



Queensland Government's Economic Response to COVID-19 Submission



1. Introduction

The National Retail Association is the voice of modern Australian retail. The association works with all-sized businesses, from the biggest retailers to the smallest, to create better opportunities for all who work in the retail sector. As the most representative organization in the industry, we pride ourselves on being at the forefront of modern Australian retail, keeping pace with the rapidly changing face of the sector across a wide range of issues. No organisation nationwide is better placed to inform government on the threats, challenges and opportunities facing the retail sector than the NRA.

2. The state of QLD retail

Queensland retailers have been on the receiving end of the full devastation of COVID-19. Consultation with our members across the state reveal a staggering \$400 million in lost revenue for Queensland retailers in the month of March alone. Moreover, the ABS report for April - when the full extent of lockdown measures was imposed - recorded an unprecedented decrease of 15.7 per cent for Queensland retail.

These sobering results are reiterated by quantitative feedback we have received from members. The NRA's COVID-19 Impact Survey conducted between 31 March and 6 May 2020 with Queensland members recorded the following:

- 96% respondents negatively impacted by COVID-19
- 58% experienced either no increase or a decrease in annual turnover in the 2019 calendar year;
- 94% experienced an increase in or no change to the costs of doing business in the 2019 calendar year;
- 77% reduced their trading hours;
- 72% reduced the size of their casual workforce;
- 60% stopped paying rent and other outgoings;
- 60% implemented alternative roster arrangements;
- 26% stood down their workforce without pay;
- 20% reduced the size of their permanent workforce;
- 9% increased the costs of goods or services; and
- 9% stood down their workforce without pay.



3. Rejuvenating foot traffic and consumer spending

A key mechanism to lift consumer spending out of the doldrums is to rejuvenate foot traffic across key shopping precincts, particularly in CBD precincts. According to data collected by the NRA, by early June approximately 80 per cent of stores had reopened in major shopping centres, however, only 60 per cent in CBD locations across Queensland. This has had a direct impact on the level of economic activity being generated at retail stores in these locations.

It is worth noting that even in our major shopping centres across Queensland, not all retailers (including restaurants, quick service or traditional retail categories) have returned to trade. There are a few reasons for this including foot traffic decline, ongoing issues with their retail lease, an inability to return or an inability to pay employees. At this time, we know that only 80% of retailers have returned to shopping centres but far less have returned to CBD locations.

Understandably, many businesses operating within CBDs across Queensland have been cautious about returning staff to the workplace. At this time only 60% of retailers have returned to the CBD. This is because many offices continue to work from home completely or with a rotating roster as to which staff are present in the office on certain days. However, the sooner we see CBD-based businesses return to their usual workplace, the sooner consumer spending at retail outlets in these locations can be revived.

The other issue that many CBD areas face across the state is typically they are tourist destinations. Whilst Queensland's tourist numbers remain low it is also likely that the CBDs around the state will continue to suffer and for many high-end retailers this pain is likely to continue for sometime without international tourist spends.

The stage 3 relaxation of COVID-19 rules is scheduled to take place on July 10 and will see more office workers return from working-at-home arrangements. In addition to this, we will also see the reopening of food courts which will also incentivise consumers to spend more time within centres and hopefully encourage spending.

At the time of writing, Queensland has only two active COVID-19 cases and the domestic border remains shut. Hence, the possibility of a significant outbreak in infections is miniscule, meaning that there should be no delay to the stage 3 phase and the subsequent increase of staff permanently returning to CBD offices.

In order to minimise the impact on retailers during this time and as a means for encouraging foot traffic and spending, the NRA suggests providing:

- Activate retail precincts (particularly CBD and strip shop locations) around the state by funding community run events which in turn assist the event community – for example a number of commercial property owners have been working with the events community to provide them with the technology to stream events into people's homes. This creates foot traffic around the commercial buildings and also a reason for consumers to attend and participate;
- Provide employers with an ongoing discount to pay roll tax which is to be passed on to workers to increase their earnings and therefore their spending.



4. Crime reduction

The NRA has observed a marked increase in crime, such as shoplifting, abuse and aggression during the lockdown period. Crime statistics reveal that even though many stores were closed, reported crime stayed similar, indicating the retailers that were open experienced a higher level of crime. Items that have been specifically targeted throughout the pandemic include hand sanitizer, toilet paper and cleaning products.

Retail workers have also reported increased customer aggression, linked to factors such as cashless payments and purchase limits. Some retailers report up to a 400 per cent increase in aggression or abuse during the pandemic. Many had to hire security guards and crowd controllers just to enforce government health directives.

The substantial drop in tourism and the decreased levels of office workers in CBD locations, has also led to retail staff feeling less safe due to the absence of crowds and limited presence of police. Within the Brisbane CBD alone, retailers have reported a dramatic increase in aggression, loitering in groups, incidents involving drug-affected individuals and theft by people who appear to be homeless. Alleged incidents include:

- Reports of individuals asking people for money, if they refuse they cough on them and threaten to abuse them;
- Reports of individuals approaching people using ATMs on George St and stealing their money once it dispenses;
- A newsagent reported a man entering the store drug- or alcohol-affected and becoming verbally abusive towards staff because he wasn't winning scratchies;
- A George Street liquor store retailer is refusing entry to any patrons unless they can show ID at the window; and
- A convenience store facing an increase in theft and antisocial behaviour only allows people in the store if they can demonstrate they have money and staff will retrieve items for them.

The impacts on retail workers of crime-related issues are far-reaching and long-lasting including physical, emotional and mental harm. We believe that retail workers have proudly served the nation during the pandemic, leaving their homes at the peak of the panic, risking their families and working around the clock to feed and supply the nation.

With revenue channels substantially diminished due to lockdown restrictions, crime only serves to further erode the financial viability of a retail business. Crime reduction is essential to assisting struggling retailers, enticing shoppers (especially families) back to shopping precincts, and ensuring that retail staff feel safe when conducting their job.

It has become clear through a number of pilots that we have run across the country that the best ways to combat crime in retail precincts is by:



- Recognising retail workers are frontline essential workers who should be protected and supported, for example by funding the deployment of “zero-tolerance for abuse” campaigns seen in other essential services;
- Dedicated funding to activate a Safe Retail Precincts Program which provides engagement, training and resources designed to better equip retailers to prevent crime, increase intelligence-sharing and improve retail worker resilience to issues presented by their frontline job;
- Activate intelligence-sharing networks between retailers, government and law enforcement modelled on the Safe City Network program which saw a 21 per cent increase in retail crime reporting in less than 12 months in Brisbane; and
- Dedicated funding to law enforcement to specifically address retail crime as current support and response is poor, even when physical violence is involved.

This would help to ensure the safety of retail workers, reduce retail crime and decrease those financial pressures associated with crime.

5. Re-enliven tourism - borders and activation

The economic impact of COVID-19 on Queensland's tourist industry has been well documented. The closure of the international border, followed by the Queensland state border, has led to a substantial downfall in tourism. Subsequently, there has been a ripple effect onto other industries that benefit from tourist dollars, including retail.

While the NRA supports the reopening of the Queensland border, we also recognize that this alone won't lift retailers in tourist hotspots off the canvas. Measures that activate shopping precincts and generate turnover are required to help retailers operating in areas severely impacted by the tourism drought. The NRA has also advocated to the Federal Government about extending JobKeeper payments to businesses affected by the drop in domestic and international tourists.

In order to encourage Queenslanders to travel and spend in their own state we would recommend an incentive program, whereby the government commits to matching or providing a financial benefit to travelling within the state.

6. Increase business skills and capability to pivot online

Although bricks and mortar stores have certainly struggled in recent months, online retailers have not experienced the same downturn in sales. For instance, at the annual Click Frenzy Mayhem online sales event held in late May, participating retailers saw a revenue jump of 177% compared with their average sales day in 2020.

In recent years, there has often been a debate about whether online retail will ultimately spell the end of bricks and mortar stores. The NRA's view is that this is a flawed premise. Aside from



the fact that online retail sales - although growing at a substantial rate - still only make up a fraction of total retail turnover, many successful retailers embrace both revenue avenues.

It is crucial that retail businesses are equipped with the skills to operate a business in an increasingly digital world. This means having the capability to embrace online avenues to first survive and then thrive in a post-COVID environment. There is a role in this space for the state government to educate Queensland SMEs on how to enhance their online capabilities and safeguard these retailers for the difficult economic period ahead.

With this in mind, the NRA will shortly make available the 'Online Retail Co-ordination' Skillset training course (SIRSS00015). The units in this course have been designed to target individuals working in, or seeking to work in, an online environment performing a range of tasks for coordinating online activities. These include preparing digital content, providing online customer service and using social media to engage with customers. These skills are critical for the retail industry's 'pivot' to online and omni-channel business.

The Queensland Government can embrace this initiative and provided funded places for this skillset throughout the worst-affected regional areas. Delivery and assessment are 100% on-line and will be available at the end of August 2020. The employability of jobseekers with this skillset will be significantly improved as a result of completion of the course.

Further to this, as an industry, we see the real need for at least one person in every small to medium sized business to hold the single unit skillset HLTSS00065. This skillset contains the HLTINFCOV001 (Retail) unit which provides the skills and knowledge required to follow infection prevention and control procedures (COVID-19).

The Queensland Government can support the NRA stance on this matter and provide some funding of the qualification in order to make it more affordable to small and medium businesses in crisis. This unit will be delivered remotely and will be ready late July 2020. In many instances, the addition of this qualification into the workforce will allow recovery at an improved rate, leading to an increased pace of employment.

7. Unemployment

According to the most recent figures released by the Australian Bureau of Statistics (ABS) the Queensland unemployment rate is at 7.9 per cent. This is well above the national unemployment rate of 7.1 per cent, meaning that Queensland retailers stand to suffer more than interstate counterparts from low levels of discretionary spending.

There is no silver bullet to fixing this issue and we are certain that the government is committed to addressing this matter. The NRA does believe that adopting business friendly measures such as those outlined above would assist in lowering the unemployment rate. More people employed means more money circulating across all sectors and in turn increasing demand for jobs.



Additionally, incentivizing employers to employ or to reskill and then employ currently unemployed workers is likely to encourage employers to actively assist in reducing these numbers. We understand that more than 11,000 people have been employed via the Skilling Queenslanders for Work initiative. On this basis the same principles would apply to workers outside of this program.

8. Women in retail - the 'pink collar recession'

Although COVID-19 threatens the employment levels of all demographics, women in particular stand to be adversely impacted by job losses. Retail employs 1.2 million Australian women, comprising 57.7 per cent of the entire sector. Moreover, ABS data released on 5 May 2020 revealed that between mid-March and mid-April jobs held by women decreased by 8.1 per cent, well above the male jobs decrease of 6.2 per cent.

Evidence also suggests that women-led small and medium-sized enterprises will be more affected by the current trading conditions. This is due to women-led businesses generally operating with less capital and being more reliant on self-financing than male-operated businesses.

The Workplace Gender Equality Agency anticipates that women are more likely to have increased time spent on caring responsibilities during the pandemic. This will likely have extended to women taking on education-related responsibilities during the peak of the lockdown when schools were closed. This increase in responsibilities will likely contribute to such women leaving the workforce and may act as barriers to their return in many instances. It is also likely that upon the conclusion of the JobKeeper program we will see a significant increase in unemployment and underemployment for women in the retail industry.

Moreover, as the retail industry provides many women with opportunities to work in part-time or casual positions it is crucially important to simplify the rules surrounding the employment of part-time and casual employees to ensure that the women in these roles are retained by their employers and that businesses that are able to hire more employees, do so.

This means that employers need to be comfortable offering casual employment to people, secure in the knowledge that they won't be stung a second time for entitlements owed to non-casuals, and part-time employment arrangements that are flexible and workable for both employee and employer.

In addition to the Online Retail Coordination and COVID19 Sanitization Skillsets referred to previously, female employees that fall within this group can benefit from short micro-credentials which deliver employability skills. Some examples of courses available include 'Engage the customer', 'Work with diverse people' and 'Maintain workplace safety'.

One of the key issues that has been identified in retail is that, as an industry, there is a gap in developing succession plans for women together with a lack of support to adequately grow and keep them within the industry throughout their personal journey. In order to ensure that female workers are not forgotten, especially during this time, we recommend the creation of a



leadership program and micro-credentialing initiative targeted at women to assist them with progression. Understanding that many women within our industry are primarily caring for children, these skillsets would be made available online and delivered in a myriad of ways, thus providing the flexibility and encouragement specific to this demographic's needs.

9. Trading Hours

Queensland continues to have one of the most regulated trading hours' regimes in Australia. This prevented retailers from responding fully to the sharp changes in consumer behavior at the outbreak of this pandemic. Shopping habits today are very different to those of previous eras and businesses need to be able to cater to modern customer demands.

At the outset of the pandemic, the Queensland Government did correctly implement a legislative change to enable supermarkets outside south-east Queensland to open from 7am. This was a common-sense move that provided much needed consistency to the Queensland trading hours' regime by providing a uniform rule for the opening time of all supermarkets across the state. However, this is just the tip of the iceberg when it comes to reform in this area.

In a nutshell, we are of the view that the current trading hours arrangements in Queensland need to be reviewed and reformed. Due to the tough economic times ahead, Queensland retailers will require a large degree of agility. Currently, multiple jurisdictions within Queensland have varying and often inequitable trading hours laws per area, increasing complexity for businesses and confusing customers who want to shop when and where they choose. A more flexible, consistent and streamlined set of trading hours laws will help retailers navigate the difficult terrain ahead and provide them with a greater chance of surviving Australia's first recession since 1991.

10. About the submitter

The National Retail Association is Australia's largest and most representative retail industry organisation, servicing more than 28,000 retail and fast food outlets nationwide. At our core, we help retail and service sector businesses navigate and comply with an ever-changing, highly competitive environment.

Our members range from small, family owned and operated businesses to leading national brands; and span nearly every retail category including fashion, groceries, department stores, household goods, hardware, fast food, cafes and services. Unlike other associations, the NRA is the only retail industry association to deliver practical legal advice through its wholly owned and incorporated legal practice, NRA Legal. We are also a national RTO (Registered Training Organisation), meaning we can deliver a wide range of accredited and non-accredited courses upon request. These range from certificate and diploma qualifications and pre-employment



programs right through to customer service training, retail traineeships and mystery shopping services.

The NRA's reputation as the preeminent provider of professional services to the sector is demonstrated by the significant number of associations, buying groups and franchise networks who have chosen to partner with the NRA. Partnership with the NRA means affiliation with the peak national retail body and positioning your company as a preferred provider to a valuable segment of Australia's retail industry.

A handwritten signature in black ink, appearing to read 'Dominique Lamb', is positioned above the printed name.

Dominique Lamb

Chief Executive Officer

Email: [REDACTED]

Ph: [REDACTED]

