



EDUCATION, EMPLOYMENT AND TRAINING COMMITTEE

Members present:

Ms KE Richards MP—Chair
Mr MA Boothman MP
Mr N Dametto MP
Mr JP Lister MP
Mr BL O'Rourke MP
Mr JA Sullivan MP

Staff present:

Mr R Hansen—Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE OPERATION OF THE TRADING (ALLOWABLE HOURS) ACT 1990

TRANSCRIPT OF PROCEEDINGS

MONDAY, 22 NOVEMBER 2021

Townsville

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The committee met at 2.54 pm.

CHAIR: Good afternoon everybody. Thank you for having us here in Townsville today. We are terribly sorry about the delays. We had some flight issues coming out of Mount Isa this morning. We apologise for making it late here today. Thank you for all coming along.

I declare open this public hearing for the committee's inquiry into the operation of the Trading (Allowable Hours) Act 1990. My name is Kim Richards. I am the member for Redlands and the chair of the Education, Employment and Training Committee. I would like to acknowledge that we are meeting on custodial land of the world's oldest living civilisation in the world and I pay my respects to elders past, present and emerging.

With me from the committee today are: my deputy chair, Mr James Lister, member for Southern Downs; Mr Mark Boothman, member for Theodore; Mr Nick Dametto, member for Hinchinbrook; Mr Jimmy Sullivan, member for Stafford; and Mr Barry O'Rourke, member for Rockhampton. Unfortunately, I believe your members for Townsville and Thuringowa are both currently in Mount Isa. We crossed paths with them over there. It has been an interesting morning.

On 14 September 2021 the Legislative Assembly agreed to a motion that the Education, Employment and Training Committee inquire into and report on the operation of the Trading (Allowable Hours) Act 1990. The committee is required to report its findings by 31 January 2022. The terms of reference for the inquiry are on the back of your hearing programs. The submissions to our inquiry as well as written briefs the committee has received from the Department of Education, which administers the Trading (Allowable Hours) Act, are available from the inquiry webpage, including the department's responses to issues that have been raised in the submissions received by the committee.

As I said, we are very pleased to be here in Townsville today. We want the opportunity to hear from everybody right the way across Queensland about retail trading hours. We want this hearing today to be as informal and as relaxed as possible; however, it is still a formal proceeding of the parliament and subject to the Legislative Assembly's standing rules and orders. I am obliged to remind everybody that intentionally misleading the committee is a serious offence.

We have a number of witnesses who have registered here today. I thank everyone for being here. I am very pleased to have Ms Alissa Muir here representing the Ayr Chamber of Commerce as our first witness.

MUIR, Ms Alissa, President, Ayr Chamber of Commerce

CHAIR: Would you like to make a brief opening statement before the committee asks questions?

Ms Muir: I am representing the Ayr Chamber of Commerce. The Burdekin shire, just south of Townsville, has a population of 17,000 people with our regional town Ayr consisting of only 8,000 people to support their local retail industry. Ayr Chamber of Commerce believes that the Burdekin does not have the population to support the extended hours wanted by the major chain stores. It would be detrimental to our existing small businesses who support our local community.

The Ayr chamber undertook a brief survey last week and 72 per cent of our members were against opening on Sundays. There are a number of reasons for this view including: increased wages, increased unpaid workload for business owners, lack of banking services and an increase in online shopping. It is vitally important to our community to look after our small businesses. It is always the local business owner who supports local sporting events and school fundraisers and makes donations. Rarely do we see an event sponsored by Coles or Woolies.

Our small business supports apprentices, trainees and youth employees. Sixty-one per cent of apprentices and trainees come from small business and most industries have a shortage. This is affecting the growth of our economy as a whole and creates a flow-on effect to skilled labour looking for employment elsewhere in larger cities. If small businesses were not supported and could not continue to stay open, this would significantly reduce employment and opportunities for apprentices, and the industry shortages we are seeing now would increase greatly.

Seven-day trading would greatly affect the lifestyles of the day-to-day small business owners who cannot afford to pay themselves the increased weekend wages in order to be equal to everyone. If seven-day trading were to go ahead then the opening hours of local government offices, banks, schools and day care centres should also change. With Sundays and weekends traditionally being for family time and friends to catch up, when should small business owners do this? When should local business owners be able to practise their religious beliefs if they have to work Saturday and Sunday? Perhaps we should abolish the concept of a weekend altogether and all businesses, government offices, banks and schools will open seven days a week. Our local banks have other ideas, with three of our major banks in Ayr now closed during the day. They have also reduced hours greatly. This is making it harder for our day-to-day business banking.

On the upside, COVID and the internet have already taught us how to shop online and have it delivered. This new way of shopping has influenced the viability of our local small retailers. They now have the opportunity to be open 24/7 online and sell to anyone in the world. They do not need the bricks and mortar of a store to be open seven days. On the downside, we have seen the closure of several shops in our main street over the last 12 months as industries like travel have faced huge changes. Coles and Woolworths are already open until 6 pm on Saturday in Ayr. Surely we can support our local corner stores, bakeries and independent grocers, whose current trade would be lost with the introduction of seven-day trade. I did get an email last week from one of our members when we sent our survey out and I would like to read that out to you. It reads—

I am a small business owner of 17 years, and our business is finding it hard enough with wages and all the other expenses like electricity, rent and insurance et cetera. To add Saturday and Sunday wage rates would be a ridiculous expense for a small retail shop. We are not a big corporation and cannot get away with the cheaper wages of Saturdays and Sundays. I cannot leave a junior in charge of my business for a Saturday or a Sunday so I need to work, as well as we need two other staff members working. When we do open our doors on a Sunday in the lead-up to Christmas I do not pay myself; however, I cannot work seven days a week for a whole year.

It is hard finding staff to work through the week, let alone on the weekend. We have tried. Students from years 11 and 12 work well, but they need help and supervision for that age in our store. They also have many other things on in senior year like graduation, deb balls and other occasions which we cannot refuse them the right of having a good time and growing up. When we do open for Christmas trading we only open from 9 am to 12.30 pm. We have tried to stay open until 1.30 pm, but we are lucky to see a customer before 10 and no-one after midday. We only have the customers for around two hours. By law we have to pay staff a minimum of three hours per shift.

We would strongly be against seven-day-a-week trade. We can just imagine throughout the year sitting in our shop wasting time running big air conditioners for nothing with no sales coming through the cash register. We truly do not need seven-day-a-week trading.

In closing, extended hours may work in larger cities but not in our rural community. Many family owned businesses that open on weekends notice it is not even worthwhile opening, as many times it does not pay for the running of the lights and air conditioning. We need to keep our local businesses as viable as possible, keep our community vibrant and thriving. With the support they give to our schools, sporting clubs and community events they keep our children employed and not needing to leave town to find other employment. They provide us with local goods and services and they help keep the money in our community.

Mr LISTER: Ms Muir, thank you for coming today. You are a most impressive witness. I have found that those people who run small businesses who come before us each bring a unique perspective, and I certainly appreciate your submission here today. Can I ask you what business you run yourself?

Ms Muir: We have a motorcycle dealership. I know Nick quite well.

Mr LISTER: What would your response be to the argument of some who are in favour of opening the big chains on a Sunday when they say that people bring additional foot traffic, it will increase the spoils for everyone and all boats will rise on the tide?

Ms Muir: My thought would be: aren't we just spreading the turnover we would do over 5½ days over seven days? Therefore, is there any extra gain really? I do not believe that it would be of any benefit for people. There may be the odd trinket here and there, but would you sell it on a Friday afternoon or a Thursday night anyway rather than a Sunday morning?

Mr LISTER: I congratulate you for working hard in a small business. It is a big commitment and a lot of hard work, so I wish you well.

Mr BOOTHMAN: You have actually answered all of the questions I was thinking about. I just want to congratulate you for all of your hard work in your community and I wish you all the best, too.

Mr DAMETTO: I really thank you for coming along and giving your submission today because it highlights what it is like to live in a small town like Ayr or around the Burdekin region. It is very similar to Ingham; it is almost like a sister town. We have seven-day trading in the Hinchinbrook shire, and Townsville

what we find is that a lot of those small businesses do not find it viable to open on a Sunday because of the reasons you highlighted. It is hard to find staff, and most business owners are looking for a Sunday off because they just cannot afford, mentally and physically, to keep working seven days a week. The Motor Vehicles Dealers Association put a submission forward. They were talking about the concept of seven-day trading and some of the bigger dealers perhaps pressuring dealers like yourself—they sell Yamaha motorcycles—to open on Sundays if there is seven-day trading. Is that something you are concerned about from a dealer's perspective?

Ms Muir: I probably would not open, just because we need time off. We have enough trouble finding skilled staff to support our business. If you are talking about my business, we need two extra staff and have done for 12 months. We cannot find enough skilled staff in our area. If it meant that my husband and I had to work on a Sunday, no, I would not do it, sorry.

Mr SULLIVAN: Thank you for your submission. You quoted a member in terms of that survey. Can I ask what type of business they operate?

Ms Muir: They are a local gift store. They sell gifts, trinkets and jewellery.

Mr SULLIVAN: What would you say to the proposition that they are not really a competitor to Woolworths? I imagine they would fall into the category of shops that could open on a Sunday now if they choose to.

Ms Muir: Yes, she could open on a Sunday now, but, once again, she cannot find skilled staff to open for the amount of extra people who come into Ayr on a Sunday that would make it worthwhile for these businesses to open who would not come in on a Friday, a Saturday morning or a Monday.

Mr SULLIVAN: It is not mandatory to open; it is just allowable to be open. Do you think it would put pressure on those small businesses to force them to open?

Ms Muir: I think it would make them feel that they probably should consider it, considering that we have other businesses that will be greatly affected by Coles and Woolworths opening on a Sunday. If we lose employees at the local baker because they are not selling as much bread, therefore there are two extra people who cannot shop at this gift store and there are two extra people who cannot shop at my store, so it just goes around and around. Coles and Woolies are not going to employ the extra staff that are put off from the other stores by them opening on a weekend.

CHAIR: How big are they, roughly? I am not familiar with Ayr. Do you have a Woolies and a Coles?

Ms Muir: We have a Woolies and a Coles. I could not tell you how many staff they have employed. I do know that the staff do not want to work on a Sunday.

Mr O'ROURKE: Your information is very beneficial, so thank you very much for that.

CHAIR: On Saturday we were up in Mossman, which is a small community, and we took a stroll through the main street. It was about two o'clock. What we saw was that there was only one cafe open and the pub on the corner. All the other shops including the chemist, the baker and the newsagent were closed. The argument that came back to us from their local council and their chamber of commerce was that government should get out of the way and let business self-direct and self-select their trading hours. Under the existing legislation they currently have the ability to trade 24 hours a day, seven days a week, 365 days of the year. What do you think about businesses being able to self-direct their trading hours?

Ms Muir: That is fine for the big businesses that have the turnover to be able to support that. How does the little corner store compete with Coles and Woolies, which would be the businesses affected in our area? They do not have the turnover to support wages if there is no-one coming in the door, whereas Coles and Woolies probably have more of a buffer to accommodate extra wages, the air conditioner, the lights and all of the other things that need to happen at that point in time. I think there needs to be some rules and regulations around when things should and should not be open.

CHAIR: When we were in Mount Isa yesterday their chamber of commerce conducted a similar survey. Is it possible for us to get a copy of the survey and the survey questions that were asked of those businesses in your community? Would we be able to ask you to take that on notice and come back to the committee with a copy of that?

Ms Muir: Yes. It was two simple questions, yes or no, and any comments. We did not have an awful lot of time, and it was yes or no and it was 72 to 18. I am more than happy to send through the results we got.

CHAIR: That would be lovely. Thank you very much. We really appreciate your contribution. The committee secretariat will be in contact about how to share that information.

LANGSFORD, Ms Katherine, Centre Manager—Castletown, McConaghy Properties

Ms Langsford: Castletown Shopping Centre is owned and managed by McConaghy Properties, a family owned business. McConaghy Properties has been investing in regional shopping centres and communities for over 50 years, so we have a deep understanding of each of the regional communities in which we operate and a strong appreciation of what local retail shopping centres mean to these communities. As such, we are continually looking for ways to enhance our customers' experience in our centres. McConaghy views shopping centres as far more than simply a place that customers go to shop for items. We view them as places that communities and customers come together to meet and socialise. We do not underestimate the important role that our centres play within these communities.

I am here today to represent the McConaghy Properties portfolio, which owns and manages centres in Townsville, Kingaroy, Toowoomba, Roma and Lismore in New South Wales. The two points that I cover relate to the Queensland trading hours moratorium and the specific issue of restricted trading hours in certain LGAs within Queensland.

In Townsville our retailers—majors and speciality retailers alike—are able to trade on Sunday. Woolworths trades from nine until six and our speciality traders operate from 10 until four, with Big W going until five. Our Castletown Sunday trade is not mandatory for our retailers; however, we observe that between 50 per cent and 80 per cent of our special retailers open on a Sunday. This would suggest that they have observed strong customer demand for Sunday trade and this is a viable business proposition. Our Sunday trade and customer visitation on some weeks are almost equivalent to our trade and customer visitation on a Monday. This would strongly suggest that customers enjoy and readily participate in Sunday trade to prepare for the coming week, as the majority of our customers work Monday to Friday. We view Sunday trade as an essential part of our service offering to our community and customers. Many customers note that Saturdays are heavily laden with children's sporting events, family commitments and work. Sunday trade allows these families and customers to shop, often together, as it is seen as a social outing.

Our focus for our customers is on delivering them convenience, flexibility, accessibility and value. Being able to shop seven days a week is now just considered a standard community service. We also like to provide our customers with the flexibility to shop when they want to. As we head into key retail periods, being Christmas and Easter, it is essential that we are all able to provide increased shopping hours so that families and customers can fulfil their retail needs within a time frame that suits their busy lifestyles. Without this flexibility being provided by shopping centres, we see that there will be an even greater conversion of shoppers to the online retail shopping environment, which does not impose trading restrictions.

During the past two years we have all seen the devastating impacts of COVID-19, and the retail sector has certainly felt those impacts. With the increase in online shopping that we observed during the height of the pandemic—an increase of more than 50 per cent—it has never been more important for our bricks-and-mortar centres to continue to provide increased convenience and accessibility for our customers and our community. If we are to combat these online headwinds, restricted trading hours will most certainly hamper these efforts to ensure our specialty retailers operate in a stronger and more stable trading environment.

We have also noted that our customers and community continue to be concerned about health and safety within retail shopping environments. Although restrictions, capacity limits and social distancing requirements may be easing, our customers are still aware of this. Seven-day trade allows a more even spread of customer visitation to our centres throughout the week. At the height of the pandemic we were encouraging shoppers to visit at non-peak times to reduce capacity issues. This is not a concern that we see disappearing altogether for our customers so, again, we view increased trading hours, particularly during peak retail periods, as a very effective tool to smooth peak times and guarantee customer safety.

McConaghy Properties conducted independent research in the Kingaroy market through leading research house Urbis in May 2021. This research delivered some very clear customer and community feedback around the lack of Sunday trade. Customers attempt to do all their grocery shopping on a Saturday as they know if they miss this window and need to shop on a Sunday their only option is the local IGA. It was broadly commented on that the prices at the IGA are significantly higher than the local Woolworths and this increased spend on grocery items had an impact on the weekly budget and, in some instances, put strain on those budgets. Sunday trade has become a broad expectation of shoppers and customers and, again, it is essential if we want to deliver a

convenient, accessible and value-driven retail offer within our communities. From a customer perspective, Sunday trade and longer trading hours in the lead-up to key retail periods are an expectation.

In summary, the view of McConaghy Properties is that the moratorium should lapse and thus enable retailers the opportunity to trade longer hours as requested and expected by their customers. Sunday trade is a basic retail customer expectation. It ensures that customers have access to value retail options and are not forced to shop in one location. They can take advantage of this trading monopoly and adjust their prices accordingly. It is also in the best interests of the bricks-and-mortar retail shopping centre category to continue to look for ways to provide customers with convenient, accessible, flexible and value-driven retail options. It has never been more important for the shopping centre sector to continue to offer the customer experience-driven options if we are to rebound after the impacts of COVID-19 and survive the increasing threat of online shopping.

CHAIR: Thank you very much for that very comprehensive submission. As we have requested with similar surveys that have been conducted, would we be able to get a copy of the survey and the questions that were posed? Could you take that on notice?

Ms Langsford: No problem.

Mr LISTER: Thanks very much for coming along today. I put to you the proposition that the market context in an area like Kingaroy or Roma differs from the market context in somewhere like Townsville, if for no other reason than the efficiency of the market: there are fewer people and fewer shops and other considerations such as freight distance and a lack of economies of scale in the inputs that go into the business. Is it the case that in a small town the competition of a large supermarket opening on a Sunday may be enough to snuff out the small independent and leave the town without the competition you described when the independents do not have to compete on a Sunday?

Ms Langsford: I can only really speak to my experience in Townsville. I cannot remember a time when we did not have Sunday trade. There obviously are local small operators operating in the market and they are still open on a Sunday. I think an example is Otto's Market, which has their own particular store. It is a mini-me Woolies, I would say—in a tiny capacity, obviously. They have opened a second store in a shopping centre. They are still trading on a Sunday in both capacities. I can only really speak from my side that I think everyone has to adapt. The way I see it, we can all coexist and open on a Sunday if we do it right.

Mr BOOTHMAN: My question relates to the centre in Townsville. What type of major retailers are there?

Ms Langsford: We have Woolworths and Big W, and Coles is opening soon.

Mr BOOTHMAN: You were saying that 50 per cent of the smaller specialty shops are open. Would they be in direct competition with the major retailers?

Ms Langsford: Some of them are, absolutely. We have just had Otto's open, which is fresh food, produce, sauces—so, yes, it is a direct competitor. We have a butcher and a baker, and they are obviously direct competitors. Yes, there are a few.

Mr BOOTHMAN: How do they feel about competing with the major stores?

Ms Langsford: Over the years it is not even a question or on their radar that it is an issue. They have set themselves up really well and they have staffed themselves really well. They have built a really loyal customer base. In a lot of instances their product is probably a bit more expensive than Woolworths, but they have done it in such a way that they have their little customer base and they can both work and open together.

Mr DAMETTO: Ms Langsford, where does McConaghy Properties have interests other than Townsville?

Ms Langsford: We have Toowoomba, Roma and Kingaroy and Lismore in New South Wales.

Mr DAMETTO: There are no small towns such as Ingham, Ayr or Charters Towers?

Ms Langsford: No.

Mr DAMETTO: As we have gone from place to place for our committee hearings, we have noticed that different things work in different areas. Could you see that opening up seven-day trade to pretty much everyone in Queensland could have negative impacts in small towns in regional centres?

Ms Langsford: Again, I can only really speak to Townsville. I think there is room there. Everyone in Townsville is used to it. Obviously we have bigger operators and smaller operators opening, not within just the shopping centre retail environment. I think it absolutely can work. I think you mentioned before that you are not forcing people to open on a Sunday if this lapses in August next year; it is just allowing them the option to do so. I think it can work.

Mr DAMETTO: We have Jason Valastro in the crowd. He is one of my constituents and also one of Coles's greatest assets in the Hinchinbrook electorate. He is very supportive of the Queensland parliament.

CHAIR: It is nice to have you here today. Thank you for coming along.

Mr DAMETTO: He attends everything.

Mr SULLIVAN: Can I explore the interaction between your anchor tenants and the smaller ones—and I think you said that 50 per cent to 80 per cent choose to open. Following on from Mr Boothman's question, the point of differentiation for those small shops is not that they are open and Coles is prohibited from opening, as it is in some places; they choose to operate in a shopping centre next to Coles.

Ms Langsford: Yes, absolutely.

Mr SULLIVAN: Going to your point, it is about differentiating themselves by standards, relationships, products.

Ms Langsford: Yes, absolutely. It works really well. I think our baker is probably one of the best in the market. They are local franchisees. They work in the business. They have staffed it in such a way that they get certain days off, which they choose so that it works for them and their family. The products that they have are exceptional. Their team is exceptional and they really focus on driving their staff to upsell and they are doing really well. The butcher is the same. It is not his business but he is a local guy and he acts like it is his business. The product is not necessarily cheaper, but he has such a loyal and passionate customer base. It is all relationships and it is name based. From my perception, it does work.

CHAIR: Which franchisee in the bakery space is co-located in that shopping centre?

Ms Langsford: Bakers Delight.

Mr SULLIVAN: In terms of the other stores where you say there is evidence that there is a healthy business model for them to open on a Sunday, can you give us a couple of examples of the sort of shops they are?

Ms Langsford: Obviously there are your dine-in options, because it is quite social on a Sunday. You have people opening for breakfast, lunch—

Mr SULLIVAN: Cafes and so on.

Ms Langsford: Yes, cafes do really well.

Mr SULLIVAN: Because there is foot traffic.

Ms Langsford: Yes. A lot of the fashion operators benefit from the fact that people, the mums especially, are busy on a Saturday so they tend to do their fashion or their accessory shopping on a Sunday. Dad has the kids and it is a little bit of alone time. She gets to wander around in peace and have a look. It seems to benefit everyone in different ways on a Sunday.

Mr O'ROURKE: I have no questions. Thank you. Your presentation was very good.

CHAIR: I think you have answered everybody's questions and we are very grateful for your submission. Thank you very much. Next we will hear from Mr Lance Birkett from Birkett Enterprises and FoodWorks Fresh Supermarket in Charters Towers.

BIRKETT, Mr Lance, Birkett Enterprises

Mr Birkett: I am from Charters Towers, which has a population of approximately 10,000. My wife, Danny, and I have been in Charters Towers for 21 years with three businesses. In the past two years we bought a FoodWorks in the main street of Charters Towers. In Charters Towers we have three supermarkets: one major in Woolworths, our FoodWorks and an IGA.

One of the main points that the majors seem to be pushing for the seven-day trade is to cover the tourism aspect. That is, the tourists are not getting catered for adequately and hence they are leaving the towns early and it is hurting the town. Between our FoodWorks shop and the IGA, we totally satisfy that tourism market. We open 364 days a year and we open from six in the morning until nine at night. The IGA opens slightly less than that, but still they only shut a few days a year. I think they trade from six in the morning until eight. We satisfy the market for fresh fruit and veg, meat, hot chickens and a good range of groceries. They are very competitively priced compared to Woolworths. We beat Woolworths hands down with our fruit and veg because we source a lot locally while they do not, so there are no excuses price wise. The tourists are well catered for and they do not leave town early due to Woolworths being shut.

We have had a taste of Woolworths trading seven days. In December they opened for about three or four Sundays leading up to—

CHAIR: The Charters Towers Show?

Mr Birkett: Yes, the Charters Towers Show. It appeared out of nowhere this year. They opened on the Sunday and the Monday. We were down 25 per cent on those two days. From the taste we had of Woolworths being open leading up to Christmas, each of our Sundays was down approximately 25 per cent. Our sales on a Sunday are around \$21,000 to \$22,000 on average and we were down about \$5,000. If that were to continue we would definitely have to reduce staff on those days and look at positions probably leaving on a permanent basis. I know that if Woolworths opened they would not be putting on more staff, because most of their checkouts are automated and probably for their fruit and veg department they would not be calling in staff to freshen it up for a day. We have a lot of ex-Woolworths staff who have come on board with us with our growth and that is the sort of feedback I am getting directly from those staff. That is why we would like to keep it the way it is going and see what we can do.

Mr LISTER: Thank you very much, Mr Birkett. It is great to have you and your wife here. I take it you have taken time off work to come all the way from Charters Towers?

Mr Birkett: Yes.

Mr LISTER: I add my thanks to that of the chair for waiting around for us following our delayed flight. I have read your submission and from listening to what you have said about the size of Charters Towers and describing the market there, it reminds me of Stanthorpe and Goondiwindi in my electorate of Southern Downs. Some of the things you have said appear to be very closely aligned to what the operators of independent supermarkets in my electorate have said. Is it the case that when you are faced with additional competition on a Sunday the reduction in trade has a direct impact on the capital value of your business?

Mr Birkett: Yes, it would. With your overall turnover, you are definitely going to be down on an annual basis and most businesses live and breathe by their turnover for what that business is worth in multiples et cetera.

Mr LISTER: Do you believe that it is appropriate for regulatory change to disadvantage some people or some players that were operating under the regulatory system?

Mr Birkett: Can you rephrase that, sorry?

Mr LISTER: If Sunday trading is brought in because it is an act by government, do you believe it is appropriate for that to happen if it means that there will be an impact on your personal financial position?

Mr Birkett: No, we definitely would not want to see it happen. There just seems to be no need. I am not sure about other bigger areas like Townsville et cetera, but in Charters we have had supermarkets come and go because they are just biting out of the same pie, so everyone gets a little bit less. One major came to town—Coles—and they bought a successful FoodWorks, turned it into Coles and they folded up within a couple of years.

Mr SULLIVAN: When was that?

Mr Birkett: Probably about six or seven years ago—longer.

Mr BOOTHMAN: My question is along the lines of value adding in your business. The previous witness was talking about how the butcher has its niche market, but when you are selling products which are very similar to the major retail chains there is not really much leverage you can actually value-add on a packet of cornflakes, so to speak.

Mr Birkett: That is right, yes.

Mr BOOTHMAN: What ability do you have, then, if they are actually working on a Sunday, to try to retain that niche market? Is it possible?

Mr Birkett: It would be possible, but you would have to get into that discounting war.

Mr BOOTHMAN: Which would destroy your profit margin.

Mr Birkett: Yes. It would be like a Sunday market type theme to try to keep the foot traffic coming into ours. It would be definitely detrimental to our overall profit.

Mr BOOTHMAN: What does Sunday trade mean for your business profit wise?

Mr Birkett: It is our best day of the week. We notice that on public holidays when the major is not open we could double our turnover. All of that would be out the window and we would be back to the normal trade less our 25 per cent. It would make a big difference.

Mr DAMETTO: Thank you very much for coming along and giving your evidence this afternoon. Congratulations for being an independent grocer in Charters Towers. My question is in regard to what you were saying earlier about tourism. My understanding of tourism is you want people to come to your town because they then spend money in your town and that money is then retained in town. By opening a Coles and Woolworths, from how they operate, the money would be syphoned off rather than being spent and retained by local businesses and business owners like yourselves. Have you talked to anyone who has given you that argument and tried to explain the economic benefits for having those people spending that money in Coles or Woolworths? What I am trying to say is: can you rationalise what people have said to you around it being better for tourists to spend money at Coles and Woolworths on a Saturday and Sunday as opposed to a locally owned business like your own?

Mr Birkett: Only for their cheap fuel docketts.

Mr DAMETTO: So there is no real benefit to the town of Charters Towers?

Mr Birkett: No. They are all a bit surprised when they come to town and Woolworths is shut, but they find us and find IGA and they are more than happy. Parking is not an issue for their vans. There has been no-one coming in stomping their feet saying, 'Woolworths are shut. This is a total disaster.'

Mr DAMETTO: They are probably happy to spend with a local when they get that opportunity.

Mr Birkett: Yes, and with our offering being slightly different to Woolworths as well, they enjoy that. It is a bit more of an old-fashioned service. They get greeted hello and goodbye; they are not just a number.

CHAIR: That has certainly been my experience in the Redlands with the Jones Retail Group. I believe we are hearing from IGA later. They have pivoted their product delivery and are packed every day of the week. They have a specialty cheese room. They have really thought about the product offering. I know that people from two suburbs away actually drive to these two IGAs just because of the product and the service that is on offer.

Mr Birkett: Our shop is only 130 metres from Woolworths and people flock to us because our pineapples are outside and they can smell them at Woolworths and they wander up. Woolworths do not do that. That is just one point.

Mr SULLIVAN: Thank you for your submission today but also your written submission that we have read. You said that Woolworths is located in 'our' shopping centre. You are not co-located in the same shopping centre. Are you saying 'our' as in the town's shopping centre?

Mr Birkett: Yes, that would be it, sorry.

Mr SULLIVAN: You are just up the road from it?

Mr Birkett: Yes.

Mr SULLIVAN: But on the main street?

Mr Birkett: Yes.

Mr SULLIVAN: I would be surprised if you were operating out of the same shopping centre. You said it does not open Sunday, but obviously you do. That has cleared it up for me, thank you very much.

Mr Birkett: Yes, no worries.

Mr O'ROURKE: In Rockhampton we have our local IGA just around the corner, and the extra level of service is actually what makes the difference, I believe. I cannot even think of the last time I went to Coles or Woolies. With the level of service that is provided, will it impact as much? I am surprised when you say it drops by 25 per cent on a Sunday. Do you have any comment as to why that is?

Mr Birkett: I would say that a lot of the tourism market and contractors that we have in town flock to that sort of seven-day trade from the majors, not knowing really too much about the town. It is probably pretty understood that if there is a big supermarket open and we are smaller we are going to get the impact of it. Sunday has always been our day to shine. It is a good day for us.

Mr SULLIVAN: You said in your introduction that you operated two or three businesses in town. Do you still operate those businesses?

Mr Birkett: Yes.

Mr SULLIVAN: What is nature of those businesses?

Mr Birkett: They are both newsagents. The newsagency industry is not really the spot to be so they have gone hybrid into an ink toner/stationery shop and the other one we downsized. It is actually in the Woolworths arcade and we have downsized that into just a lotto outlet, a little outstation shop. It is purely just a lotto shop.

Mr SULLIVAN: Six days a week?

Mr Birkett: It is 5½ days there, and our other newsagency/stationery shop is seven days.

CHAIR: Has the online lotto had an impact?

Mr Birkett: Not really. I think it is only sitting at about 12 per cent. Lotto really still need us at the moment.

CHAIR: That is interesting. That is a very different story to my newsagent being quite strongly positioned in that the online has significantly impacted his newsagency in that lotto space.

Mr Birkett: I think it is why lotto are quite readily handing out terminals now away from the failing traditional newsagent. You see them pop up in FoodWorks, IGA and things like that for pure convenience. They have convenient hours and a convenient location. Service stations are picking them up. Lotto still want that footprint. One of the reps said that when a newsagent folds the two newsagents on each side never pick up 100 per cent of the gap; they only pick up about 80 per cent, so 20 per cent disappears. They are still quite keen to have a presence in the actual physical business.

Mr DAMETTO: The independent grocers that we have talked to in other hearings spoke about their sponsorship contribution to their small towns. Is that something that you do as well?

Mr Birkett: Definitely, yes. In all our businesses we have banners and whatever. We just sent one out to the Pentland Race Club. We employ local and we sponsor locally. If someone rings us up and wants a donation for the New South Wales Fire Brigade we say, 'Look, if you wander into our shop and support us, we support you.' We push that pretty hard. I know that Woolworths and the other majors do some national programs, but I have not seen any individual ones for just Charters Towers, Ayr et cetera. We have one on this weekend where all the outback kids come into one of our private schools for exposure to sporting education. We are sending out a whole heap of fruit and veg, bacon and whatever for their meals.

Mr DAMETTO: Nice. Thank you.

CHAIR: Thank you very much, Lance. It was very lovely to have you with us today and share your experiences.

WESTBURY, Mr Adam, IGA Retailers

CHAIR: Welcome, Adam.

Mr Westbury: Good afternoon. My wife, Maree, and I have been independent retailers in Townsville since 2003. We were here before Sunday trade. This is how it has gone since then. In 2005 I worked for the Walters company, which operated stores in Townsville. At that time there were five IGA stores in Townsville. There were four on the mainland and one out on the island. In 2007 we built that to nine stores in the area. Coincidentally, that occurred at the same time, later that year, that Sunday trading in Townsville commenced. We used to have Sunday trading to ourselves. We used to trade the five stores very close to \$300,000 just on that one day—in our pockets. Sunday trade came and that very week we dropped to below \$80,000 out of those stores. That is the direct impact that Sunday trading has on areas. By 2009 we had lost six stores out of the area in IGAs. When we came to Townsville there were 12 corporate owned supermarkets in Townsville and the surrounds. Today there are 27 supermarkets in Townsville and the surrounds, including six IGAs. They have grown significantly in that time through directly and indirectly being able to have Sunday trading.

In terms of the businesses that have closed in Townsville in that time, the list would be longer than a roll of toilet paper as a direct consequence of not being able to trade equally and fairly with the big guys. We compete directly with Woolworths and Coles. We do this through working in our business ourselves. We work hard and long hours. We run a wage percentage—and I am happy to share it—of 10 per cent across our store. Coles and Woolies are lucky to run at 6.25 per cent in a store. The 10 per cent does not include Maree's and my wage. That is what we pay our staff. Yes, we get paid, but I am not going to tell you how much I get paid.

The only way that we can survive in Townsville is to be competitive, head to head, with Coles and Woolies. There are reports that some IGAs are not competitive, and these are IGAs that demographically do not have to be competitive with Coles and Woolies. Not everybody has to price compete with Coles and Woolies, but every store, with the exception of the one on the island, has to compete head to head with Coles and Woolies because of the saturation of supermarkets in Townsville. We use a program called Price Match, which highlights nearly 500 items, which is nearly all of the corporate brands within Woolworths or Coles, and we match that price. It is not dearer to shop at Mundingburra IGA than it is at Hermit Park or the new Coles that will open in Castletown. Line for line, item for item, we match it.

We serve our community and we are happy to do so. Like White's and others in the room, we enjoy supporting our local communities. We will give our local school, football groups, Althea Projects, Ronald McDonald House and sporting groups as much as we can physically give them, whether that be \$500, \$2,000, \$5,000 or \$10,000 a year. We do not spend a million dollars a year advertising on TV that 'we are giving notebooks to four students in Australia'. The big guys spend a hell of a lot more money on advertising than they actually give out. We do it the other way around. We do not advertise that we are giving out notebooks and all these other gifts to people so that we look good. The people in our stores know that we are good, and we hope the word of mouth gets around and people just find that out.

In terms of any change to the current trading hours within Townsville, I am scared for the guys who do not have Sunday trade. If it comes along, they are in for a world of pain. If it happens, it is disgraceful. In Townsville we support local people. If the trading hours in general were able to be relaxed, we operate our store 365 days a year. My wife and I work Christmas Day because we want to be there for the community. Ask any Coles or Woolworths shop if they want to work Christmas Day. They do not. It is our lives that are being affected. It is our neck that is on the chopping block.

What about the effects on local suppliers? People say, 'Oh, it does not matter. Your trading hours will be cut and you'll lose a couple of thousand dollars each day here and there.' A couple of thousand dollars each day here and there adds to a lot over a year. If we decide not to cut staff, we have to look at other areas in which we do it. A lot of times we say, 'You know what? It is not really economical for us to support Round Mountain honey.' We only get one line off him. We buy 10 bottles a week. With the time that it costs us to order it, receive it, put it on the shelf, invoice it and then pay it out, we do not make a lot of money on it, so they are the kinds of things that we cut out of our business. If the poor guy who sells Round Mountain honey is supplying all of the IGAs 10 bottles a week and we cut him off, Coles and Woolworths are not going to pick that up. They will not knock on his door. There are the egg suppliers and Bingil Bay Beef. There are a lot of local suppliers who rely on the independents to be able to trade.

Coles' and Woolworths' market share is more than 80 per cent under the current trading regulations. How much more do they need for FoodWorks, IGA and independents to no longer exist, because that is where it is headed? If we go back to 2005, before Sunday trading came in in Townsville

Townsville and other areas of Queensland, Metcash's portfolio of retail was 20 per cent of the market share. Today it is nearly seven per cent, and that includes FoodWorks, NightOwl and Campbells. To give the big guys any more puts pressure on suppliers such as Coca-Cola and Nestle to not give Metcash the same kind of deals, because the volume in quantity just is not there. Then it becomes completely difficult to be able to run Price Match and compete head-on, one-on-one. If we were to lose those kinds of programs we would have to shut—that is all there is to it—because the business would not be viable.

Mr LISTER: As I said to Mr Birkett, many of the things you have said resonate with what we have heard from other independent retailers around the place. In my own electorate of Southern Downs, Frank Spano operates two IGAs. He said to me that he employs apprentices in the butchery and in the bakery and that in the majors that trend is receding and often they are not staffed by trades. Is that what you have observed here in the Townsville market?

Mr Westbury: Yes. Currently to my knowledge in Townsville—if they have not already—they are in the process of removing all butchers out of Coles. I believe there are three Woolworths supermarkets in town that still have fresh-cut open butchers. The rest of them, if they have not been removed, are in the process of being removed. That has been good for local butchers. A lot of local butchers are only open because a lot of people do not like meat that has been processed in New South Wales and sent up. They like that the meat has been cut today or yesterday. The mince might have seven days date on it, but fresh mince out of a butcher shop or out of an IGA that has been minced that day is very different.

Mr LISTER: Is it the case that having Sunday trading available in other locations might be just enough to keep those independents in business so that they can provide that service that people prefer?

Mr Westbury: Absolutely.

Mr BOOTHMAN: Thank you for being very passionate here today. I can see the emotion in your face.

Mr Westbury: I am a passionate retailer.

Mr BOOTHMAN: Over the past few days we have heard some people claim that the smaller retailers such as yourselves do not have the variety of products that the bigger retailers have. As I hear what you say today about your product selection, you obviously have a very good range of locally sourced products. What are your thoughts on those comments that you do not have the products that potentially tourists want?

Mr Westbury: Ultimately, it comes down to the size of the store. Mundingburra IGA is an 800-square-metre store. A Woolworths could be up to 3,000 square metres. It is about physically fitting in the same amount of lines. There are eight different varieties and sizes of Nestle Milo. Do I have Milo? Yes, I do. How many do I have? I have four. I do not have eight. We may not carry the full range in quantity; however, we carry the majority, if not all, of the lines that the majors carry unless it is a major-only type line.

We do have a lot of smaller stores. Coles and Woolworths are cookie cutter: 'We are having a store here and these are the lines that will be in the store.' It is the same in the majority of stores around Australia. In terms of the layout of the stores, generally you can walk into any store and the layout is exactly the same. You can nearly do it blindfolded if you are a Woolworths or a Coles shopper. In an IGA store you cannot do that because we all are independent and unique. The sizes of the stores limit the amount of physical lines that we can have; however, the range in an IGA store or bigger is competitive with a chain store. If it is an express, a family grocer or one of the other banners that IGA operates under for smaller stores, yes, the range will be smaller.

Mr BOOTHMAN: The customer will come into your store and still find a range of products that will potentially suit their needs?

Mr Westbury: Absolutely.

Mr DAMETTO: Thank you very much for coming in. I can hear the passion in your voice. It demonstrates how tough it is being in business. With the COVID pandemic, there have been so many variables. Traders in some of the smaller towns that have not had seven-day trading know that that variable could not be changed on them. In the IGAs across Townsville and across Queensland, is there any move towards automation as occurs in Coles and Woolworths?

Mr Westbury: With the checkouts?

Mr DAMETTO: Yes.

Mr Westbury: Not that I am aware of. We get together two or three times a year as a group of retailers. We have a chat and a few drinks and talk about all sorts of things. One of the things that differentiates an independent retailer from a Coles or a Woolworths is that we are faced operators. We are not faceless operators. We like to have people in our stores so that customers can come and ask us questions. We put through their groceries. I am not aware of any that have put up their hand to go to self-service checkout operators as their main service department.

Mr DAMETTO: I imagine that would be more labour intensive for businesses such as yours, staying the way you are. The people who benefit from that are obviously your workforce. Can you say how many people work in a Woolworths or a Coles compared to an IGA?

Mr Westbury: It varies. In Queensland we have limitations on how many people can work at any one time. I am allowed to have 20 people on the floor at any one time. Otherwise, I have to abide by their trading-hour rules.

CHAIR: It is 30.

Mr Westbury: I do not have that many staff so it is impossible for me to do that. It used to be 20. I was not aware that it had changed.

CHAIR: How many stores did you say you had?

Mr Westbury: Just the one. It would be 90 over three stores.

CHAIR: It is 30 people including the owner and then no more than 100.

Mr Westbury: That also includes representatives from companies. We employ 28 staff. We would normally have 10 staff in the shop at any one time. Again, the store is only 8,000 square metres in size. We have a butcher, bakery, deli, fruit and veg, fresh flowers and so on. We have everything that a Coles or Woolworths has. We have all of that and, yes, we try to keep staff out there on the floor.

CHAIR: I love my IGA at Mount Cotton. I live in Thornlands and I drive past two Woolies and two Coles because they do the best roast pork and crackle, which I fail at every time, and the vegies are ready to go to stick in the oven. As you say, their flowers are generally unique and different. I shop there because I love the different products you can get there and the convenience of it. Other than restricting trading hours, whether they be for big, medium or small retailers—we are talking beyond Coles and Woolworths; it is majors such as Kmart, Best & Less and Big W—do you have any suggestions on how government could ensure that you can all compete fairly?

Mr Westbury: It is not fair now. Coles and Woolies can own pubs; I cannot.

Mr SULLIVAN: Why not?

Mr Westbury: Because the Queensland licensing laws will not allow you to own a bottle shop without owning a pub.

Mr SULLIVAN: That was my question, so you could apply for a pub licence—

Mr Westbury: Yes, I could apply for a pub licence that would then give me a bottle shop licence whereas Coles and Woolies have it all under the one banner.

CHAIR: So you think restricting trading hours is the only way in your space to compete fairly?

Mr Westbury: Absolutely. The IGAs in Townsville and the other independent operators—the White's, the FoodWorks, the NightOwls—service the community without any problems at all after the hours that Coles and Woolies should trade.

CHAIR: Terrific. Thank you very much for your very passionate submission. We are very grateful to have had you here today.

VALASTRO, Mr Jason, Private capacity

Mr Valastro: I am from Ingham, with a population of about 10,000 or 11,000 people. I am here to give my opinions on Sunday trading. Fortunately, we do have Sunday trading in Ingham thanks to the IGA, because it closed down. The council at that time pushed for it and they got it just in the nick of time—before 2017, when there was a big review on seven-day trading. Other than that, in Ingham on the public holidays we are closed. I work at Coles and I cop the flak all the time.

CHAIR: So the IGA closed down in Ingham before the 2017 amendments came in?

Mr Valastro: Correct, and the council pushed for it and they got it just in the nick of time when the south-east went for nine o'clock on Saturday. With the existing arrangements, I agree with Ayr and all that with the local IGAs and I agree with Sunday trading because you have your IGA down there and your FoodWorks, but there is a solution with that with the act on public holidays being closed. With that act, maybe if you allowed that to open on those—because this year, the way Christmas falls on Saturday and Sunday, the Sunday, Monday and Tuesday are a four-day lockdown in Ayr and those types of places with the Coles and Woolworths being closed and you rely on your IGA. In Ingham that would not happen. We only have a Spar in Halifax and—

CHAIR: How far is Halifax from Ingham?

Mr Valastro: About a 15-minute drive, and thank God for that. In Ingham's case, we do not have to worry about that because we do not have the IGA. That is why Coles will be allowed to open on Boxing Day for the next three days. Thank God for the local council to approve that. Maybe the solution for Sunday trading in those areas that do have an IGA with the act on public holidays is that if you do open on the Queen's Birthday, Australia Day and the other public holidays you can change that act to allow them for their trading hours to be open—that is my solution—and keep Sunday closed. That is my opinion. In terms of the existing hours of the trading hours, it is a statewide thing because we do close four days a year—that is, statewide on your Anzac Day, your Christmas Day—

CHAIR: We have 2½, so it is from 1 pm on Anzac Day, Christmas Day and—

Mr Valastro: No, we do not open on that.

CHAIR: No, that is right; you cannot.

Mr Valastro: The other public holiday is—

CHAIR: Good Friday.

Mr Valastro:— Labour Day and Good Friday.

CHAIR: Yes, Good Friday and Labour Day.

Mr Valastro: I cop it: 'You're closed four days.' We have to have some time for us, but that is just hearing it firsthand. That is what I have to say on that. With existing trading hours, with the public holiday on Easter Saturday we do not open until nine o'clock; we still have them at the door at eight o'clock. I think, 'Oh, my God! That's just a public holiday. That's just the public holiday trading.' Maybe with IGA and all that—they do not want to hear that—we will just standardise it to eight o'clock for public holidays. On those public holidays we should standardise it to eight o'clock because they know it opens at eight o'clock but on public holidays they do not know that, but that is just how the act is.

Mr LISTER: Mr Valastro, I do not have any particular questions about what you have said, but I would love to know: do you have relatives in Stanthorpe by any chance?

Mr Valastro: No. There are Valastros around but—

CHAIR: Do you know a Valastro in Stanthorpe?

Mr LISTER: Yes, but the thing is this: I have just noticed that from your neck of the woods and my neck of the woods there seem to be a lot of people where their ancestors worked in one place or another and when they had saved up enough for a farm that is where they settled. Would you agree with that, Nick?

Mr DAMETTO: Absolutely.

Mr LISTER: Thank you very much for your appearance.

Mr Valastro: You are welcome. They are just my points of what I experience in the supermarkets.

Mr BOOTHMAN: Jason, you said there was a Spar in Halifax.

Mr Valastro: That is correct.

Mr BOOTHMAN: Where would be the closest larger IGA to your area? How far would that be?

Mr Valastro: The Spar is—

Mr BOOTHMAN: No, not the Spar but I am just saying a larger—

Mr Valastro: IGA?

Mr BOOTHMAN: IGA, yes.

Mr Valastro: You would go to Cardwell. There is an IGA at Cardwell.

Mr BOOTHMAN: So how far would that be?

Mr Valastro: Forty minutes.

Mr BOOTHMAN: I am from the Gold Coast, so you have to forgive me. We have short distances everywhere.

Mr Valastro: Yes. Nick knows that area well and truly.

Mr DAMETTO: Jason, thank you very much for giving your evidence to the committee this afternoon. Jason does a very good job making sure that all the opening and shutting hours around public holidays are disseminated—not only for the IGA but also for the Coles, the Woolworths and the Spars all across the Hinchinbrook electorate. We have a unique small town where people, especially the oldies, like to know what is open and what is not open and it does confuse them sometimes. We also have a unique scenario in Ingham where the IGA had shut before Sunday trading came in. Without Sunday trading in Ingham, we would not have a supermarket within 20 kilometres of the larger population of Ingham, so I see your point there, Jason. As you may appreciate, in other areas it does not—

Mr Valastro: It is different and it does not work.

Mr DAMETTO: Exactly. You would say what is happening in Ingham right now is working but in other places that might not be the case to change things?

Mr Valastro: Yes, that is correct.

Mr SULLIVAN: I just wanted to say thanks for your submission. It is really important. We have heard from employees down in Brisbane as well as part of our earlier submissions, so your view as a frontline worker I really appreciate. I worked in retail at the mighty Stafford City Shopping Centre for many years in my youth. Jokes aside, I also want to thank you for what you do because this is not necessarily the frontline work that people talk about. People talk about police or ambos, but we all need to eat and we need to look after our kids. We need to survive.

Mr Valastro: Exactly, yes, because it is essential.

Mr SULLIVAN: Exactly, so thanks for all you have done, particularly during COVID.

Mr Valastro: You are welcome.

CHAIR: Thank you very much for sharing with us today. We are very grateful for your contribution.

Mr Valastro: You are welcome.

CHAIR: That brings to an end our hearing today, so thank you to all of our witnesses who have submitted. There are very diverse views on this topic right the way across Queensland, but we thank you all for your contributions here today as part of our inquiry into the Trading (Allowable Hours) Act. To those people who have taken some questions on notice, Rob Hansen, our committee secretariat, will follow up with you. We are hoping to have those back from you by Monday, 29 November 2021. I now declare this public hearing for the committee's inquiry into the operation of the Trading (Allowable Hours) Act 1990 closed.

The committee adjourned at 4.08 pm.