

Trading (Allowable Hours) and Other Legislation Amendment Bill 2022

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Introduction

The IGA Queensland and Northern New South Wales Board presents this submission in response to the recommendations that were part of the Report that stemmed from the Queensland Parliament's Education, Employment and Training Committee's inquiry into the operation of the *Trading (Allowable Hours) Act 1990*. The Board also wishes to have its representatives participate in the Public Hearing set down for Monday 20 June.

The IGA Queensland and Northern New South Wales Board represents independently owned and operated grocery and liquor supermarkets who are important stakeholders in the retail industry throughout Queensland. In Queensland alone, there are 760 independent community food and grocery stores that trade under brand names such as Drakes, FoodWorks, Friendly Grocers, IGA, Ritchie's, and SPAR. These food and grocery stores range in size from small to medium or large businesses. All Drakes, FoodWorks, Friendly Grocers, IGA, Ritchie's and SPAR stores across Queensland are independently owned and operated. Each of the branded stores are small businesses independently owned and operated as sole traders or family-run businesses, and some are partnerships where more than one family has a financial interest in the business.

Our members make a significant contribution to the communities in which they operate. They provide considerable support to their local communities, through local fundraising initiatives that support schools, kindergartens, hospitals, clubs and so on. They also make a substantial contribution to their communities through the support of the businesses of local suppliers and service providers. Most importantly they are major employers within their communities. Many of their employees include working mothers, tertiary students, trainees, and apprentices whose income is essential to the economic wellbeing of themselves and their families.

Response to the Recommendations

The Board commends the Committee on the Report and supports the tenor of the resultant recommendations. In this submission the Board wishes to comment on the specific recommendations below.

Recommendations 1, 5 & 6

The Board supports the Committee's recommendations that seek to refine the process for consideration of 'special event' applications. The Board agrees with recommendation 1 which seeks to have the Act amended to refine the process for consideration of 'special event' applications by the QIRC so that an event declared a 'special event' is, in fact, 'a unique or infrequent event of local, State or national significance'.



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Further, the Board supports the expansion of the list of considerations in section 5(3)(a) to include additional considerations the Commission is required to examine when deciding whether to declare an event to be a 'special event' particularly the consideration whether there is a necessity for non-exempt shops to trade as exempt shops during the period of the special event. The Board sees this consideration as particularly important given the impact on our members' stores in the applicable area and the potential impact of loss of trade and loss of competitive advantage.

The Board also is supportive of recommendations 5 and 6 particularly in respect of the protections they afford employees in relation to employment during 'special events'.

Recommendation 4

The Board respectfully requests that the Government reconsider its support for recommendation 4. The Board seeks support from the Government for a review of the definitional criteria for independent retail stores at section 6(1) of the Act. The Board proposes an amendment to the Act to allow a redefinition of staff limits in the Act for independent retail stores increased from 30 to 40 per store and 100 to 150 per business respectively.

The Board sees these staff limit changes as essential for retailers to address the constantly evolving needs of their customers. Issues arising out of the recent COVID-19 pandemic and natural disasters have accentuated the pressure already on independent store operators who are constantly shifting focus to adjust their business model to meet these needs and allow sufficiently for peaks in the business.

The current limits also are prohibitive in that they discourage employing more people and place constraints which may inhibit creating a successful business model by building or acquiring new stores. A change in staffing limits is one of the measures that would assist in providing rectification of the imbalance in market dominance of the 'Chains' in Queensland. In addition this would allow independent retailer to be more competitive allowing us to keep prices down in regional communities.

An expansion in the allowable number of staff would allow our members' stores to accommodate a wider variety of product offerings within the workplace (i.e. stores could incorporate sushi bar, cafes, fresh juice bar, bakeries etc) into our stores. This would be particularly welcome in regional areas of the State. Any expansion of the business model would allow for the creation of a greater number of trainee and apprentice positions and would also have a positive flow-on effect for local suppliers and services.



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Recommendation 8.

The Board supports the extension of the moratorium as per recommendation 8. At the expiration of this extension on 31 August 2022, the Board submits that there should be a further extension of the moratorium of 5 years until August 2028.

We would like to see this extension based on the importance of the moratorium for the survival and viability of our members' stores particularly in regional Queensland. There has not yet been a return to normalised market conditions after the issues faced by our members in the last two years. The economic fallout from the pandemic, natural disasters (floods) and international crises like Ukraine have led to a myriad of issues that have negatively affected the retail industry. The industry has faced increasing transport costs and delays, a labour shortage (especially skilled workers), and inflationary pressure on the cost of goods and services which have all had a negative effect on our members' businesses. An extension of the moratorium would give independent stores' a greater capacity to endure the economic travails faced by small business currently and give a deal of economic certainty for the future. A failure to extend the moratorium beyond 2023 would place undue pressure on these small and medium-sized businesses and result in the failure to protect their competitive advantage.

The Board submits that there is little evidence that would suggest that an extension of trading hours provides any great economic benefit or creates actual employment growth in the retail industry. However, it can be argued that the moratorium provides economic certainty for our members' businesses who in turn make greater contributions to their local communities through employment opportunities and support of local businesses/suppliers and community groups. If the moratorium is not extended past August 2023, then there is the possibility that the sustainability of independent retailers is at risk.

The Board believes that an extension of the moratorium for at least another 5 years would provide time for independent food and grocery retailers to continue to develop 'a unique point of difference in the form of family and privately owned food and grocery businesses that support local suppliers, industry and agriculture for the benefit of their local communities and Queensland as a whole.

Regards

A handwritten signature in blue ink that reads 'Frank Spano'.

Frank Spano
IGA QNN Retail Chairman