



**Australian
Retailers
Association**

Professor Percy Allan AM
Review of Retail Trading Amendment Act
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Dear Professor Allan,

Review of the 2015 amendments to the *Retail Trading Act 2008*

The Australian Retailers Association (ARA) submits that Boxing Day should continue not be considered a restricted day for retail trading. Boxing Day is one of the most important days of the year for retailers as it symbolises the commencement of the post-Christmas sales and is usually the busiest day of the year for a retailer whose sales are dependent on discretionary spend.

ARA has seen strong and consistent trading figures on Boxing Day since retailers have been permitted to trade on this day. Therefore, we strongly believe that the Australian public expects shops to open on Boxing Day across Australia.

Whilst sales opportunities are missed by businesses if they do not open, we believe that it is also important to illustrate the loss of potential income for our retail staff through the additional working hours. In this regard, we agree with the findings outlined by the Productivity Commission's draft report which explains that "regulations restricting trading hours are a cost on those employees in the retail industry, who either prefer to work outside of the regulated hours, or are indifferent to working outside of these times due to the premium wages rates available for them at these times.

As you are aware, any increase in available hours provides additional earning opportunities, which would filter through to the State economy.

The Review into Shop Trading Provisions of the *Retail Trading Act 2008*, Discussion Paper, September 2011, makes one thing abundantly clear, that the provisions were complex and created confusion for both shopkeepers and consumers.

The system as it was did little to create the impression that Greater Sydney and NSW were a competitive global marketplace. There are ample studies that show that shopping is a strong driver for the decision tourists make in selecting a destination.

The decision by Sydney and Melbourne hotels in the CBD to offer "shopper packages" to coincide with the Boxing Day sales is an example of the way tourism and shopping are being marketed. At a time when Australian retailers providing services through retail establishments are being challenged by newer often offshore based retail, the administrative burden created by aspects of the previous regulations could be regarded as onerous, especially when other forms of retail can operate within a 24/7 environment.

If customers are unable to shop on specified days in retail establishments, retailers are at a disadvantage, as customers will spend their money retailing from off shore or interstate.



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To operate in a competitive environment NSW needs to be “open for business”. The fact that NSW was closed on Boxing Day, with some exemption for Sydney CBD, Newcastle CBD and Cabramatta, whilst other states permitted trading on that day flies in the face of broader Government strategy such as doubling the expenditure from the visitor economy.

Anchor tenants are critical to shopping centres being able to feasibly open to trade, particularly given they serve as major generators of customer foot traffic. Generally, if an anchor tenant (e.g. non-exempt shop) was unable to open, it would be less feasible for shopping centres to open and trade due to relatively lower customer traffic, which benefits the smaller, or niche, retailers within the centre.

Small business opportunities means that smaller retailers are able to leverage and mutually benefit from larger retailers, including the large trade catchment they service and the customer foot traffic they generate. In short, when large retailers can trade, numerous smaller retailers can benefit from their ability to trade.

Previously only small shops, businesses within the Sydney trading precinct and holders of hotel licenses, along with businesses in certain Government areas, were allowed to trade on Boxing Day. All businesses in NSW are now able to trade on the holiday, however penalties of up to \$11,000 per employee may apply if a business is found to have coerced employees to work on Boxing Day. The ARA has heard of some examples where small retailers have been reluctant to ask staff to work as a result, this has also left larger businesses feeling they can't have open conversations with staff around work opportunities.

In short, denying businesses the right to opening their stores on the biggest trading day of the year is economic vandalism.

The ARA and the retailers we represent would look very dimly on any retrograde step to reduce retail trade and disadvantage NSW as a global economy.

Heath Michael
Director of Policy, Government & Corporate Relations
Australian Retailers Association