandise Buying, Social Media Online and Retail Marketing. Her focus on sales and profitability as well as customer focussed retail strategies would be the key underpinning of her expertise. Currently she is training, lecturing and consulting in many facets of Retail that includes multi-channel and digital.

Lauren Hosking



Lauren is a Skills Engagement Specialist at SkillsIQ. She has worked in the education sector for the past seven years with experience spanning the public and private sector, both domestically and internationally.

Over the last three years Lauren has been working specifically to support industry workforce and skills development through the management of training package development. Her current role sees her working with a number of Industry Reference Committees to understand their needs and inform the strategic direction for nationally recognised training products.

Contact Details

Lauren Hosking

SkillsIQ

lauren.hosking@skillsiq.com.au

0438 043 186



CAPABLE PEOPLE MAKE CLEVER BUSINESS

Future proofing Australian retail talent

Online Retailing industry workshop

Tuesday 21st February 2017

3:00pm – 5:30pm

Australian Retailers Association Office

Level 1, 112 Wellington Parade East Melbourne

Purpose

For retailers to thrive in today's climate a skilled workforce is imperative. Australian retailers have been challenged by the availability of local talent to fill online retail roles. This shortage of skills is compounded by the lack of formal training options that support employers in growing their internal teams. It has become critical that the national training system supports skills development in online retail to ensure Australian retailers remain competitive and commercially viable.

SkillsIQ is now working alongside Australian retailers to develop the first nationally recognised training standards in Online Retail. Extensive work has been undertaken to analyse job roles and define skills needs that allow individuals to make valuable contributions to a retail business.

This workshop acts as a critical opportunity for you to help shape the future of retail skills development. It will present work completed to date and seek your input into the accuracy and relevance of content to your sector. Feedback gained at the session will be used to inform the ongoing development in this space.

Workshop Structure

Upon arrival you will be provided with a light afternoon tea.

Following introductions the workshop will take a 'hands on approach' requiring you to analyse key online and ecommerce functions and identify skills and knowledge required to perform these functions in a retail setting. Key topics to be covered:

- Ecommerce strategy development
- Digital marketing
- Social media strategy
- Online customer engagement and support
- Ecommerce security
- Planning to trade internationally
- Content development.



Pre workshop preparation

There is no need for any pre-workshop preparation. The session will simply require you to provide commentary based on your own knowledge and experience.

Session Facilitators

Karen Lurati



Karen's 25 years of retail experience working with key large and small retailers has covered a broad range of categories from fashion and hard goods through to food.

Karen has held senior roles and mainly specialises in Merchandise Buying, Social Media Online and Retail Marketing. Her focus on sales and profitability as well as customer focussed retail strategies would be the key underpinning of her expertise. Currently she is training, lecturing and consulting in many facets of Retail that includes multi-channel and digital.

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