



EDUCATION, EMPLOYMENT AND TRAINING COMMITTEE

Members present:

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

Staff present:

Mr R Hansen—Committee Secretary
Ms R Duncan—Assistant Committee Secretary

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

TRANSCRIPT OF PROCEEDINGS

MONDAY, 25 OCTOBER 2021

Brisbane

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The committee met at 9.01 am.

CHAIR: Good morning. 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 chair of the Education, Employment and Training Committee. I would like to acknowledge the traditional owners of the land on which we meet and pay my respects to elders past, present and emerging. We are very fortunate in this country to live amongst two of the world's oldest continuing living cultures in Aboriginal and Torres Strait Islander people. With me here today from the committee are: James Lister, the deputy chair and member for Southern Downs; Mark Boothman, the member for Theodore; Nick Dametto, the member for Hinchinbrook; Jimmy Sullivan, the member for Stafford; and Barry O'Rourke, the member for Rockhampton.

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 motion included detailed terms of reference, which are available from the inquiry page on our website. 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 website, including the department's response to issues raised in the submissions. The committee received this on Friday. Today we are considering point 3 of the terms of reference: the effect of trading hours regulation on the Queensland economy and regional Queensland.

The committee's proceedings today are proceedings of the Queensland parliament and are subject to the parliament's standing orders. Witnesses will not be required to give evidence under oath, but I remind everyone that intentionally misleading the committee is a serious offence.

MICKEL, Mr John, Adjunct Associate Professor (via videoconference)

CHAIR: I now welcome our first witness, Adjunct Associate Professor John Mickel, former Speaker of the Legislative Assembly. Professor Mickel was also chair of the Trading Hours Review Reference Group, which conducted the last review of the Trading (Allowable Hours) Act back in 2016. Would you like to make an opening statement?

Mr Mickel: Before such an intelligent committee I feel overwhelmed, but I will quickly say this: there is unfinished business from the report and that was in the hands of the parliament, as it should have been. I would encourage you all to ask the department this question before you go any further: what, if any, prosecutions have they carried out in relation to people trading beyond the trading hours they are lawfully permitted? If, as I suspect, the answer to that question is they have not, then why have regulations at all? That would be my starting point to the whole lot of you.

Some of you will find deregulation hard. It is not hard at all. During the time I was either a staffer or a member we deregulated the price of eggs. Some of you are not my age so I will take you through that process. There was a set price for eggs determined by the Egg Marketing Board, and Coco's at Buranda decided they would sell them for less than that price, whereupon inspectors went in and smashed the eggs. The consumers were so encouraged by this smashing of eggs that the government lasted about a day before they had to deregulate the price of eggs. That is why when you go into a supermarket today there are a whole range of prices. The second one was bread. When we deregulated bread we were told that would be the end of bakeries as we knew them. Well, that was true: now you can get bread in all shapes, sizes and brand names, and the consumer was the winner.

When I was Energex minister we sold off, as we should have, Energex retail. The net effect is that now, today, consumers have a wide variety of choice about where they will buy their electricity. You will find that deregulation, particularly in relation to commodities, has been a winner. For those who would like to think you are as old as me, when I was a kid you had to look up where petrol was sold because every weekend—

Mr LISTER: I remember that.

Mr Mickel:—petrol stations were on a roster. Who said they remember it?

CHAIR: James Lister.

Mr Mickel: He is intelligent. I thought he was a bit younger than me, but he will remember this. What the inspectors had to do was hide in the long grass with a camera to photograph the petrol stations that were not entitled to sell petrol. This was the absurdity that went on.

We come to today's discussion. There are 23 towns throughout Queensland that cannot trade on a Sunday, including a city as large as Mount Isa. This is a complete and utter nonsense. This Saturday I will be going to the Warwick rodeo. Warwick is a town that is able to trade seven days a week. They are going to have one of the biggest events in that city, the Warwick rodeo, and they will be allowed to open when they have a huge number of tourists and visitors to that city. That is as it should be; that is, consumers will have the widest variety of choice.

In the 23 towns that do not have this we are told, 'We're protecting small business.' No, you are not; you are denying consumers a choice, and oftentimes they are left at the tender mercies of one store that is open. Wherever you have monopolies, you are going to get price gouging. The other clanger is that you can buy a boat on a Sunday but you cannot buy a car to tow it. You cannot buy a caravan on a Sunday but you can buy a boat. This all made sense when you did not have the ability to shop online. Now if you look online you can see what the price of the car is. There is even a new thing that annoys me on Facebook that will tell me what price the car is, and because I looked at it once Facebook is able to annoy the heck out of me every time I turn it on.

CHAIR: We know that all too well.

Mr Mickel: Yes. Even when you leave politics they are annoying you. The other thing is that I noticed Mossman in your terms of reference. I went and visited Mossman shire and they asked for complete deregulation. I acceded to that request except for Good Friday and the morning of Anzac Day. The reason for that was that when people arrived in Cairns they had to drive up to Port Douglas, get into their unit or accommodation, and so many times it was after nine o'clock or when the major supermarkets were closed. If you had booked a trip on the reef early the next morning, you still did not have the ability to stock up. That is why deregulation was done there.

I would urge you to keep that deregulation in place and extend deregulation to every airport, because people arrive at airports, particularly Cairns and Brisbane, at all hours of the day and night—although Brisbane is excluded from this, and I will come to that. Anywhere there is a tourist operation in regional Queensland—the Gold Coast, wherever it might be—totally deregulate it because when people happily arrive on those overseas flights—I hope they arrive from overseas in December—again they want the widest possible consumer choice.

The next thing I would say is that online shopping has changed things. The pandemic has changed things. Some of the towns had to go to the government, would you believe, to get extended trading hours because of effects of the pandemic. This is a complete and utter nonsense. For those of you who believe in climate change, you are going to get weather events, and it is going to mean that supermarkets and other businesses will want to open beyond the hours that we have.

My recommendation to you as committee members is to be brave. Think of the future and deregulate the whole show. If you say, 'That's unfair to small business,' businesses like service stations have gone from the ridiculous situation of closure at certain times, but many of these now are mini supermarkets. When you go in there you do not just go and pay the person for the petrol; you can pick up a whole range of goods, and that is fair enough. They are in business. They want to maximise their profit, and I am all for that, but do not penalise other businesses that want to do that.

At the moment, the 23-town structure means that supply chains where these goods are packed in Queensland are disrupted. It denies employment opportunities for people who are packing the goods that are distributed Queensland-wide to those companies. We are a tourism show. We have the Olympic Games coming up. We had a provision put in there for major events, so the local shire could apply for unlimited trading hours. I do not know to what extent that has been taken up, but it should be. Rather than have people running along to all these commissions, allow a complete deregulation of the whole thing. What you will find within that is that people do not stay up 24 hours. At the ALDI near me they are allowed to stay open until nine o'clock. They do not. They believe that by eight o'clock it is done, and given that demographic that is probably right. The point is: they should be allowed to choose themselves.

I will come back to the Commonwealth land near the Brisbane Airport. Woolworths there trades 24 hours. That was because in the days when the airport was running they employed something like 25,000 people whose shifts ended at all hours of the day and night. If you are worried about the car industry, go out to the airport—as I know you all do—and you will see that there is a track out there

on Commonwealth land. That is where you are going to be able to take your new vehicle for a test-drive. Because it is on Commonwealth land, they will be able to do that unregulated because they are not subject to Queensland laws.

I beg you: if you truly believe in either climate change—if you do not believe in that, that is fine—or the pandemic—if you do not, God help you—rather than have people run along and ask for extra hours, treat the consumers for what they are: people who can make rational decisions. Above all, give consumers choice. That is what this inquiry should be about.

Mr LISTER: Good morning, Mr Mickel. It is great to see you here. Thank you very much for your very persuasive opening statement. I would like to ask for your view of the importance of job opportunities for those businesses that wish to retain regulation of trading hours. I refer particularly to the submission by Mr Frank Spano, the chair of the IGA board. He is a constituent of mine and has two IGA supermarkets in my electorate. He advanced the view that businesses like his, because of the current trading hours, are able to do good work for the community such as sponsor things and also provide apprenticeships for butchers and for bakers which he says the larger supermarkets are not doing. On this basis, among others, he says that we should see no changes to the allowable hours. What is your response to that?

Mr Mickel: They are nice sentiments but completely and utterly self-serving. I copped the same thing when we were doing the review: it will be the end of small business. Around where I live we have any number of 7-Elevens and NightOwls open and staying open. They might not be under the same management, but what you are starting to get is 7-Elevens and service stations.

IGA have a point of difference in that they will stock selected items that the supermarkets do not sell and as long as they have that selected difference they are offering consumers a choice. There is no need, however, to offer IGA a monopoly. Why should they have that? In the past they have been able to get away with the fact that the regulations rested upon a certain number of employees that they were able to have.

It is a nice idea, but what it means is that in those 23 towns IGA has a monopoly. How is that good for the consumer? How is it good for somebody, for example, in Mount Isa? Kingaroy is one of the others, but let us stick with Mount Isa. You have shiftworkers there and if their only day to shop is Sunday then they have no consumer choice. They have no consumer choice because governments in the past have hung onto this concept that IGA advance. Businesses were always hectoring me about the number of regulations. Here is a regulation that you can do away with that will advance consumers. IGA can still maintain their point of difference. Why should they have a competitive edge hiding behind regulation?

Mr BOOTHMAN: My question relates to the Mossman area. Since the changes have been made, have you been up there to see what has transpired from the point of view of consumers in terms of shopping around tourism areas? I am curious to see the impact it has made from the consumer perspective.

Mr Mickel: I was up there I think it was about three years ago, between Christmas and New Year. My recollection was that Coles was able to open. There were any number of small businesses open. They have probably been knocked around in the last 18 months by COVID. International tourism would be down and national tourism would be down because people cannot enter Queensland. In other words, that would have nothing to do with extended trading hours. The CEO of the Mossman council asked me to have a look at that. I was attracted to that idea simply because of where Port Douglas is.

In New South Wales, for example, where they have 24-hour trading, the shops do not open 24 hours. What they will do is open when they have customers. I have not been to Mossman in the last 18 months. I want to get a job as a diviner: you ring me up and find out whether I have booked and if I have you do not book, because every time I book something we seem to go into lockdown or I cannot get somewhere. That is my business now. You ring me, pay me a sum and I will tell you whether I have booked or not. I have not booked for Port Douglas to give them half a chance.

My hunch is that they have been knocked around by COVID and the last 18 months would not be a good time to judge anything in the Cairns and Port Douglas area. My hunch is that anything that is a drive from Brisbane is doing well and western towns would be doing quite well. I am guessing that that would not be the case in Port Douglas. I would not blame extended trading hours for that.

Mr DAMETTO: In my opinion—and it is only my opinion—there has been some negativity around deregulation in other industries—everything from the sugar industry through to the dairy industry. Now we are talking about complete deregulation—seven-day trading and Sunday trading. I

imagine you have talked to a lot of people about this in your previous work in this space. Can you talk about some of the negativity from some small businesses that believe they would be affected by seven-day trading?

Mr Mickel: I have never struck it. There is a little place that operates around the corner from where I live and it was quite unaffected by the extension of trading hours. It really does depend on who is operating the store—are they any good; have they bought a job? I do know this: in the 23 towns that do not have Sunday trading, the anchor tenant is the one that draws people to the arcade or the shopping centre. If that anchor tenant is not open, those small businesses do not open. By not having deregulated hours in those 23 towns, you can bet your life that nobody in that arcade opens either. They need the anchor tenant to draw the people there.

I do not accept at all the definition of deregulation of the dairy industry or the sugar industry. Re-regulation of the sugar industry was a bad thing in my view. I have done some work on the Darling Downs and seen what deregulation of the wheat industry et cetera has done. Those people are prospering because they can make choices. Once you give people the power to make a choice, things invariably flow from that. I was told all this when I offered to deregulate Energex retail. People said it would be the ruination of the world. There are any number of products sold now and there is any amount of choice. There is solar. AGL offer a whole bunch of things. I am not here to advocate for them.

In short, the answer is no, I have not seen that. What I have seen, however, is the proliferation of online shopping and the proliferation of other businesses that have started up because of online shopping. When my kids were staying at home with me, I got to meet any number of strangers because I would sign for all the goods they bought overnight. There were a whole lot of small businesses created out of that. The economy is evolving and it is time we recognised the fact that online is here. If you truly want to promote yourself as a tourist destination, Queensland, then get with it. Tourism is a 24-hour caper.

Mr SULLIVAN: I do not usually ask this sort of question of a witness, but I feel comfortable asking you, if you do not mind, John. I know that in your review you hit the ground and spoke to people all over the state. We are heading to Cooktown, Townsville and Mount Isa to try to speak to people on the ground. Can you give us a heads-up in terms of the sorts of issues we will deal with in Mount Isa, in particular? I am mindful that it is a large inland town and is a little different to some of our coastal towns and it has, as you said, a high casual workforce and shiftworkers and even flights in or out are not regular. Can you give us a bit of an insight as to what we might see on the ground?

Mr Mickel: I did not go to Cooktown. I would regard that as a special case. I did go to Mossman.

Mr SULLIVAN: Sorry, I meant Port Douglas.

Mr Mickel: I certainly went there. I quickly add that I did not stay there. I went to Mossman to meet with the people there. I also met with Kevin Byrne. If you are going to Cairns, say g'day to Kevin for me. Kevin had fairly strong ideas on things, as did the Cairns Airport people.

Let me go to Mount Isa. The issues in Mount Isa were these. The Mount Isa tourism council, the Mount Isa chamber of commerce and the then council were all in favour of Sunday trading. They were because of three factors. The one I have already mentioned is shiftworkers. We tend to think of shiftworkers in Mount Isa as being from Mount Isa Mines. There are a number of mining companies that would access Mount Isa, but let us move away from mining. Do not forget that there is a very big cattle industry in and around that district. A lot of the ringers et cetera who work on those cattle properties might get the weekend off. The weekend becomes very special for them with regard to consumer choice. At the moment, if their day off is a Sunday then they are restricted in their consumer choice.

If, however, the people visiting Mount Isa are the grey nomads then if they call in there on a Sunday they have no consumer choice whatsoever, even if they might want to stock up on provisions before they go to that wonderful national park that I have not visited near Mount Isa. It strikes me that this constricts the economic capability of a place as significant as Mount Isa. That is what I would say to you there.

If you have a look at some of the other towns that have done very well out of Queensland being kept safe from COVID, a lot of those are doing very well, but if they cannot trade on a Sunday they are doing less well because people will go to where they can get consumables. At the moment, their choice is either the service station which is allowed unrestricted trade or IGA. What is there against people shopping at IGA or Coles and Woolies or Aldi? I am sorry, I have never understood that argument. Jim, sorry there was another town you mentioned.

Mr SULLIVAN: No, it is all right, John.

CHAIR: Could you give us some reflections, as we head into the five-year mark, on the effectiveness of the moratorium? Outside the 23 towns that you have been pretty clear about, could you talk about how effective you think the moratorium has been on standardising things?

Mr Mickel: Do not forget that the committee I had was made up of unions and employer groups. What we had to do was reach a settlement. For some of the unions this was not an easy sell. The opening of Bunnings early on Saturday and Sunday was not an easy sell because it meant that instead of starting at nine o'clock they were starting at six o'clock. I have not heard anybody say to me, 'Gee, it is a terrible thing that we can go down to Bunnings in the summer at six o'clock to buy concrete so we can start early and do the driveway.' It struck me that people love it.

There was something else in that report that nobody ever commented on that made a huge difference. That was the freeing up of butcher shops to employ as many people as they wanted and opening up whenever they wanted. In the electorate that I represented, this was a huge benefit when there was a discount butcher shop there that had been restricted in its trading ability. They were able to go about life very nicely as a result of that report. I have not heard one person say to me, 'That was a dreadful thing you did in Cairns—that is, being able to buy something at any hour of the day or night when we land there.'

There were some shops where there was some doubt as to whether they could open. I wanted to extend deregulation to all the tourism islands but, predictably, there are not too many supermarkets on those tourism islands. I never heard of any negative impact of that.

To be frank, I thought we brought it into line. Above all, we recognised that consumers could have a choice but so could the people who ran the stores. I instance Aldi, which wanted to close at eight o'clock. So what? If you run along Gladstone Road at a night, you will find that after 10 o'clock some service stations close. They are not in the philanthropy business; they are in the business of making money. If there are no customers, why open?

We get hung up on trading hours like I have never seen. Tonight, each one of you can go home and buy something online 24 hours a day. You will—or your kids will for you—and nobody blinks an eyelid at that, but somehow there is this big hang-up. If we have a pandemic and you want to extend the hours, we have to run along to the commission to do that. This is fanciful. In the 21st century, for a state that is marketing itself, as it should, as a tourism destination, as the Olympics destination, get with it. Trade for the world. We do not want to become like Paris that closes on a Sunday for God's sake. Let us get with it, join the other states and maximise opportunities.

CHAIR: Can you give us your thoughts on the three different classifications—the exempt, the non-exempt—

Mr Mickel: Rubbish. Just do away with it. In some of the submissions you receive, one side of the street will have one category while the other side has another. Just get rid of it. Get rid of all the exemptions and treat everybody as adults, as businesspeople—men and women trying to make a living and trying to maximise when they have customers. In some tourist areas it will be when they have high tourism visitation numbers. It may well be that in winter they want to reduce their hours.

Get rid of the exemptions. The exemptions are nothing but a regulatory interference, in much the same way as the nonsense we had with service stations. I was pleased that James fessed up to being my age and that he could remember that. I thought I was the oldest one.

Mr LISTER: We had to look at the newspaper to see which service station was open!

Mr Mickel: Exactly right. There is a provision in there to get flexibility when a major event is on. When we did that report, we had half an eye out for the Commonwealth Games. I would love to know how many local authority areas have applied. James, it would be worthwhile having a yarn to Vic to see if he applied for it for this Saturday for Warwick. In relation to Stanthorpe, isn't the apple festival on next year?

Mr LISTER: It certainly is. Are you going to be there, John?

Mr Mickel: Yes, I will be there. The deal with that is that you want to maximise your time and maximise the trading opportunities. Under the current provisions, Vic can apply to get an exemption. I do not want to be conjecturing, but not many know about it and not many have applied for it.

CHAIR: There have been a number of applications through, and some very interesting ones. I think there was a melon festival somewhere where an exemption was granted. There have been some unique special events, shall we say.

Mr Mickel: Great, but I do not want them to have to do that. They are busy organising the melon festival. The effort that goes into the apple festival at Stanthorpe is huge. The volunteers there do a huge job. It falls to somebody then to write to the QIRC to get the exemption. It is a nonsense, because they are busy organising the festivals and making sure there is plenty of accommodation. I just have a view that over the years we have tinkered with this. I urge the committee to be bold.

CHAIR: Thank you very much, John. We will definitely be bold. We are very grateful for your time.

BAUCIA, Ms Luisa, Policy Adviser, Chamber of Commerce & Industry Queensland

MANDIGORA, Mr Gus, Senior Policy Adviser, Chamber of Commerce & Industry Queensland

TAFOLO, Ms Suzie, Vice-President, Redlands Coast Chamber of Commerce, Chamber of Commerce & Industry Queensland

CHAIR: Good morning. Would you like to make a brief opening statement before we start questions?

Ms Baucia: Good morning, committee. Thank you for giving us the opportunity to speak here today. I am Luisa Baucia. I am a policy adviser at CCIQ. I am joined today by Gus Mandigora, our senior policy adviser, and Suzie Tafolo, vice-president of the Redlands Coast Chamber of Commerce. Suzie is here to give a bit of contextual information to some of the points we have made in our submission.

Regulation adversely impacts the performance of business and the economy. We do see that quite a lot through the Pulse survey that we do where we measure businesses' confidence at a given time and their future outlook. These impacts are different and vary region to region. Queensland has a lot of very diverse regions, very unique regions, with different industry make-ups. We did find this echoed through our consultation with different regional chambers of commerce. A lot did have differing opinions on what we are addressing here today.

The legislation as it stands is quite complex. CCIQ considers that further simplification and streamlining of trading hours could be done so that we can reduce the impacts they have to the economy and to businesses whilst still providing some safety to small businesses that may not be able to compete with some of those larger businesses. The submission shows that Queensland's business sentiment has been quite low for a while. We have seen this through our Pulse. Pulse is a longitudinal survey that we have been doing for over 20 years. The survey goes to businesses all across Queensland. In the last year, we have collected over 1,000 responses each quarter. It is quite a large survey response.

Through the consultations we have done with our regional chambers we have been informed that trading hours restrictions limit the attractiveness of the regions to tourists, large retailers opening often does attract customers and foot traffic, large businesses also contribute to employment, businesses should be able to decide when and for how long they wish to open so long as employees are freely willing to work, non-exempt retailers still need specified trading hours, and legislation in its current form is quite complex. Some of those statements do sound contradictory, but that is very much representative of the divergence of opinion that we had.

Regional differences did emerge during our consultation. This can be seen in the attachment that we submitted and tabled on Friday.

CHAIR: Are you seeking leave to table that document?

Ms Baucia: Yes.

CHAIR: Thank you. Leave is granted.

Ms Baucia: I highlight that different regions did have different perspectives. The document I have tabled today shows that more of the SEQ regions were quite worried about larger businesses taking market share; however, we have also talked to the Mount Isa and Port Douglas chambers of commerce, and they had very differing opinions on what regulation should look like for their specific regions due to their specific circumstances. If any changes were to occur, we would definitely recommend that a lot of consultation is done with individual regions to see the nuances.

We believe that some simplification and streamlining of the regulation would be beneficial to support small businesses. Some of the recommendations that we made were: ensuring the objectives of the legislation were current and reflect the need to support small business competitiveness; simplifying retail trading regulation areas and consolidating to a single set of trading hours across weekdays, Saturdays, Sundays and public holidays; having two discrete categories of shops—exempt and non-exempt; and simplifying and streamlining the exemption process to improve participation. We believe that these reforms will help deliver benefits by reducing compliance costs for the business community.

Mr LISTER: Thank you very much for appearing before us today. Can you hazard a guess as to what sort of diversity of view there might be amongst your constituent chambers around the state, in particular those in my area of Southern Downs, which is a rural-regional area?

Ms Baucia: The only chambers of commerce that were able to come back to us were Mount Isa, Port Douglas, Redlands, Sunshine Coast and Gold Coast. A lot of the other chambers said that they were quite occupied with other issues going on with the impacts from COVID so it was not something that was front of mind for a lot of those businesses. I do not have information for your area, unfortunately. I will outline Mount Isa and Port Douglas and then hand over to Suzie to talk about her region.

For Mount Isa, a lot of what I will say is similar to what Mr Mickel said. Mount Isa is struggling and there is a lot of consensus to open on Sundays. The chamber of commerce ran a survey and found, from both the consumer side and the business side, that there was an appetite for opening on Sundays. From the preliminary results, they had a majority of both saying that they were happy to open on Sundays.

Port Douglas said that the impacts they were feeling were that some of the more inland areas were restricted. Whilst that tourist area had that moratorium—so they were open and unrestricted—there were impacts to those internal areas, because on Sundays everyone travels to the areas that are open and they did not see the same economic benefit.

Ms Tafolo: I will be very up-front. With time constraints, we did not get a lot of time to go and speak to as many people as I would have liked. I went straight to the source and made a phone call rather than sending out a survey. That is how I operate a bit better. I spoke to one of our medium sized shopping complexes. The Redlands, if you do not know much about it, does not have a Westfield. We do not have those giant shopping centres. We have about three or four of those medium sized shopping centres and lots of different shopping strips.

When I spoke to one of the managers of the medium sized shopping centres, she did say that to her it was instant fear. She said that, if that were to happen within her shopping centre, as it is it is really hard for them to stay open even to nine o'clock. They are facing other issues. There is a lot of employment there, but nobody seems to want to work. Opening up the hours would be an even tougher choice when it comes to keeping people employed.

Also, she brought up a great point which as a consumer I did not even think about myself. She said that people would not be able to plan their shopping trip. If we know that a shop is open, say, from nine to five, we are able to effectively plan our trip and go out there and do our shopping. If that certainty is taken away and everybody's hours are all different, how do you plan your trip? Are you really going to make an effort to go out to one or two people who are open?

The other thing that was raised was that the smaller businesses, not the big chains, could not compete and they worry that maybe their rents will be raised to compete with the bigger chains like Sheik or Witchery—all of these bigger chains if they were to come in there. She did say, however, that more research needs to be done which is honest. In my opinion, we do need to get out there to speak to people and to gather more information. Again, if I go further out to those shopping strips, on a Sunday they are closed. As a consumer, I do head out to somewhere where there is a Westfield. Again, I know it sounds like fence sitting, but there are two views in that sense.

CHAIR: There are very divergent views.

Mr BOOTHMAN: Do you think the process should continue to be more customised for each area? You spoke about Port Douglas. Do you think it should continue down this pathway or should there be more opening up of those areas out the back of Port Douglas, as you were speaking about before? I am curious to hear your input.

Ms Baucia: With all of the different areas, we have heard of issues between boundaries. The Gold Coast in particular has a tourist boundary with another area. Shops can open on Sunday on one side and across the street shops cannot open. From their perspective, that is quite frustrating because it does move foot traffic to the area that can actually open on those days.

Mr BOOTHMAN: Would you like to see a more customised approach, though—for instance, if those businesses would like to open, they should be allowed to—or do you feel that some protections should still be in place? You have the smaller Spars that directly compete with bigger supermarkets et cetera. They obviously find it difficult to compete. In the more regional areas, would you like to see a more customised approach for each and every township?

Ms Baucia: I think consultation would have to occur between those regions because I am sure some would probably disagree. From where we sit, with the Gold Coast example, common sense needs to apply. Maybe the tourist area could be extended a little so that we are incorporating those areas that need to see a bit more economic activity. If they are sitting just outside that tourist area of Brisbane

the Gold Coast, that tourist area could be opened up further. I am not sure about the technicalities of how it would be done, but that is the complaint we are receiving—that there are contradictory opening hours and the only difference between the two places is the location.

Mr BOOTHMAN: Pretty much what you are saying is that for the Gold Coast it should be a lot more open, so to speak, so those people on the other side of the street could have the chance to open, whereas in other areas of the state there would be a different consensus?

Ms Baucia: Yes. There might be a differing opinion, definitely.

CHAIR: I pose the question that it may not necessarily be the trading hours that are the issue but the definition of the geographical boundary of the tourist area.

Ms Baucia: I would probably be a bit reluctant to say that, because there are other aspects of the trading hours that are difficult and complex for the businesses in those areas.

CHAIR: I think the point you made was that one side of the road can and one side of the road cannot, which comes down to a geographical boundary mapping issue more than the fact of whether they are trading at 9 pm.

Ms Baucia: To a degree. I can really only speak to what I am hearing, which is that that difficulty is arising and not the technicalities.

CHAIR: The actual geographical issue of not being able to shop on the side of the road that falls outside of the boundary is more the issue than the hours themselves?

Ms Baucia: In that instance—

CHAIR: They either fall into or out of that geographical location in terms of what is defined as the tourist area.

Ms Baucia: I am not sure how those areas are defined.

CHAIR: That seems to be part of the problem, then—if a shop on one side of the street is not within that boundary but the shop on the other side of the street is. Therefore, that is where the issues seem to be arising.

Ms Baucia: Because they are trading within different hours because of that geographical distinction.

Mr DAMETTO: I thank the CCIQ for its submission and also for the work that all three of you have done in coming here today as panellists. My question is around the two different types of businesses. We have larger businesses that are obviously wanting to get into the Sunday trading market in the 23 local government areas that are excluded. Can you talk to us about the benefits felt by those smaller businesses right now from those protections being in place?

Ms Baucia: Yes, I can. I will quickly speak to the Sunshine Coast and Suzie can add something about her area. From what we have heard from the Sunshine Coast, specifically a convenience store, the owner told us that in relation to an IGA being able to open on public holidays he directly saw impacts from that occurring for his business and the revenue that they could generate on those days. I think he said that that IGA has been open for two years, so he has seen that over a long period of time.

Ms Tafolo: I cannot really comment on much without having spoken to a lot of people but just from what I see. In the Redlands we have an Express IGA that is open on most public holidays. It is convenient, it is used and it is very busy. Again, those people who choose to shut down want that time off as well. It depends sometimes on those small business people. Again, I am just going to wing it on some of the ones I associate with regularly. They try to take those opportunities. They want to be home with their families. They might not have many staff like an IGA does. There could be change, but, again, without doing further research to put proper and correct information to you, I cannot comment any further.

CHAIR: It is interesting that you pointed out, though, that out in the Redlands people are more inclined to go to where the Westfield is on a Sunday because the big anchor is there. It is open and it does generate foot traffic for all of those smaller businesses to be open, in contrast to the three major centres that we have at Victoria Point. On a Sunday afternoon they are a vastly different place to the Westfield at Carindale.

Ms Tafolo: Yes.

Mr SULLIVAN: Thank you for your briefing this morning. I know that your organisation covers a whole range of businesses. Without breaching privacy, can you give us a flavour of the types of businesses you are talking to? Are you hearing from independent traders who rely on anchor businesses? What sorts of businesses have really been engaged in this issue? Can you give us an insight into that?

Ms Baucia: A lot of our submission also relied on a survey that we ran back in 2014. We wrote a position paper prior to the review. We did speak to a lot of retailers specifically but businesses in general. In the consultation that we did specifically for this submission, it was more so the regional chambers of commerce because they have more of a regional understanding of what their retailers are seeing. It was a mixture. Sometimes it was Westfields and what the retailers inside those shopping centres are seeing. Sometimes it was small shopping centres in the Redlands, for instance. We have talked to corner stores. We have talked with our HR advice line. We take calls from businesses uncertain whether they fit into an exempt or an independent retail shop category. They are usually an independent retail shop and uncertain of what days they can trade on. It is quite a wide variety of retail shops that we talk to.

CHAIR: Following on from that 2014 review, which was obviously prior to the Mickel report, has the CCIQ—outside of the regional towns that seem to be part of the focus of this submission—done a broader, deeper dive since 2014 to do a comparison of the effectiveness of the moratorium?

Ms Baucia: Currently we have not, but we would like to so that we can bring a more informed response and take into account some of the regions that we have missed in this consultation. We would probably like to run a very similar survey—put it in our Pulse survey so we can get the largest number of responses—and look at that longitudinal change of sentiment and what businesses are looking for as well.

CHAIR: It would probably be a very valuable process, particularly in light of the last 18 months to two years and the impacts of COVID that will have occurred across all types of retail.

Mr O'ROURKE: One of the things that Professor John Mickel was talking about was deregulating completely. He was saying that businesspeople would make a choice as to whether or not it was profitable to open at certain times. Are you in a position to make a comment on that? Do you have any inclination from your Pulse surveys about where businesses think we should be at in that space?

Ms Baucia: With our submission, our view is sitting very much that we need to look regionally—so taking a regional approach to this—but also balance some of the issues that may arise if we fully deregulate for small businesses. We do recognise that if extensions are made businesses are not forced to open; however, in certain circumstances—I think Suzie talked about this—there is sometimes pressure for them to open. We are definitely taking the stance that more simplification to the regulation can occur. Trading hours can be extended in certain circumstances to accommodate a bit more flexibility in some regions, but there are regions where small businesses have seen the effects of larger businesses taking greater market share and they feel trepidation about any sort of full deregulation to occur in those areas.

Mr O'ROURKE: I go back to Professor Mickel's comments about council areas having to apply for exemptions around trading hours. Do you have a comment in that space? Should that be something that is driven by industry or is it something we should be regulating?

Ms Baucia: Did you mean just for special events or did you mean previous to the moratorium?

Mr O'ROURKE: Special events, for example.

Ms Baucia: We have not had any comments on whether or not that is a difficult process. It is usually special events for community groups. We have not had anything specifically on them.

Mr Mandigora: The consistent message that we keep getting from business is that if you can make regulation simpler and if you can make it easier to understand and easier to follow then that will be a positive for business. With a situation like this it is always difficult to find the right balance. If we trend towards making things simpler, making processes simpler and making the rules easier to understand, you will get a lot of support from business in general. We would see that as a win-win if we make it simpler.

CHAIR: We are definitely taking that on notice but, reflecting on what you have tabled today and your former submission, you will understand that you have very divergent views there and it is not as simple as it looks. Thank you very much for your time today. There were no questions taken on notice. We are very grateful for the input and we look forward to engaging with you further throughout this process.

de BRUIN, Mr Jos, Chief Executive Officer, Master Grocers Association Independent Retailers (via videoconference)

SPANO, Mr Frank, Chairman, IGA Queensland Board (via teleconference)

CHAIR: We might not have a very good line. We are just waiting on Mr de Bruin to come in via Zoom, so we might start with you, Mr Spano. If you would like to make an opening statement, that would be great.

Mr Spano: Yes. Firstly, I want to thank you for this opportunity to speak to you on behalf of the IGA network in Queensland. We currently have 246 stores approximately within Queensland and are a pretty large employer both metro and regional, so we are pretty confident that we need to hold our current trading hours and role in regional Queensland to protect our industry, sustainability of retailers and protect and create jobs in parts of Queensland, so thank you for this opportunity.

CHAIR: Thank you, Mr Spano. I think we now have Mr de Bruin on Zoom with us.

Mr de Bruin: Thank you for having us.

CHAIR: Would you like to make an opening statement, Mr de Bruin?

Mr de Bruin: Yes, and thank you, Madam Chair. Trading hours has always been an issue in Queensland for family and privately owned businesses for the only reason that it has been very difficult to compete with the large corporates such as Coles, Woolworths, Aldi, even Bunnings—Woolworths and people like that. The corporates have had a history in Queensland of coming into cities, regional towns and smaller towns and resetting the high street of those towns and crowding out small and family private businesses. We have noticed in recent years how many retail outlets are vacant in the high streets. If we travelled down the high street of Bundaberg a year or two ago, there were over 30 shops that were vacant and yet we still had the large corporates wanting to develop or put in place new developments with the large supermarkets and large trading outlets. We rely heavily upon being local, operating with local staff and supporting local growers and producers. We support the local cleaner, the accountant, the local bakers. We are an ecosystem within each of the communities that we trade.

In Queensland we have been watching from the sidelines as we have seen a reduction in our market share. Family and private businesses that own food and grocery stores in Queensland only 10 or 15 years ago were 20 per cent or 25 per cent of market share. Today we see that market share sitting at seven per cent, and what we fear greatly is that there may be a continuation of that trend unless we stop it by allowing our family and private businesses the opportunity to create a point of difference with respect to trading in Queensland so that they can compete better on a level playing field with them.

We saw trading hours being liberalised in South-East Queensland during the Mickel report nearly five years ago and the SEQ matter continued even though the report was being developed. When we saw the SEQ hours being liberalised by some 10 hours a week, we saw some of our members in South-East Queensland drop sales of between 10 per cent and 20 per cent. That renders most businesses unviable. When we were able to show the government that that had occurred, it was then minister and current minister Grace Grace together with government that suggested there should be a five-year moratorium on trading hours until the family and private business sector could step up, search and develop a point of difference and work together with the Queensland government to achieve that goal.

One of the initiatives that Minister Leeanne Enoch did at the time—a brilliant initiative—was to introduce the entrepreneurial pipeline project, which was about developing an ecosystem for locally grown food and beverages to be produced and distributed within the local business ecosystem, if you like. That was a way for all Queensland local businesses to be able to work together to grow and step up against the might and power of the large chains. Therefore, today we are here representing our over 700 members in Queensland to propose that the review of the trading hours outcome be such that the moratorium does not expire until such time as we are able to work with the Queensland government in terms of working towards a point of difference that will allow us to halt the decline in market share and indeed grow small businesses in Queensland. Thank you, Madam Chair.

CHAIR: Thank you, Mr de Bruin.

Mr LISTER: Thanks, Mr de Bruin and Mr Spano. Of course, Frank, I know you, being a constituent of mine and operating businesses in my electorate, so it is great to have you here. I ask both of you gentlemen if you could give the committee your views on what advantages the larger players would have relative to the smaller operators were the playing field to be levelled on the basis of trading hours. What sorts of advantages do you see them having on account of their size?

Mr Spano: Thanks for that, James. The majors have an advantage over independent retailers because they can aggregate any losses. If they have a store that is not making money, they can wear it across another business. They also employ at a rate nearly 50 per cent lower than an independent retailer. They do not invest now into butchers, bakers and local tradesmen, so that gives them a considerable advantage when we are trying to develop team members because they do not have that skill set anymore. They have centralised all of their functionality and they are continuing to invest in two ways to reduce the human resource component. That is evident when you come to Stanthorpe today and they have now put eight self-checkout registers into that supermarket. That is not sustainable because that alone is an investment of nearly \$300,000. I cannot invest in that because it is not sustainable, so this is where they can do this to basically make it harder for competitors to stay viable.

They do not have a full team on a Sunday, so they will not improve any standards for this across the state. Therefore, consumers are at a disadvantage for actually shopping for their needs and you will not be able to satisfy all your consumer needs, whereas I will not as a retailer accept that standard because I want to make sure my customers get an offer that suits their needs when they want to shop with us within the hours of (inaudible). We cannot continue to increase allowable hours because I do not have the ability to be sustainable because the growth is not in the regions at this point in time. That gives them a big competitive advantage, and you can see that as well in the regions today. When I look at the other independent baker and butcher shops, they are still not opening today even though they can. In Warwick only one bakery trades on a Sunday today out of the five that are in town, so it shows there is not the demand and to make it sustainable for us who are independents to be operational.

Mr LISTER: Thank you, Frank. Mr de Bruin?

Mr de Bruin: I concur with what Frank has said. We are a service model, basically, so we employ staff to serve customers. We do not have the remote or the automatic check-outs. We do not tend to mechanise as much as the larger guys do, so the impact on our businesses if ours were to be deregulated is demonstrable when it comes to the people that we employ and the services that we provide. Part of the service is being the hub of the community that we trade in, so we are actually real people dealing with people rather than an impersonal business. We add to the culture of the city and towns that we trade in.

Coles and Woolworths and the larger guys have incredible economies of scale that we could only ever hope to have a part of. Just by our very nature, our members are storemen, IT experts, HR experts and marketing experts. They know their towns back to front. They have to be everything to everyone whereas that is not the case with these larger corporations. All they do is ship in their goods, which generally come from everywhere else but the local area, and put them on the shelves and then hope something happens. They are very adept at selling their own home brands—house brands—many of which are imported goods as well.

They compete directly with our products on the shelf which are generally locally grown, locally manufactured products as well as Australian made, of course. We rely heavily on national and state brands as well as locally produced fresh produce and so forth. In offering that to consumers, there is, at times, a higher cost to do that. We do not source cheap products and put them on our shelves; we source locally grown products which are quality, fresh and demand a higher price. That is where we would find ourselves at a little bit of a loss unless we can develop a point of difference which is part of the entrepreneurial pipeline project, the artisanal project, that we have been working on with the government.

CHAIR: Thank you and I congratulate the Jones group as part of IGA out in my region. I think they have five stores and they have created their very own point of difference in what they put on offer which speaks to the success outside of the trading hours issue when you create a point of difference and have a magnificent cheese room.

Mr BOOTHMAN: That is a very nice sales pitch, Chair. I will have to visit your IGA in the future.

CHAIR: Check out the cheese room at Mount Cotton.

Mr BOOTHMAN: My question is in relation to service stations. I have noticed that in recent years service stations have been stocking more and more grocery goods. How do you feel that impacts your small IGAs and your corner stores? Is that having a lasting impact or is that hurting them? What are your thoughts on those matters?

Mr Spano: In my observations from the data that I see across Queensland as the state chairman, there has been very little impact on independent convenience stores and supermarkets from the growth in convenience. That is typically a large proportion of self-consumption lines—

snacking chips, self-consumption chocolate bars, cold drinks—at the time of purchase. As you buy fuel you are buying these incremental items as part of shopping for your fuel. They have a higher part of mixed. Where they are getting a lot of considerable growth on me in convenience in P&C channels is from (inaudible). You have your Chiko Rolls, your spring rolls and sausage rolls which is an offer that is not typically core supermarket because they have now taken away even that local McDonald's or that shift in buying from a KFC to these one-stop shops now for food because we are seeing multifaceted service stations with Pie Face in them, Coffee Clubs and Zarraffa's Coffee. That is really taking it to a different consumer than what we would traditionally take as an independent supermarket, because our goal is to get the grocery shop and so our competitors are the majors—Coles, Woolworths, Aldi, fruit shops, butcher shops and bakers. We all try to share from that pie as that (inaudible).

Mr BOOTHMAN: When you are filling your car up and you buy the bottle of milk, do you think that would impact potentially on your IGAs? As an example, if I go in to fill my car up and get a bottle of milk, that is stopping me from going to my local IGA and potentially buying some other products.

Mr Spano: I can give you an example using my Warwick store. There have been two additional service stations built up in the last three years—United and Mobil. My milk and bread sales have not been impacted at all because the consumer is shopping for that convenience factor at the right price. If you come to me, my cheapest bottle of milk is going to be \$2.30. A service station will be double—over \$4. So you are not losing that share of wallet for bread and milk.

Mr DAMETTO: Mr De Bruin and Mr Spano, I appreciate you coming along this morning to give us some evidence and your opening remarks. My question is around fully deregulating this industry. There is a Paul Kelly song 'Every city looks the same', and it seems to be like that as you go through cities across Australia these days. The large retailers have taken over where they have complete freedom of trade. We are losing our identity, I believe, especially in some of our smaller cities and towns, because every city looks the same: there is a Woolworths and a Coles on every corner; there is no local greengrocer anymore. The figures you supplied, of 25 per cent down to seven per cent locally owned and operated businesses, are really scary. Can each of you please talk to what completely deregulating this industry when it comes to trading hours would do to our local economies?

Mr Spano: I will let you go first, Jos, because you have a better lens throughout the nation than I would.

Mr de Bruin: It is alarming. I definitely agree with you that seven per cent is scary. I get back to talking about what consumers want. Consumers generally want different things. They want choices. They want to be where things are interesting, shopping is interesting and food is presented in different ways and shapes. We have done a lot of work in the competition area at a national level with the ACCC and the federal government. We have been able to strengthen competition law, but it is all a bit too late in Queensland. We believe that with Coles or Woolies—it does not matter; they are both the same—you could put their brand on the other store and they would be exactly the same. They have the same products. They copy each other. I believe that allowing this dominance to occur has taken away so much of the personality, particularly in Queensland, where the chains have tended to steal a march. We are still okay in a lot of the very remote towns and regional towns in Queensland. They all have terrific personality—the tourists love going there—but you are quite right when you saying that you are going to some of these major regional towns and cities where every town does look the same.

For the Queensland government, I would say we definitely have something special to preserve, but not just preserve; I think we have an opportunity to grow something here. It will take a brave Queensland state government, not so much with trading hours but with other areas of business opportunity, to allow family and private businesses to engage with their local communities, not just to stock fresh produce or gourmet foods or whatever it might be from the local areas but also locally produced beverages.

I know that this hearing is not about locally produced beverages; it is about trading hours. The reason we ask for trading hours to remain and the moratorium to continue is that we still have a lot of work to do to develop that point of difference we are looking for to bring to each town that we are trading in. I thank you for the point you make and we are really determined to try and help Queensland be a more interesting place to shop.

CHAIR: My question is to you both. With regard to the submissions that have been made—and it is interesting that you are keen to see an extension of the moratorium—in a number of the submissions from the Mount Isa region, which is one of the 23 towns impacted by trading hours

restrictions, price competitiveness for consumers is raised. I think it was in the north-west they have done a survey of 1,400 people from Mount Isa. Mount Isa has a population of 20,000. One of the examples given was from a shiftworker who says—

Given the heavy shiftworker community in Mount Isa—I work at the hospital on shiftwork and my partner in the mines—it is hugely inconvenient not being able to grocery shop on a Sunday. Last Sunday I had to buy washing powder from FoodWorks and it cost me \$26. Often Sunday is the only day we have to shop.

Can you talk about the competitiveness for consumers in those restricted areas?

Mr Spano: Yes. I am head of the National Pricing Committee for IGA Australia. We heavily invested over the last two years into price reductions across our network. We are far more competitive today as a state. Our price gap to the majors is just under six per cent aggregated on our volume, and that is due to the fact that we do have regional occasions that have some protections that can maximise their price discount to the consumer. If I bring up standard from Warwick, I match Woolworths pricing.

CHAIR: I am curious about Mount Isa, Mr Spano.

Mr Spano: If I go to, say, Atherton, Tully or Cairns in Far North Queensland, these retailers match competitive pricing across this pocket, even with the high freight costs that we have to absorb. This is why having protected hours is vital for the sustainability of independents, because we know where our cost base is going to fit so we can invest into these prices. If we lose that Sunday trade, you will struggle. Mount Isa have because of that. There was an IGA where Target is today.

CHAIR: There are a number of comments across those three submissions from the Mount Isa Regional Council, from the Mount Isa Tourism Association and from the North West, which is the Mount Isa Chamber of Commerce, that suggest that that might be creating a consumer issue in price competitiveness. That was more broadly across a whole range of reasons. Could you be a little bit more specific to those examples raised in Mount Isa as one of those 23 regions that has that restricted trade?

Mr de Bruin: I lived in Mount Isa for nearly two years and Mount Isa had a population of 32,000 at the time, so that must demonstrate my age a little bit. I know Mount Isa reasonably well. We had a very strong presence of independent family owned businesses in Mount Isa. In fact, only four years ago we lost a major independent in the town—a major IGA. We subsequently have a couple of FoodWorks stores left in the town because the town has been able to be dominated by the chains. It is a difficult situation. I do empathise with consumers, but I would offer that if there was an opportunity for the independent sector to re-enter the Mount Isa market that would be a much better solution for competition.

If I may illustrate by way of example, South Australia has the highest concentration of independents in Australia. It holds about 30 per cent of market share. In South Australia you can find the cheapest groceries in Australia simply because the independents, the chains and Aldi all compete with each other. Not only that, but the independents are competing with each other as well. What we have is a classic situation in Mount Isa where the chains have actually crowded out all the independent businesses, and what I would like to suggest is that perhaps Mount Isa could be looked upon as a town where we could revitalise some of the family and private businesses in the town, rather than actually opening out hours and then destroying the businesses that are left.

Mr O'ROURKE: I, too, used to live in Mount Isa along the way and I can always remember the challenges of having to get things on a Sunday. It was a bit of a headache. This is more a statement. I am now living in Rocky and I have an IGA just around the corner. They are excellent and they really do have that point of difference: it is easy to get parking there, it is quick service and they buy a lot of goods locally. I go in there on a Sunday very regularly—actually, I do not think I can remember the last time I went to Coles or Woolies, to be honest. That is the point of difference with some of those supermarkets; the smaller chains are about the service delivery and being competitive. I do not mind paying a little bit extra and I am sure that is the same for a lot of people. It is all about the convenience, being able to run in and keep going.

Mr de Bruin: I think in Queensland fundamentally all of us agree that competition is good and we do not want to use artificial levers to enhance competition in a different way. In Queensland, we need more time to allow ourselves to develop into really sustainable, long-term businesses that Queenslanders can be proud of. Queenslanders is a very large state. If you go to Bowen, have a look at the growing areas and the fruit, vegetables and so forth that are available there. Our members there avail themselves of that local produce, but if they were not there, where would all that go? I really believe that what we need is more time to develop our offer so that we can have a point of Brisbane

difference with the large chains to grow. It is not the remit of this committee to talk about what that offer might be, but I am certainly hoping that we are able to look at the opportunity to hold off on extending trading hours any further until we get that point of difference.

CHAIR: What sort of time line do you think that looks like? You were suggesting an extension on the moratorium. What were you thinking?

Mr de Bruin: Madam Chair, we have had Leeanne Enoch very committed, then we had Shannon Fentiman very committed, Di Farmer very committed, Grace Grace very committed—I am talking about the entrepreneurial pipeline project which is all about artisanal foods and beverages, but we have had a couple of hurdles to jump over, notwithstanding, of course, the impact of COVID and how that takes a priority. We are four years into the moratorium. We had hoped to be far more advanced than we are now. If you were to ask me how much time we need, we would like to do things tomorrow, but it is the machinery of government which does not work as fast as we would like sometimes.

CHAIR: I trying to get a definition around how long you think it will take you to transition and pivot your entrepreneurialism from an industry point of view and what that moratorium might look like.

Mr Spano: If I can jump in from the outside, speaking on behalf of IGA, we would see it expanded to five years as a minimum, purely for a couple of reasons: firstly, the impact of COVID—we do not know what normalised hours are for some of that innovation; and, secondly, the delays in doing any of this work at this point in time. We are struggling to get labour for shop fittings to do some of this innovation, so providing the opportunities. There are delays out to six and eight months, so it has put a bit of a dampener on us rolling out the IGA network of the future, which is all about providing innovation in development and reinvestment into our offer to drive prices, be more competitive and so on. We really are struggling to get our hand and a grasp on that one. Thirdly, there is the supply chain. As we are all aware, there is a massive shortage coming into Australia for groceries. You have CHEP pallets and you have containers, so that is obviously impacting our supply chain and more potentially next year. We need to ride through some of these waves so we can get normalised and then obviously roll these executions out with understanding the impacts of delays. I think five years gives it that certainty and gives us the next lot of data to make sure we can review our modelling that we have submitted previously (inaudible) to ensure we are doing the right thing for all intentions.

Mr de Bruin: Madam Chair, we were a little bolder in our submission. We asked for 10 years, only because of that uncertainty, because if we are not where we are right now after four years, I just wonder how fast we could progress things in the next five. It really does depend upon the government's will to want to progress the project. They are very determined, but I think once this hearing has been completed and you have delivered a report, whatever the decision is, it will give us some very clear direction as to what we have to do next.

CHAIR: Would it be fair to say that the changes in 2017 and the moratorium in place have been effective in providing some stability for your networks?

Mr de Bruin: Madam Chair, I must say that since 2017—and I did list it in our submission—we have actually lost 31 of our members throughout Queensland, so the power and might of the big guys is evident. There are plenty of new developments that have been going on. It is not necessarily related to trading hours. I do not want you to think that this is just trading hours related. It is for a host of reasons but mostly competitive reasons, large over small. To lose 31 outlets since 2017 I think is eye-opening.

CHAIR: Thank you both very much for your time today. There were no questions taken on notice. We will take a short break and resume at 10.50. Thank you very much, Mr Spano and Mr de Bruin. We are very grateful for your contributions.

Mr de Bruin: Thank you for the opportunity.

Proceedings suspended from 10.30 am to 10.50 am.

NOLAN, Hon. Rachel, Executive Director, McKell Institute, Queensland

CHAIR: Thank you for joining us here this morning. Would you like to make a brief opening statement?

Ms Nolan: Thanks, Madam Chair and committee, for your interest in the McKell Institute's submission. I will tell you briefly what the McKell Institute is and then run through the key points of our submission. The McKell Institute—not John Mickel—is an independent progressive public policy think tank. We do not receive any public funding. We have a network of corporate and not-for-profit members. We seek to undertake public policy research, primarily in economic policy, and we also do quite a bit of work around sustainability issues and industrial relations. We made a submission to this inquiry because, as I said, we have done work like this in the past. We made a submission when John Mickel did his initial inquiry back in 2016 or 2017. We also made quite a significant contribution to the Queensland parliament's wage theft inquiry a number of years ago.

The submission that I have put to you and that you have all had the opportunity to read makes, I think, three significant points. Firstly, I should say where it comes from. We have analysed existing economic data. We have looked at other reports in this area, including work undertaken by the Productivity Commission, and we undertook a public poll specifically for the purposes of this report. I will come to its findings in a moment.

As I said, there are three key areas of interest. Firstly, we looked at employment in the retail sector overall in which we found that the limited liberalisation of trading hours that happened as a result of John Mickel's review did not make any real difference in terms of employment in the retail sector overall. In 2011 there were 241,000 people employed in retail in Queensland. There are now 253,000 people. With the exception of everything going a bit haywire at the end due to COVID, which I think is its own thing, essentially the trendline of very slow employment growth remained entirely steady before and after the last set of trading hours reforms. I think that is an important thing to understand—that the liberalisation that did happen did not impact on employment.

What has happened very distinctively, though, and your previous submitters made this clear, is that there is a big shift from small retailers to larger retailers. I am not talking about that being regional specific; I am talking about across the board in Queensland. In Queensland there were more than 13,000 small retailers in 2015. In 2019 that was down to less than 10,000. In terms of percentages—and these numbers vary a little bit from your earlier submitters but the trend is the same, and my figures are for Australia and not for Queensland—the market share for small grocers has fallen from 13.8 per cent in 2006 to 9.1 per cent now. I note that an earlier submitter said that in Queensland it was only seven.

The second point on which we have really done some work is around the special event exemptions that were a really critical part of the John Mickel reforms. The argument for them was that you will get an uptick in regional economic activity as a result of the special event exemptions. What we have looked at is whether that was in any way measurable. We have looked at employment levels in areas where there have been special event exemptions for the period before, during and after the special event took place. The data is in our report but we have essentially found that there is nothing identifiable in that.

I note that the information the committee published this morning makes a similar point. It said it would not come up in the data as the impact of the special event is basically too small to come out, to be demonstrated. That is right. I am not arguing that there was definitely no change, but I am arguing that what special events give you is so teeny-weeny that it does not even rate as a blip in the identifiable economic evidence.

The third thing was that we did conduct an opinion poll of public sentiment around trading hours. We did this because my sense, frankly, as someone who has been around these issues for a long time, was that there does not seem to be the kind of community agitation that there once was. That instinct was essentially borne out in the research that we undertook. Again, this is Queensland wide. I do not make a comment about Mount Isa or Warwick or anywhere else.

We asked a series of questions. The most significant of them was: do you think the current hours in which shops are open in your local area is about right or are they not open enough? We found, and this was statistically significant, that across Queensland 66 per cent of people indicated that they thought trading hours in their local area were about right. Similarly, we asked in the last week: have there been any occasions when you needed to go shopping but the shops you needed were closed? We got a 75 per cent 'no' answer to that.

I will not go through all of the five questions that you asked. I do not want to take up all the time in the opening statement, but, again, the data is provided to you in the McKell Institute submissions. With those opening remarks, I am happy to take your questions.

CHAIR: Those were very important responses to those two questions. I think it reflects sentiment quite well.

Mr LISTER: Ms Nolan, thank you very much for coming in. It is nice to meet you for the first time.

Ms Nolan: And you.

Mr LISTER: I think you were the local member in my area when I was in the Air Force. It has been a long time since I was doing that.

CHAIR: I remember when petrol prices had to be looked up in the newspaper.

Mr LISTER: I remember my dad looking up the paper because we had to get a flat tyre fixed and had to work out which service station was open. Ms Nolan, I want to ask you a broad question to help me understand the McKell Institute's position here. In the opinion of your group, are the aims of a regulated labour market in terms of social good and economic good analogous to those of having a regulated retail market in terms of trading hours?

Ms Nolan: We would distinguish between the two things. In terms of a philosophical position, they do not necessarily entirely line up. In this case I would think they, frankly, probably do in that what you have here is regulation of trading hours, not regulation of industrial relations. The industrial relations environment entirely allows for people to work late at night in retail. The industrial relations environment is de facto regulated as a result of the trading hours. We have not surveyed workers; we have surveyed the public more generally. The question would become: do you want to have workers working late at night, at 10 o'clock or 11 o'clock, at Kmart or Woolworths or whatever if there is not a lot of public demand or general economic demand to do so? I hope I have been clear. We do see them as separate things which in this case probably happen to land on the same page.

Mr BOOTHMAN: It is good to see you, Rachel. Mr Mickel discussed online trading. Could you comment on how this is impacting retail businesses across Queensland? It is certainly something we are seeing in my neck of the woods on the Gold Coast. A lot of businesses are going into that because it is 24 hours.

Ms Nolan: We did touch on this a little in our submission, but we did not undertake any specific economic analysis. I can touch on it conceptually but not from the basis of data. You can come at this two ways. On one hand, retailers might argue that people can shop online in the middle of the night so the shops need to be open in order to compete with that. Alternatively, you can argue that people can shop in the middle of night—and you cannot stop them from doing that—therefore the shops do not need to be open. One of the arguments that has long been made for trading hours liberalisation is convenience. That convenience exists.

That is essentially the side of the argument that the McKell submission comes down on. There is now a great deal of convenience provided by online shopping which means that consumers are provided for and it is not necessary to have the shops open at all hours of the day and night. People can and will get what they need through another avenue.

Mr DAMETTO: I note your involvement in the wage theft inquiry. That was the last time we interacted in the professional space. There is a feeling among certain people that completely deregulating this part of the industry would be beneficial to consumers. The argument we have heard is that it gives consumers choice if we deregulate. My argument back would be that by taking away certain protections there will eventually be less consumer choice due to takeovers. Could you speak to the point about losing consumer choice through deregulation and what impact that would have on the industry and also the consumer?

Ms Nolan: I agree with your point. I have a longstanding interest and specialisation in economic policy. I entirely understand the philosophical or ideological argument that markets should be liberalised insomuch as possible. Philosophically, I am quite sympathetic to that view of the world. You have just, however, had the CCIQ come along and say, 'This is our position from the perspective of economic principle, but actually regionally we find that what people want is all over the place.' That is the reality of the situation that I think the committee is faced with. There is absolutely no doubt that the proposition you have put to me—that liberalised trading hours ultimately benefits big business at the expense of small business, therefore ultimately diminishing the range of consumer choice—is quite simply true.

I am now just going to give you an anecdote, so I am veering off the formal submission that I have put to you. The member for Southern Downs might like my anecdote. I live in Ipswich. I have family in Warwick. When we as a family go to Warwick—

Mr LISTER: You are one of those Nolans?

Ms Nolan: No, that is not the Nolans; we are the Coopers and Shelleys. They would be voting for you, too. That is an aside from my aside. When we go to Warwick on a weekend, my mum and I make a point of being there for Saturday morning because the shopping in Warwick is better than the shopping in Ipswich. Ipswich has 10 times the population of Warwick, but it is all great big shopping centres and great big retail chains. The centre of Ipswich, essentially as a result of bad planning, has collapsed. There are no little boutiques and local shops.

The centre of Warwick, as a result of (a) not being big enough for a Westfield and (b) some excellent planning which salvaged the centre of town, is such that my mother and I can have a great morning shopping in the main street of Warwick where there are independent boutiques that offer a selection of things that you will not get at Westfield at Indooroopilly. The same is true of the main street of Bundaberg. I recently checked that out.

Any number of smaller regional towns have genuine retail diversity that the bigger regional centres do not have as a result of these conglomerates essentially taking over. There are huge economic trends that make that happen. Trading hours are the only lever you have at hand right now. They are only one thing in many. There is no doubt from the data I have given you and from that anecdote, which I think is frankly not wrong, that retail diversity is diminished in part by liberalised trading hours.

Mr SULLIVAN: Both in your submission and in your opening statement you spoke about the figures for employment in the retail sector and you put appropriate caveats on in terms of the last 18 months. Is there any of that research that goes to not just effectively FTEs but hours of work? I am mindful of the shift reliance in retail and the casualisation in retail. I was wondering if there was any extension of hours and/or take-home pay for individuals?

Ms Nolan: That is a terrific question and now you are going to make me examine my own submission. I do not think we included that data in here. I understand that there has been a diminution in full-time and permanent employment in the retail sector. Increasingly what you get is 15-year-olds who are casuals working a shift at Kmart that goes from 5 pm to 9 pm on a Tuesday and decreasingly what you get are people who work as nine to five weekday permanents at David Jones. I am just giving you an anecdote. I do not have that data in this submission, although I am sure it is available.

CHAIR: Going back to your anecdote on being able to shop on Saturdays with your mum, if you were not able to be there on a Saturday and you got there on a Sunday, would you still like to be able to shop with her and have that experience?

Ms Nolan: That is a great question. We just plan around it. We are fully in my anecdote now.

CHAIR: You offered it.

Ms Nolan: I did, yes. It would not be as good. We would not bump into as many people we know. We would not see as many of the extended family because that little burst of Saturday morning would be extended over two days rather than half a day. It is not for me to tell the people of Warwick that they should not shop on Saturday afternoon because it is nice for me to bump into long-lost relatives. I understand that there are many factors at play, but Ipswich used to be like this.

CHAIR: I think you summed that up very well. Ipswich and a number of centres across SEQ and regionally suffer from poor planning outcomes and not understanding what good space activation looks like. We see that across the board.

Ms Nolan: Absolutely. I think that is, quite frankly, a bigger driver than trading hours. You used to shop on a Saturday morning in Ipswich. You would see people and it was lovely. There were little shops. Now you have to go to Warwick to do it. They have something precious there.

Mr BOOTHMAN: Those comments you made about planning relate to the question I was asking you. I reinforce what you were saying, that good planning by councils to ensure these areas are vibrant shopping districts is very important. Ipswich is a very good example. I know it is outside the scope of what we are dealing with here, but it is a valuable contribution.

Ms Nolan: Thank you. I am into planning. It is critically important, and once you have mucked it up—

CHAIR: It is very hard to unscramble the egg.

Ms Nolan: It is very hard to get it right again. The community impact is absolutely devastating.

CHAIR: When you have dying centres, whether they are regional centres or suburban centres, once the damage is done it is very hard to undo it. I have a question on your submission itself and the 400 people surveyed. Do you have a breakdown of how many of those 400 people were from South-East Queensland and how many were regional?

Ms Nolan: I will take that on notice and if I can get that information I will provide it to the committee.

CHAIR: Excellent. Thank you so much, Rachel. We appreciate your time and your anecdotes about shopping. One question has been taken on notice and that is with regard to the breakdown of the survey. Thank you for your time. We are very grateful.

NEWTON, Mr James, Manager, Policy and Regulatory Affairs, Shopping Centre Council of Australia (via videoconference)

SUPERINA, Ms Nadia, Senior Policy Officer, Shopping Centre Council of Australia (via videoconference)

CHAIR: I welcome representatives from the Shopping Centre Council of Australia. Would you like to make a brief opening statement on behalf of the council before we proceed with questions?

Mr Newton: I will give a brief opening statement and then Nadia and I will respond to any questions the committee has. Thank you for the opportunity to appear before the committee and participate in the inquiry. We are happy to take on notice any questions that we are unable to answer today. I will provide a short overview of our members' perspective and our recommendations to allow more time for questions.

Our industry's position is that the moratorium has run its course, has fulfilled its purpose and should lapse as currently planned. In our view, there remains no fair or logical reason for it to be extended. A by-product of the moratorium is that it has prevented businesses from seeking independent consideration on trading hours across the board and curtailed the QIRC's functions and their role as an independent body.

In tandem and through the inquiry, we seek the harmonisation of trading hours in South-East Queensland and all regional LGAs where comparable deregulation is yet to occur. We submit that this is supported by a majority of the population and the small business community. Respectively, the reasons they do so are consumer choice and convenience, because when larger retail is open all other businesses benefit from the compounding effect of significantly increased foot traffic and patronage. This is quite pronounced in shopping centres—to the extent that while smaller shops are allowed to open it is often not worth their while to do so unless a major tenant does. We know and have evidence that our tenants do and will avail themselves of opportunities to benefit from extended trading hours. The flow-on effect of maintaining trading hours restrictions to the benefit of the independent grocery sector alone is that this trade-off is doing more harm than good and is not required.

Our recommendations are contained in our submission. Our view is that the government should amend the act to harmonise trading hours in regional LGAs to bring them into line with South-East Queensland. In addition or alternatively, the government should allow the moratorium to lapse on 31 August next year. Thank you again. We appreciate the opportunity to appear and we are happy to respond to any questions.

Mr LISTER: It is very good that you could join us and we appreciate your submission. Before I proceed with my question, I wish to clarify something. Is it the case that, in some context, tenants of shopping centres are obliged to adopt the general trading hours of the centre and, therefore, if trading hours were to be expanded for anchor tenants the smaller tenants would be so obliged?

Mr Newton: Yes, that is the case. The trading hours for a shopping centre are set. However, in our submission we detail that any extension of those hours does need to be voted on by a majority of tenants as well, so it would not necessarily be the case that all would be bound straight off the bat in that sense. However, what we do know in our centres is that when majors are allowed to open for extended hours 80-odd per cent will take up the opportunity too.

Mr BOOTHMAN: When it comes to extended trading hours on Sundays in these regional areas, has there been a lot of pushback from other groups about this?

Mr Newton: From other groups in specific regional areas?

Mr BOOTHMAN: Yes.

Mr Newton: On this issue we are aligned with retailer groups in what we see here. Ultimately, we are looking for improved trading conditions for all of our tenants, be they major department stores, supermarkets or smaller retailers. We were aligned with retailers in seeking the broadest and most flexible conditions that they are allowed to operate in.

In a broad sense we are aligned with the Queensland Chamber of Commerce & Industry, although in the last little while they have shifted their position from being in support of Master Grocers to, I would say, being more in support of their general membership—for instance, Commerce North West, which is another group that has the same kind of view as us. You will hear evidence from the SDA, and we have heard evidence from Master Grocers and IGA as well. Those are the groups that would oppose our position in this regard.

Mr DAMETTO: Thank you for presenting to our committee today. My question is specific around the commercial value and therefore the financial value of properties and property managers for shopping centres that have the ability to open in a seven-day-trading scenario. Is there a financial benefit for those properties that are set up and operate in those areas?

Mr Newton: In terms of valuations if trading hours were extended?

Mr DAMETTO: Yes.

Mr Newton: I would need to take that on notice and I am happy to get back to you on that. Off the top of my head I would suggest that it would factor into valuations, but, again, we will take that one on notice and get back to you.

Mr DAMETTO: That is appreciated.

CHAIR: Thank you for your submission. We have just heard from Ms Nolan from the McKell Institute in regard to the survey they have done and the sentiment findings of that. I note in your submission you referenced research conducted by Insightfully. Would it be possible to get the detailed research that underpins those two particular things? Could that be taken on notice? Further, could you talk about any hard evidence in terms of the sentiment that you have noted within your submission around consumer desire for deregulation of the trading hours?

Mr Newton: We commissioned Insightfully to do research on our behalf and they surveyed to the tune of 1,300 residents in those LGAs and towns that do not currently have Sunday trading to gauge their views and sentiment.

CHAIR: Would you be happy to provide that Insightfully research to the committee?

Mr Newton: Certainly. It is attached to our submission. I will liaise with committee staff to see if there is any further information that underpins that that we would be able to provide to assist the committee.

Just quickly, the research showed that 71 per cent of those 1,300 people were in support of allowing shops to open on Sunday if they so choose. The interesting point that accompanied that was that nine out of 10 young people aged 18 to 34 years were in support of Sunday trading, and those who did oppose it were essentially people who did not routinely shop on a Sunday. The other interesting point borne out here was that seven out of 10 people if they were able to visit non-exempt shops—your larger supermarkets or department stores—would still support those smaller businesses, for instance the IGAs, that they would support prior to those restrictions potentially being lifted.

Mr SULLIVAN: My electorate of Stafford includes a lot of suburban shopping strips, medium sized shopping centres as well as one of Queensland's largest in Westfield Chermerside, so I see it all in our area. In your submission you say that you represent around 70 per cent of shopping centre floor space. Is that mainly the larger providers that you represent?

Mr Newton: That is across the board. Our membership as an organisation is your larger centre groups and vicinities down to, for instance, SCA Property Group and shopping centres in regional Queensland, and then to smaller members such as Jen Retail, Yu Feng group and McConaghy Properties which own centres in regional Queensland. It is a gamut of shopping centre owners and operators.

Mr SULLIVAN: In your opening you spoke about seeking the moratorium to lapse and wanting the ability to go to the QIRC again. Firstly, does your organisation have standing in those applications, or did you previously have a standing, or would you more be a third party and let retailers make the applications? I am just trying to work out where you stand in that space.

Mr Newton: In Queensland it is the National Retail Association which has led that application process, but we have historically had an involvement and supported them as well.

Mr SULLIVAN: Have you recognised at least under the moratorium there have been far fewer disputes because people were not bringing application after application each time they wanted a change?

Mr Newton: Do you mean disputes in terms of people engaging in applications before the QIRC?

Mr SULLIVAN: Yes.

Mr Newton: I can understand that. From my understanding of the QIRC process, I would not call them disputes so much as the opportunity for all parties to present evidence of that to be considered independently. Essentially, the moratorium has taken away our capacity to make a case

and obtain independent consideration on a case-by-case basis. That has not occurred as often with the moratorium in place. It has only been for special events that applications have been made. I understand that, by virtue of the moratorium being in place, there would have been less debate about these matters.

Mr SULLIVAN: From a business perspective—not just your organisation as the lessors but also the businesses that operate within shopping centres—the flip side of that lack of flexibility, as I think you called it, is certainty. Doesn't that provide a bit of a business planning benefit for the businesses that work in your centres and therefore your centres themselves?

Mr Newton: I am not sure of the angle you are getting at in terms of certainty. Do you mean that our trading hours are known? Is that what you are suggesting?

Mr SULLIVAN: That is right.

Mr Newton: From our perspective, we come at this to seek as broad an array of hours to allow flexibility for people to open when they choose and not be restricted in any certain days of the week. That is where we are coming from in terms of flexibility.

Going to our submission, we provided a case study of a mid-sized shopping centre in regional Queensland before and after they were allowed Sunday trading. Prior to 2017, when Sunday trading was allowed, they had greater flexibility. The tenants were able to open and adjust their hours to suit the trends and when consumers were looking to shop. With that in place, the chart I am referring to would be able to demonstrate an increase of opening across that time and a resultant increase in foot traffic as well. That is the flexibility we are seeking on behalf of our tenants—to open when they choose and not be limited in their trade.

Ultimately, the moratorium and trading hours restrictions apply to non-exempt shops—your supermarkets and department stores. Professor Mickel came at this as well. Ultimately, that restriction on a non-exempt shop has a flow-on effect for the rest of the centre. If a non-exempt shop is not able to open, a vast majority of shops within a centre are disincentivised from doing so. In allowing flexibility for our major tenants, it then provides greater opportunity for all the other tenants within a shopping centre.

CHAIR: I want to go back to what the member for Theodore said in terms of that flexibility you are seeking for shopping centres more holistically. Could I go to not the large anchor tenants but the Katies, the Millers and those sorts of shops? Across all of those shopping centres, do you have a rough percentage of those that would mandate the hours of those smaller traders and give them opening times where they are required to open because the shopping centre is open versus them having the flexibility of saying, 'We don't have the trade. Can we close earlier?' Do you have any observations on what that looks like for shopping centres that are members of the council?

Mr Newton: We will take that on notice and provide some further detail. In a broad sense, the shopping centre will prescribe opening hours where tenants are required to be open. Obviously, during the period of the pandemic that has been put to one side and altered in a sense.

CHAIR: I am keen to understand that prescription, because we talk about flexibility. When you look at the big shopping centre and providing flexibility of trading hours in that space, is that reciprocally given to tenants within shopping centres? What does prescription look like in that sense? I am keen to understand more broadly what that looks like in both South-East Queensland and regionally.

Mr Newton: As part of lease agreements, tenants are required to be open for certain hours. We will take that on notice.

Mr O'ROURKE: Page 6 of your submission talks about youth unemployment, particularly in regional areas. Do you have any evidence that having extended trading hours would reduce the unemployment rate for our younger people into real jobs, not just the odd Sunday shift or public holiday shift when other people do not want to work?

Mr Newton: That is difficult to quantify. In putting that point into our submission, it is essentially saying there is a marked difference in youth unemployment between regional areas and the Greater Brisbane area. I think it is something worth exploring. It came through our market research that it is an issue that 61 per cent of the population is mindful of. The trading hours that might come as a result of any changes in regional areas would provide for more hours that would either be met through an increased employment requirement—or we provided some simple wage modelling as well which would show that with the addition of Sunday trading there would be up to a 30 per cent positive effect on existing workers. It is a difficult one to quantify. It is probably worth the committee's consideration.

CHAIR: That concludes this session. There have been a number of questions taken on notice. The secretariat will liaise with you once we have gone through the transcript. Answers to questions on notice will be required by Monday, 1 November. We will come back to you on those. Thank you for your time today. We appreciate hearing from you on this very important topic for all Queenslanders.

The committee adjourned at 11.32 am.