

Trading (Allowable Hours) and Other Legislation Amendment Bill 2022

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Submitted by: MGA Independent Retailers
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“MAKING LIFE EASIER”

10th June 2022

Committee Secretary
Education, Employment and Training Committee
Parliament House
George Street
Brisbane QLD 4000

By email: EETC@parliament.qld.gov.au

Dear Committee

RE: Inquiry into the *Trading (Allowable Hours) and Other Legislation Amendment Bill 2022*

I am writing on behalf of Master Grocers Australia Limited's (**MGA**) 490 food and grocery members located in Queensland metro, regional and remote areas.

MGA is a nationally registered employer industry association representing family and privately owned food and grocery supermarkets, grocery stores and liquor stores in all states and territories.

In Queensland there are 490 independent and family owned community food and grocery retailers that trade under brand names such as Drakes, FoodWorks, Friendly Grocers, IGA, Ritchies and SPAR.

Our members range in size from small, medium and large, and make a significant contribution to the Queensland retail industry, employing 21,000 people and accounting for approximately \$2.8 billion in retail sales comprising of 156 million customer transactions per annum.

The market share of the Qld independent food and grocery sector has declined steadily over the past decade in favour of the large corporate chains and German retailer Aldi. Our members market share is at an all-time low of 7%.

This submission is approved by MGA Queensland's executive committee.

On 15 October 2021, MGA lodged its submission on the Queensland Government Inquiry into the operation of the *Trading (Allowable Hours) Act 1990 (the Act)*. We note that Hon. Kim Richards, member for Redlands, is the Chair of the Education, Employment and Training Committee (**the Committee**), and the Committee is responsible for conducting a thorough review of the current

moratorium on applications by non-exempt stores for determinations on permissible trading hours hours.

In January 2022, the Committee published its report into the operation of the Act for the consideration of Hon. Grace Grace, Minister for Employment and Industrial Relations. This report included nine recommendations to amend the Act.

The purpose of this response letter is to provide a submission to the Committee in relation to the inquiry into the *Trading (Allowable Hours) and Other Legislation Amendment Bill 2022 (the Inquiry)*. Although MGA supports aspects of the Committee's nine recommendations, MGA strongly opposes several of the recommendations due to their likely effect of substantially lessening the competitive ability of local independent supermarkets and food retailers.

MGA wishes to express its support for the Committee's following recommendations:

- Recommendation 1:
 - MGA supports inserting additional considerations for the Queensland Industrial Relations Commission (**QIRC**) to consider in determining a 'special event';
- Recommendation 5:
 - MGA supports amending the Act so that the section 36B condition applies to extensions of any retail trading hours irrespective of any workplace agreement or modern award; and
- Recommendation 6:
 - MGA supports amending the Act so that the QIRC has express power to make orders in respect of voluntary work, including requiring a condition addressing voluntary work when declaring a 'special event'.

MGA wishes to express limited support for the Committee's following recommendation:

- Recommendation 8:
 - MGA supports any extension of the section 59 moratorium, however submits that a longer extended period is required to ensure the ongoing viability of independent community supermarkets and grocery retailers.
 - **MGA submits that at a minimum, a further five-year extension of the section 59 moratorium is required** to permit further time to review spurious claims by parties representing non-exempt retailers as to job creation and economic growth as a result of permitting applications for allowable trading hours outside the Act's permitted trading hours.

- A further five year extension is also important in providing continued business certainty to family owned independent community food and grocery retailers, who in that time can continue developing their unique 'point of difference' through sales of locally-produced fresh and gourmet foods and various locally-produced beverages, while pursuing any opportunity for legislative reform in respect of locally produced artisan liquor sales into the future .
- Developing such a point of difference and attaining this legislative reform is crucial to the survival and viability of these small retailers.

MGA strongly opposes the Committee's following recommendations:

- Recommendation 2:
 - MGA strongly opposes this recommendation as reducing existing categories for non-exempt shop trading hours to merely four categories will effectively result in currently non-exempt retailers to operate on public holidays in 21 currently non-exempt areas, and will be of particular detriment to independent community retailers in the Mossman and Port Douglas Tourist Area as permissible trading hours for non-exempt retailers in these areas will be expanded;
- Recommendation 7:
 - MGA opposes this recommendation as removal of sections 21(3)(a) and 21(3)(c)(i) of the Act will permit non-exempt shops to open within the same permissible hours as exempt shops in the event that the QIRC makes a determination in respect of trading hours for a non-exempt shop, and prevent the QIRC particularising trading hours dependent on distinct classes of non-exempt shops; and
- Recommendation 9:
 - MGA strongly opposes this recommendation to permit exempt retailers in the Mossman and Port Douglas Tourist Area to operate in accordance with the same trading hours as exempt shops in those areas and to adjust the section 16A definition of 'tourist area'. If adopted, this means that small independent community retailers in that region will have to continue competing with their national chain counterparts on an uneven playing field, considering the enormous competitive advantage that the national chains possess.

In addition to the above views, MGA submits that **the definition of 'independent retail shop' outlined in section 6 of the Act must be amended so that the requisite threshold is 40 employees on the shop floor at any one time, or 150 - 200 employees where a number of shops are operated throughout**

Queensland. If this submission is adopted, this will assist to drive employment, particularly of young people, and assist in small business growth.

MGA foresees that many small family owned community food and grocery retailers in Queensland will have to cease operations should recommendations 2, 7 and 9 be adopted, or if the section 59 moratorium is not extended for a meaningful length of time, due to inability to compete with the large national chain retailers.

Should this occur, this will not only result in depriving Queensland consumers of food and grocery retailer and supermarket choice, but also weaken the competition in the independent sector of the Queensland grocery industry to the extent where it may no longer be commercially feasible for new independent supermarket competitors to enter the market or expand the number of stores they own. For these reasons, MGA strongly opposes recommendations 2, 7 and 9 and submits that recommendation 8 be reconsidered.

We thank the Committee for the opportunity to present MGA's views on behalf of all MGA's Queensland members.

Should you wish to discuss any aspect of this submission, please do not hesitate to contact me on

[REDACTED]

Yours sincerely



Jos de Bruin
CEO
Master Grocers Australia