



FINANCE AND ADMINISTRATION SUBCOMMITTEE

Members present:

Mr PS Russo MP (Chair)
Mr SJ Minnikin MP

Staff present:

Ms A Honeyman (Committee Secretary)
Ms K Shalders (Assistant Committee Secretary)

PUBLIC HEARING—INQUIRY INTO THE TRADING (ALLOWABLE HOURS) AMENDMENT BILL 2017

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 12 APRIL 2017

Brisbane

WEDNESDAY, 12 APRIL 2017

Subcommittee met at 9.00 am

CHAIR: I declare open the public briefing for the committee's inquiry into the Trading (Allowable Hours) Amendment Bill 2017. On 1 March 2017 the Minister for Employment and Industrial Relations and Minister for Racing and Minister for Multicultural Affairs, the Hon. Grace Grace MP, introduced a bill to the Queensland parliament. The parliament has referred the bill to the Finance and Administration Committee for examination with a reporting date of 28 April 2017. The objectives of the bill are to standardise trading hours in Queensland. The purpose of today's hearing is to assist the committee with its examination of the bill. My name is Peter Russo, the member for Sunnybank and chair of the committee. Mr Steve Minnikin MP, the member for Chatsworth is here; Mr Linus Power, the member for Logan, is an apology. Other members of the committee who are not present today are: Ray Stevens MP, the member for Mermaid Beach and deputy chair; David Janetzki MP, the member for Toowoomba South; and Ms Jo-Ann Miller MP, the member for Bundamba.

Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. These proceedings are similar to parliament and are subject to the Legislative Assembly's standing rules and orders. In this regard I remind members of the public that under the standing orders the public may be admitted to, or excluded from, the committee at the discretion of the committee. The proceedings are being recorded by Hansard and broadcast live from the parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from the committee staff if required. All those present today should note it is possible that you may be filmed or photographed during proceedings. I ask everyone present to turn mobile phones off or to silent. The program for today has been published on the committee's website.

ASCHMAN, Mr Andrew, Private capacity

CHAIR: Thank you for your submission to the committee. I will invite you to make an opening statement, and after that the committee may have some questions for you.

Mr Aschman: Thank you for allowing me to submit evidence today. I would like to make my statement as an individual consumer and advise the committee that my proposal to have the city change to a tourism precinct will provide more convenience for the consumer and lead to a better outcome for the people who live within the Brisbane inner city precinct.

Mr MINNIKIN: Thank you very much for your submission, which I have read with interest. Do you live within the CBD area or surrounds at all?

Mr Aschman: Yes, I do. At the moment I live at Chermside, but I am moving to the inner city precinct in two weeks.

Mr MINNIKIN: Is your submission in relation to the proposed earlier cessation of trading times in relation to pick-up hours borne through personal experience?

Mr Aschman: Yes. I have lived in Sydney and Melbourne and also overseas, so I have experienced what has happened. I lived in Sydney 20 years ago when they were deregulating trading hours, so I have seen the outcome of deregulation in New South Wales. Basically, there has been a positive outcome for consumers and convenience.

CHAIR: To pick up on your submission, your suggestion is that the areas you outlined—Brisbane CBD, Fortitude Valley, RNA, Woolloongabba west of Ipswich Road, South Brisbane, South Bank et cetera—be changed to tourism precincts.

Mr Aschman: Yes. The only reason I made the submission as such is to fit in with the current bill so that basically there is no conflict of interest with the current bill, and therefore it would fit in with the trading hours aspect of Hamilton and New Farm so it is consistent with those hours, also to allow for growth in the tourism industry and to allow visitors to shop when they require to.

CHAIR: In the second paragraph of your submission you talk about Christmas Eve.

Mr Aschman: Yes, I work on Christmas Eve until 5 or 6 pm, and in many circumstances in previous years you need to go to a supermarket after work and not necessarily straight home. A lot of bottle shops and liquor outlets are confined inside shopping centres next to a supermarket, so to have a 6 pm close means a lot of bottle shops will be closed as well and it will just cause a lot of inconvenience. I know that independent stores will be open like IGAs, but they are few and far between and in certain suburbs you will have trouble finding one open.

Mr MINNIKIN: Andrew, obviously this is a personal submission, but is it also based on your discussions with other family, friends and colleagues?

Mr Aschman: Yes, I have a lot of friends in the same situation. They work shiftwork and they are students, and they have also come to the conclusion that extra hours for major supermarkets and department stores and everything like that would be a lot more convenient for them, especially on weekends. If stores could trade a bit later on weekends that would be fantastic.

CHAIR: I do not have any further questions.

Mr MINNIKIN: Nothing further, Mr Chair.

CHAIR: Thank you, Andrew, for participating. Is there anything else you would like to add before we close?

Mr Aschman: I was a bit concerned when the public holiday was also announced on Christmas Eve, because I read the responses from the government about the proposal for a part public holiday. I was surprised that that was the response from the government, when in their initial submission in the Mickel review there was no actual question about public holidays, otherwise people would be writing in about public holidays. It should have been a separate issue. That has really affected the outcome to the trading hours review and it should have really been a separate issue regarding public holidays, especially with a 6 pm close on Christmas Eve.

CHAIR: Thank you for your participation today. The secretariat will be in touch with you with a proof of the transcript.

Mr MINNIKIN: Thank you for your time this morning. We really appreciate it.

DALE, Dr Brett, Chief Executive Officer, Motor Trades Association of Queensland

CHAIR: I invite you to make an opening statement if you wish and then the committee will have some questions for you.

Dr Dale: Thank you, Mr Chairman and committee, for the opportunity to present today. We have obviously made a detailed submission to the committee for its consideration. I would like to make an opening statement to emphasise some of the key points that I think are better articulated verbally.

Firstly, as an industry peak body you might find it unusual that we are opposing the deregulation of trading hours. There are some very good reasons, and I think you have to understand the nature of business and the threats that exist to our members at present based on the level of technological change that is inbound. In particular, it is predicted to have a massive impact by 2020 but no later than 2022, which I will talk a little bit about. I would say that seven-day trading for us certainly will not generate more sales. The statement about dealers not being compelled to open on that day is based on the nature of the competitive sector of the industry. Profit margins for that business are down to two per cent or less. More cars will not be sold, so there is no increased revenue to government. There is no total car sale increase, but there is the likelihood of lost competitive sales to another competitor should they open. Car sales are not impulsive: they are planned and well-researched. We have had no demand for seven-day trading put to our members. We surveyed all of our members, and the statements are quite clear that consumers have not been doorknocking for them to open seven days for trading. I do not know what the committee's position is on that.

The nature of business at the moment is that sales have been down slightly since 2014. The reality is that there are other areas of business which are subject to massive reform at the moment which will decrease those margins. Queensland set these trading hours in place some years back. We have an operational model that supports six days of trading. To extend that will cost one seventh more. Those costs to business cannot be carried; therefore, this will be convenience at a cost. It will be a cost to business. Business will need to pass on those costs to consumers. Our dealers provide significant support to communities, particularly in the regions, where they make available the use of cars and support sporting events and sponsorships. If you are talking about retrieving some of the capacity to maintain your current profit margins, they will be the first impacted. Communities will feel the impact of this decision.

As I mentioned earlier, there is a huge level of technological change coming our way. Consumer demand is changing significantly. Autonomous vehicles will see a shift in sales preference. There will be shared vehicles. As an owner of a vehicle we now use the car 10 per cent of the time and have it parked 90 per cent. Under shared ownership models it is looking to move from 90 to 10 per cent, so there will be fewer vehicles over time. The impact of autonomous vehicles is going to be here by 2020 and the full impact will be felt by 2022. We will see business models changing. Dealerships as you know them today are already under risk with manufacturers selling direct, so if you think about businesses in Queensland they are likely to be fewer. There are predictions from our research companies that more than 40 per cent of the businesses in new and used car sales will not be here in five years' time.

We are asking for an amendment. We need stability at the moment. We are looking at and driving the way in which business responds to innovation. We have been working with the department of innovation and science and small business to set up strategies to make sure that existing businesses can transform, but we need a period of time where they are not subject to significant pressures which will not make a difference to government revenue or business revenue.

CHAIR: Can you outline for the committee how a salesperson is paid?

Dr Dale: Yes. There is an agreed EBA and there are obviously commissions built into that, so we are not talking about the Sunday having an impact on the wages. That is not our issue. It is the fact that if you talk work/life balance we have employees who are saying they cannot do seven days and that they want one day with family. If you think about the service levels, it will be detrimental if you talk staff churn in an area where people already do not feel comfortable with sales. We have a real commitment to cleaning up the sales space for cars. The ACCC is working with industry. If we put things in place that will increase staff churn, we are going to impact on that negatively.

CHAIR: Say, for example, I am a salesperson and I am required to work on a Sunday. How does that impact on my earning capacity? Do I earn more?

Dr Dale: You would earn more if you were doing the extra day, but you will be paid the same for a Sunday or a Monday. That is my understanding. However, the impact to staff—the real issue—is about them needing family time on the weekend. They already work from six to seven of a night-time during the week, so there is a real impost. Many of our businesses are small or family owned and if they cannot get staff it is them and that has the same impact on their family.

Mr MINNIKIN: Dr Dale, thank you very much for your comprehensive submission and thank you for your introductory remarks. Just getting back to your comment in relation to autonomous vehicles, you are saying that we probably will know the real impact in around about 2022, five years from now. Where is your source for making that statement, because I have read your submission and I cannot see where you have made that source statement from?

Dr Dale: We have actually run two Carmageddon symposiums and have brought in academics that are talking about the impact of advancing technology in automotive. They are aligning with the changes of technology similar to that of smart phone and, although there was a prediction that they would not be here for five to seven years, all futurists are saying they will be here by 2020 but at the latest 2022. You can Google that and you will get those results consistently through—

Mr MINNIKIN: I try not to use Google as my source of information where I can.

Dr Dale: It is fairly reliable if it takes you to—

Mr MINNIKIN: At times it is.

Dr Dale:—an academic reference.

Mr MINNIKIN: I quote from your submission at 1.4 because I think this is a pretty important point that you raise. It states—

We are conscious of the parody propagated ad nauseam across many media platforms: 'You can buy a boat on a Sunday but you can't buy the car to tow it. ... But you can buy car parts. So potentially you could buy enough parts to build a car, so long as you didn't build it in a car lot and drive it out of a car dealership.'

I think that really is a big important point that you raise. Would you like to elaborate on that a bit more?

Dr Dale: When we have engaged members of parliament or media, that has been the response. We think that you need to understand the impact this has on business to know that that is not the throwaway line. The reality is if these changes are approved there will be an impact. The cost of cars is likely to go up. The impost of working hours will impact on staff and staff turnover and the decision to look for alternative employment will occur.

Mr MINNIKIN: How many members of the MTAQ are there at the moment?

Dr Dale: We have just under 2,000.

Mr MINNIKIN: How many have you surveyed?

Dr Dale: We surveyed all our members relevant to the—

Mr MINNIKIN: All 2,000?

Dr Dale: No. We surveyed all those relevant to the Sunday trading because of aspects of the business. We obviously represent service stations and others.

Mr MINNIKIN: Yes.

Dr Dale: Even non-members participated in this, so the committee might know the level of interaction that they have had from local dealers who are not our members. That is how important it is. They have gone everywhere across the state to oppose this. If business is saying they do not want it, consumers are not asking for it and we recognise that this has a negative impact on business, then it makes no sense to industry that it is supported.

Mr MINNIKIN: If I went to Sydney or Melbourne, could I buy a car on a Sunday?

Dr Dale: You can. Can I explain the difference though? That operating model has been in place for a long time.

Mr MINNIKIN: Please, because that was going to be my obvious next question.

Dr Dale: Now we are transiting where business is about to change and have some big pressures placed on them. We need that stability for a period of time before we could support a decision like this.

Mr MINNIKIN: Thank you.

CHAIR: To pick up on that point, you are not saying that at some time in the future—say in five years time—trading on a Sunday may not become a reality for the industry; you are just saying to leave you alone at the moment?

Dr Dale: At the moment we cannot take another stress on business that will put them at risk. That is what we are saying.

CHAIR: What I am interpreting from what you are saying is that in five years time the playing field may be different and therefore—

Dr Dale: It may be completely different if you are talking about purchasing from dealerships where you walk in. We already have virtual reality purchasing occurring. We already have the UK talking with Australian businesses to provide an alternate to dealerships which will not need the trading hour time. People will do it online, they will have access to shopping centres and it will come from there. We are asking that the businesses that have invested so much money in their dealerships to sell cars are given the appropriate consideration to work out how they respond to new business models.

Mr MINNIKIN: Your summary in your submission states—

The unequivocal recommendation of the motor vehicle dealer sector is that the Bill be amended to provide for the retention of the 1990 Trading Hours ...

Would you like to speak more to that summary point at all?

Dr Dale: We are just basically asking that there is no change. We want to keep the trading hours for our dealers as they are.

Mr MINNIKIN: Thank you. I have no further questions.

CHAIR: Thank you for coming along. Is there anything you wish to say before we finish, Dr Dale?

Dr Dale: I think I have said everything that needs to be said. Thank you.

Mr MINNIKIN: Dr Dale, thank you very much for your time today. Thank you.

CHAIR: Thank you for participating. The secretariat will be in touch with the proof copy of the transcript.

Dr Dale: Thank you very much.

COSTANZO, Mr John, General Manager, Retail Operations and Business Development, SPAR Australia

LUCHTERHAND, Mr Bruce, Owner and Director, SPAR Alexandra Headland

CHAIR: Good morning and welcome. I invite you to make an opening statement—either one of you can make an opening statement or both of you can make an opening statement; it is up to you—and after that we will have some questions for you.

Mr Costanzo: Certainly. First of all, thank you for allowing us to be heard this morning. As you can see, I am the General Manager for Retail Operations and Business Development at SPAR Australia. I am here representing SPAR Australia as well as our retailers but also on a personal level. My family have been involved in the independent grocery industry, and still are, in Queensland for the last 70 years. SPAR Australia is one of only two full line grocery wholesalers to the independent supermarket sector in Australia, the second being Metcash. SPAR Australia Ltd is the franchise holder in Australia for the SPAR brand. SPAR is an international franchise operating out of 42 countries with over 12,000 stores world-wide.

From a wholesale side, we have sales of around \$200 million a year, we operate out of a DC located at Acacia Ridge just down the road and we employ from a warehouse and office side 74 full-time staff. From a retail side, we service 268 independent supermarkets and independent stores located in Queensland, New South Wales, the ACT and the Northern Territory. In Queensland alone we service approximately 180 stores. These 180 stores employ around 2,000-odd staff. All our stores are owned by independent operators, most of which are single store owners, and you will hear from one of our owners, Bruce, very shortly.

I want to speak about two points quickly: firstly, the effect to my stores from the extended trading hours that commenced on 1 December last year; and, secondly, the future extension of trading hours as per the current bill. From the outset can I say that we do not seek any unfair advantages. We fully believe in competition, but what we seek is fair competition. The decision handed down by the Queensland Industrial Relations Commission as at 1 December 2016 in South-East Queensland meant the large chain stores were granted an extra additional 10 hours in allowable trading hours per week. In the same South-East Queensland corridor, SPAR have some 72 small independent supermarkets. When I wrote this submission before the Industrial Relations Commission decision six to 12 months ago, we had 74 stores. Two stores have closed as a result of the extension of trading hours already.

Since 1 December the average non-tobacco sales—I put tobacco as a category because the 12½ per cent excise increase per year distorts the figures—in South-East Queensland in the affected stores have seen a decrease on average of nearly 10 per cent per week in retail sales, with up to a 25 per cent decrease on Saturday sales alone. We can prove this figure as we gather scanned data sales information from each of our members. Further, the impacts of decreased sales have a huge knock-on effect. Staffing numbers and hours have been reduced. As sales reduce, the wages expenses also reduced. In the independent supermarket industry, wages are on average between 10 per cent to 12 per cent of sales. If sales decrease, obviously we have no choice but to decrease our wages and decrease the staffing hours. Many of our store owners have had no choice but to increase the number of hours they work themselves each week. It is not uncommon for many of my owners to be working 100-plus hours per week. I am sure that is a lot more hours than all of us work. These long hours will have devastating effects on family life. There is just no question about that. These long hours could also lead to the demise of some families, as longer working hours will only increase the pressure of an already stressful life.

Contractors that service our stores have also seen a decrease in workflow as stores have no choice but to cut expenses across-the-board. This leads on to local suppliers who have seen their sales decrease across-the-board as well—suppliers such as the local milkman, the local butcher, the local baker, the local yoghurt manufacturer who has small quantities of supplies with small independent stores. These suppliers are not big enough to supply Coles, Woolworths and Aldi. All these small vendors have seen their sales decrease in our stores as well. This also includes the vitality of independent supermarkets with a number of stores—I have two—that have already closed, and Bruce will mention a store that has closed in his region.

The effect to youth employment is probably the hardest hit. The biggest downturn in sales has been on Saturday afternoon and Saturday evenings. Previously, before 1 December, chain stores such as Coles, Woolworths and Aldi closed at 5 pm. With the extension granted, they now close at 9 pm. Twenty-five per cent of our total Saturday sales have been decreased in our stores because of

those extended four hours plus an hour earlier on Saturday morning. A large number of our stores employ a large number of young casual workers for these shifts. With the decrease in sales, their hours have been cut pretty badly.

The sales decreases are real figures. As I have stated, we pull back the scanned data from our stores. I just want to give you a real-life case study. In Caboolture SPAR operates four supermarkets in the Caboolture/Morayfield region, all owned by the same retailer. This retailer has given me permission to share his sales figures with you today. The effect of the sales in his four stores since 1 December has shown a weekly decrease of 8.7 per cent in weekly sales. Saturday sales alone have seen a decrease of nearly 20 per cent. What are we talking about? We can talk percentages, but let us talk real dollars. In dollars annually his sales in those four stores will be decreased by \$1.4 million a year. The result of the sales decrease are staffing hours. He has had to reduce staffing hours by 134 hours per week between the four stores. The majority of these hours are taken from young casual employees who were employed after school and on weekends. Caboolture as a region already has the second highest rate of youth unemployment in Queensland. We have just added to that. The sales decrease in SPAR Australia as a—

Mr MINNIKIN: Can you repeat that? The Caboolture-Morayfield area has the what? The second highest youth unemployment rate?

Mr Costanzo: The second highest rate of youth unemployment in Queensland, as documented by the government. The sales decreases to SPAR itself as a wholesaler, from 1 December we have seen a decrease in our wholesale sales, which I will share, of nearly five per cent. It does not sound a huge number, five per cent, but we are working in an industry that has extremely low margins. We are talking a bottom line of no more than two per cent—it is less than two per cent, our bottom line. I have no choice but to cut some costs as well from head office. Currently, there will be some staff who will have to be made redundant in either the office, or warehouse, or both. We just have no choice to do that. Otherwise we will not survive and provide services to our members.

I would like to make some comments about the allowable trading hours bill. What is the role of the small independent supermarket? As a rule, most independent owners live in their community. They are part of the community and employ local staff. Any reduction in volume has a flow-on effect to each location's local economy. SPAR, as does other independent brands, has a strong presence in regional Queensland and they support the community. They help fund local community events. They sponsor the local sporting associations. They donate to the local schools.

The local store is also the hub of the community in these regional areas—a place where locals can meet, socialise, and talk about each other's problems. Many of our regional store owners state that they are the community's, for want of better words, guidance counsellor. They are the place where the locals—the communities, the customers—can find a shoulder to cry on at times. I have owned my own stores previously and I found this to be extremely the case. The hub of the community is the local supermarket in regional towns. We all know of the mental health issues in regional areas. I strongly believe that the community supermarket provides services that chain stores cannot deliver. You cannot walk up to the lady at the counter of Coles or Woolworths and have a cry on her shoulder and talk to her about what is going on in the area.

Local independent supermarkets keep the dollars in town. They support the town and grow with the town. We are the backbone of many regional towns and communities. Any extension of trading hours given to the chains will only harm rural communities. Many of our rural stores offer financial assistance to their customers. This is in the form of providing the old term of credit—something that does not happen very much anymore, but in rural communities it is very strong. Up to 40 per cent of our sales in our rural stores are often given on credit. That is something that Coles and Woolworths do not offer. Yes, you can use your credit card, but you have to pay interest on that. The credit given to our customers is at no interest. We want a level playing field. We do not have the resources of the large chains and we cannot afford to operate stores at a loss.

In summary, before I pass over to Bruce, the decision to extend trading hours from 1 December 2016 has been disastrous for the independent supermarket industry and it must not be confirmed. SPAR'S recommendation is that extensive dialogue occurs within the industry and the government before any further changes are made. The future of the independent supermarket sector is in your hands. The increase in allowable hours has already had a large impact on our stores flowing through to employment and the extended sector that is supported by our industry. Any further increase in allowable trading hours will be the beginning of the end. For many businesses, it will just become not viable to remain open. Competition will be decreased in the marketplace and local communities will suffer. I hope that you consider all factors in the future decision-making process for allowable trading hours in our great state. Thank you for allowing me the time to put my point across before I hand over to Bruce.

CHAIR: Bruce, do you wish to make an opening statement?

Mr Luchterhand: Yes, if I could, thanks. Thanks, Mr Chair, and the committee. I have been in the industry for 40 years, directly as a retailer for 34 years. I come from the dark side, where I was with corporate for 34 years with Coles in senior positions and I have also been an advocate for trading hours on behalf of Coles over that journey as well. So I come with a little bit of experience with trading hours.

The purpose of me being here today is to talk about my store at Alexandra Headland. I bought it in August last year. On the Sunshine Coast we have had extended trading hours—if I am correct, I think it started in about 1994 where extended trading hours was applicable on the Sunshine Coast. So Sunday hours, Sunday trade is not different for me. However, the impact of what has happened since 1 December has been significant on my store, as it has been for other local stores in the area. A local food store around the corner—500 metres from my store—closed in February. This was a successful business for 20 years and Aldi is 500 metres up the road. The extension of trading hours on that Sunday and Saturday was the final blow for that store. I really feel for that lady, who has significant costs of hundreds of thousands of dollars, which she still owes, and she does not have a business. That is 500 metres from my store.

A further 500 metres—around the corner—there is another story in the local press where a smaller IGA, on the Saturday afternoon, or Saturday night, where the majors which, again, happen to be 500 or 600 metres up the road at a major shopping centre, they have dropped \$5,000 or \$6,000 on a Saturday night, which is a major cost. From my point of view, we have holiday-makers—I am probably a little bit isolated; we had very good Christmas trade, very good holiday-makers. It was our first Christmas in that store and things were going very well. However, upon reflection and looking at the real impact, my Saturdays have dropped about 20 per cent and my Sundays have dropped about 20 per cent. Overall, that is an impact of about 10 per cent on my total week.

Traditionally, the independents on the weekend, that is where we made do, because we cannot compete on price, we do not have the volume of the big majors, and we were there as a convenience for the consumers and they supported us on the weekends. For us to drop—and my store is more protected than a lot of our independents, because I am not next door to them—that sort of money on Saturday and Sundays has been significant. I have a very stressed out wife who thinks, 'Is this going to get any worse? Is it going to get any better?' My concern with the trading hours application is that, although there is a moratorium for five years, if the Sunday trade should all of a sudden go—it went from 10.30 to now they can open at nine o'clock—if the majors open at six o'clock in the morning and trade until nine o'clock on a Sunday night, that is going to absolutely decimate my business, as it will for other independents. That is a major concern.

From a team and a cost point of view, I have been fortunate that I have had two team members doing 30 hours, 35 hours a week who have left me because of varying reasons. One wanted to move on and one is doing work experience in the Middle East with his father. So I have dropped 70 hours, which I have not replaced, apart from the hours that I do. I do not worry about my hours—my wife worries about them. It is not uncommon to do 15- to 18-hour days when I need to. That is the life of a retailer and I get it. I have been in it for a long time and I did it when I was with the majors and I will do it for myself. But that is not sustainable. If the trading hours continue to be relaxed and the majors get more, that is going to be a bigger impact on us. I apologise that I did not give you a written submission; it all comes from the heart.

Mr MINNIKIN: Sometimes they are the best submissions.

Mr Luchterhand: Yes. I just talk reality. I talked about my own business, but if I talk about the independent sector in my past life, where I was an advocate for a major for extended trading hours, as John was talking I was reflecting on when I opened Coles at Port Douglas back in 1999. There happened to be a SPAR store directly opposite us. They knew that their business was going to be in trouble because we had a brand-new big supermarket that was going to open. I was not reflecting on trading hours. That was not the major issue there. It was just that it was a small town. Coles came in and the independents suffered. I think his name was Wayne and everyone referred to him as Uncle Wayne. He would donate sausages for the barbeque. He would sponsor the footy club, the soccer club. For me to get that money out of Coles to do that, I had to move heaven and earth to make it happen. But I did. The store closed down.

Those sorts of things are going to happen further in the country. The independent sector is the lifeblood of regional towns. In my past life I did the corporate thing and supported the business position and did what I had to do, but it comes at a cost. Yes, I am on the other side of the fence. I am an

independent retailer now and I want to support the independents and I will do whatever I can. For the country towns, if trading hours get changed for them, we are going to see a lot of unemployment and they are going to suffer.

Finally, when the trading hours changed on 1 December, the local press did a newspaper article for me last Friday. The reporter went to the majors to get their feedback and Coles reported that, since 1 December on the Sunshine Coast, they have employed another 95 people since 1 December. My comment was that, with the extension of trading hours and having just come from Coles—I left in May last year—their rostering systems dictate that, when extended hours come, all you do is tweak the rosters. You give someone a little bit more. They did not employ another person. I guarantee that that would be the case. They would certainly have given away more hours. More staff would have got more hours, but new employment would not have been happening. So for this poor lady who employed six to 10 people, none of those people would have got a job at Coles or Woolworths. It is a fallacy to think that, with some extended trading hours, yes, there is going to be more employment, but when we tweak the hours and extend the hours all they are going to do is give a few more hours to a few more people but they will dial that down. It is all about managing the cost and the bottom line. That is my personal experience that I had for 34 years. Thank you and I am happy to answer any questions.

Mr MINNIKIN: Thank you. John, thank you for your written submission. It was comprehensive and Bruce, from speaking off the cuff and from the heart, that was very well done. My question is firstly to you, Bruce. What happened to Wayne in Port Douglas when you were working for Coles and then you matched him with snags and whatnot for the local soccer club?

Mr Luchterhand: Wayne made the decision to close his store. He closed as we opened, because he knew that I had a 2,000-square metre Coles supermarket going in across the road. Wayne had a 200-square metre store. He knew that it was never going to work for him and he made the conscious decision to close his store.

From my point of view, as the regional manager for Coles, I said to the company, 'I need to have a budget to make sure that I can support the local community as Wayne did so that void is not left empty.' It was rare that we made it happen. I upset a lot of people, but the managing director of Melbourne give me his full support and said, 'Just make it happen' and we supported the local community. That was me being passionate and making sure that we did the right thing. These days, it does not happen. Managers do not think for themselves; they just do what they are told and that is the way they are.

Mr MINNIKIN: Thank you.

CHAIR: John, other states have had deregulation for quite a number of years. Do you have any information in relation to what the effect was of the change for your representatives in New South Wales?

Mr Costanzo: Yes, I do. Even New South Wales has a slightly different structure to Victoria, which I have been used to in the past as well, and you are going to hear from the Master Grocers' Association shortly which will have more information on that to give you it more precisely because it will just be from memory more than anything else at the moment. They had to restructure their businesses. A lot of independent businesses went broke because they just could not compete. Our stores actually compete very, very well on price when it comes to Coles and Woolworths. It is a perception more than anything else. I could come in with weekly catalogues and handbills and if you look at those catalogues and handbills we actually compete head-on. However, we don't have the same cost structure. Coles and Woolworths operate their stores on wages around the eight per cent mark at the very, very most of sales. We physically cannot do that. We have to run at 10 per cent. That is the other side of the argument as well. Sales lost from our stores going to Coles and Woolworths don't increase the same amount because they don't spend the same percentage on wages as an independent supermarket does. But from a New South Wales point of view in our stores down there, and regulation down there has changed over many years, we have lost store numbers definitely down south. I can't quote an exact figure right now for you.

Mr MINNIKIN: In relation to your submission, and I am referring to your section on online shopping, you state here—

One of the justifications for relaxation of trading hours is the effects of on-line shopping. This is only a distraction and is not true, as most deliveries happen during normal business hours.

Where is your source for making that statement?

Mr Costanzo: That statement was put together by my managing director.

Mr MINNIKIN: On what basis would he make that statement?

Mr Costanzo: The basis would be on studies that have been done on online shopping and the effects to the grocery industry.

Mr MINNIKIN: What studies?

Mr Costanzo: I could not quote it for you exactly right now. I would be lying if I did.

Mr MINNIKIN: In your—was it 34 years with Coles?

Mr Luchterhand: Yes.

Mr MINNIKIN: A stellar career. You mentioned you moved into Port Douglas. In that 34 years—it is difficult to be precise, but just give a ballpark—how many times would you have opened a big box retailer near an IGA or a SPAR, whether it be in Queensland or New South Wales, and then seen the demise of an independent after 12 months, two years, similar to what happened to Wayne in Port Douglas?

Mr Luchterhand: If you just talk about my career in the stores that I was at, there would have been some independents in Rockhampton in the late eighties that certainly had an impact. I know we impacted on Yeppoon, on the Sunshine Coast where I spent 10 years. On the Sunshine Coast there was some changes to the independent markets, but in saying that the independents got stronger on the Sunshine Coast. There are some good retailers up there.

Mr MINNIKIN: Why did they get stronger?

Mr Luchterhand: I think Metcash certainly supported them and there was a good offer. They got stronger because they were able to match the retailers in their offer. They had some very good stores where previously the stores were a little average and a little dated, where they put a lot of money into it.

Mr MINNIKIN: The increased competition through you at the time caused the independents to up the ante when it came to their management?

Mr Luchterhand: Certainly some of them did, absolutely. Absolutely. A lot of the stores that I was at were suburban stores. In New Farm there were a couple of little independents there but they weren't significant, the more majors around those areas. When I drove in today I drove past a big new Coles opening at Kedron and directly across the road on the corner is a SPAR Express. I just thought to myself, you know, 'You're doomed, young man.' He is going to be history unless—there is not much he can do.

Mr MINNIKIN: Yeppoon, Rockhampton, New Farm. Maybe 10?

Mr Luchterhand: Probably not that many. Rockhampton was very much a Woolworths town. There were Woolworths on every corner just about. The independents were very small in Rockhampton. They weren't strong. There is nothing that we did in Rockhampton that certainly would have made an impact for the independents. We opened one new store in my time in Rockhampton, but Woolworths were very strong and probably had four or five stores in town. When I was the regional manager of Cairns in Far North Queensland we had stores in the major towns, being Ingham, Innisfail, Mareeba, we opened in Port Douglas in '99 and Cairns and there were some good independents up there as well. Wayne at Port Douglas sort of sits in the back of my mind because I had all these letters coming in saying, 'Will you support me because Wayne is closing down.'

CHAIR: Thank you for your participation today. The secretariat will be in touch with the proof of the transcript.

Mr Luchterhand: Can I add one little bit to what John mentioned about wages on the weekend? I think it is an important point to make that under the award that we work under we pay higher rates for Saturday, we pay double time for Sunday and for public holidays it is even greater. I know that my people get paid more than what people in the majors get paid on Sundays, their rate is time and a half, normal rates for Saturday. And again that loss of hours is a loss at a greater wage rate than it would be if they were to work for the majors. I think financially it is significant. We have to pay more and we don't have an EBA like Coles or Woolworths. Any hours that are lost are a greater loss for our team.

Mr MINNIKIN: I have a supplementary question. Going back to your eight per cent and 10 per cent cost structure, does feed into that difference?

Mr Luchterhand: Yes.

Mr MINNIKIN: Because of a decision to pay a higher wage because of a lack of an EBA?

Mr Luchterhand: We have not got the market dominance with the SDA that the other people have. I remember the first EBA that came out in '91 with Coles and they have just drilled it down ever since. I wish my wage cost was only 10 per cent. It is probably more like 14 or 15, but that is the nature of my business. It is a cost and it is a benefit that my team get and I don't have a problem in paying that on a Sunday.

CHAIR: Thank you.

ANTONIEFF, Mr Chris, FoodWorks Oxley

CHAIR: Welcome. I understand you are the owner of FoodWorks Oxley.

Mr Antonieff: That is correct.

CHAIR: I invite you to make an opening statement after which Steve and I will have some questions for you.

Mr Antonieff: Firstly, I would like to thank you for the opportunity to attend the FAC hearing in reference to the Trading (Allowable Hours) Amendment Bill 2017. This is quite emotional for me. My following statement is based on the real-life operational history of what happens when government policy fails and the government do not listen, but more importantly the understanding of the concerns of the independent supermarket small business industry. This affects the livelihoods of small business operators in this great state of Queensland.

My name is Chris Antonieff. I am the owner operator of FoodWorks at Oxley, an independent supermarket in Oxley, Queensland, which is in metro Brisbane. I purchased our store back in April 2004. Our store is classed as a medium sized supermarket with just over 500 square metres of retail trading space. When we took over the store we had four staff with a weekly turnover of around \$32,000, or around \$1.6 million per annum. We renovated the store in 2005 and changed and updated the entire store with an investment of approximately half a million dollars. We created a store that our local community was proud of and over the years, 2005 to 2010, we increased that turnover to \$3.4 million—a sizeable increase. With that we obviously created a labour force and we increased our labour force by over 500 per cent with up to 24 staff that our business did employ.

We grew because our local community could now be proud and thankful that a great business had been created for them to use and support. Our community embraced such a business as it had been lacking in the area. The support that the store provided to the local community and also the greater Brisbane area through various charities, organisations and community groups in some years would exceed in excess of \$30,000 in various shapes and forms. Obviously when the 2011 floods hit, our community was devastated. We were right in the heart of it, as many communities were. It was our store that provided the support that individuals needed in this desperate time. Our commitment to the community was we will do whatever it takes to lend a hand. We assisted our locals with everything and anything that they needed to get through, whilst being affected ourselves. Our community is everything to us.

In 2014 a 3,200 square metre Woolworths opened some 200 metres from us. It was devastating, an immediate loss of 38 to 40 per cent turnover. This was because planning laws had allowed this to happen, a failing by a then Labor government. This had the effect of decimating our local community based store. Our turnover dropped, our staff's ability to contribute to the economy was diminished. We removed our full-time staff from our business, cut our staff to half—from 24 to 12. My wife had to return to work and our young family suffered. As a small business owner it was and still is a lot to consume. I was working more and more in the business and not on it—losing that ability to look at the next big innovation. When understanding the offer and realising that Woolworths were not cheap, they were not the fresh food people as they market, we got to work at rebuilding. Competition keeps you alive and if I and my staff never had the passion to provide a great business for our community I would have given up; I would have thrown my hands up in the air and said that it was all too hard. We have commitments as small business owners, we have agreements to stand by, we have the fortitude to say we are small and we can definitely compete against these marketing giants. We had worked extremely hard and suffered massive losses, but we never gave up.

Through 2016 the National Retail Association submitted an application for Woolworths and other multinational chains to extend trading hours in South-East Queensland to encompass a further eight hours of trade, which is obviously one of the recommendations that this committee is looking at rolling out statewide. I personally was a witness against the application that the NRA had presented to the QIRC which was heard during 2016. The NRA put to the commission that it would create more labour hours in stores, that it would not take away from small businesses, it would create an increase in retail sales and the economic benefit to the consumers and the state would be able to benefit through more retail spending, which have been statements throughout the discussion of this bill. How? I don't know of any consumer that is storing away extra dollars out of the household budget, which is already stretched, to be able to go out and spend more just because you have an extra eight hours to shop and buy groceries with, do you?

In relation to the increase of labour within their stores, you only have to walk into your local chain and ask the staff and listen to what they have to say—our workload has increased; there are no extra hours; we have less staff on the floor—or look at the comments in various media outlets, Brisbane

social media, where store staff can vent the continuing disappointment of having to do more with less people. Or perhaps most recently: 'The whole team can come in, work an extra four hours of unpaid work, and I will provide the pizza.'

There are no checks and balances on the outlandish claims the NRA say this will create, allowing the SEQ case to get past the commission. In granting the increase in trading hours for the South-East Queensland area back in December 2016, in their decision paper the QIRC totally discounted what any independent small business operator had to say. The process of questioning by the commission during the case just seemed to be a motion they had to go through. There was no ability to expand on real-life outcomes unless questioned by an NRA lawyer. The experience of being a witness was an eye-opener for me; however, as a retailer I am at a complete loss as to where the fairness is for small business.

What are the real life impacts as a result of the trading hours decision that was allowed for the South-East Queensland corner? Bear in mind that this came into effect in December 2016, so we were already operating in that environment. We now only have six staff. Our rostered hours have dropped from 480 hours in 2010, to 220 hours in 2015, to 180 hours in 2017. My wife and I do around 85 to 100 of those hours. You do the maths. That is a payroll reduction of over 70 per cent since 2010-11. We have suffered a loss of sales in the last three months of approximately 15 per cent, and that completely negated any clawback that we had managed to get over the last three years. This loss of turnover has a flow-on effect to other small businesses: lower turnover equals fewer supplier purchases; lower turnover equals lower business investment; lower turnover equals higher losses; lower turnover equals fewer staff hours; and lower turnover equals less competition. It must be noted that our suppliers are also small businesses, and when small independent businesses like ours suffer losses and a reduction in sales, it also has a flow-on effect. Of course that has an adverse reaction on the businesses that we deal with. Reducing take-home wages for staff that work for us and other small businesses reduces their ability to contribute. As an employer, my staff are my responsibility. They rely on me to provide for their needs, and when that ability is removed what is there left to do?

This government is not interested in looking after small business. This government does not understand the contribution of small mum-and-dad businesses to the lifeblood of local communities. They are the supporters of sports clubs, churches, school fetes and communities, the procurement of what keeps communities alive. At quarter past 9 last night I got a text from the head of the local P&C. They have a trivia night coming up. We got back to them straightaway and said, 'Yes, no drama. We'll sort it out.' You cannot do that with the majors. This government only seems to think that if they give the 'big end' of town what they want, everything and everyone else wants it too. This government needs to wake up.

The Queensland supermarket industry is not competing on a level playing field. We are not Victoria. By that I mean both geographically and demographically. In Victoria they sell packaged liquor in supermarkets. Our liquor laws alone set us apart from other states in this great land of ours—unless, of course, you are Woolworths or Coles. The recent decision by this Queensland government—released late on a Friday afternoon so as not to attract too much attention to it—to allow the chains to trade this year on Easter Sunday as part of this review shows a complete disregard for independent supermarkets in this state. There will be a loss of trade on a day that is planned some eight months in advance and carries with it a significant investment in Easter stock. This just shows the lack of foresight of this government. The decision will now result in more small businesses being put under more pressure, increasing the likelihood of 'dead' stock in stores and fire sale scenarios. This is all because the government lacks the foresight and understanding of what it means to be a small business. To change the rules of one of the biggest major trading days six weeks out from a trading day that can take up to eight months to plan is a complete disconnect of understanding.

In conclusion, as a small business owner in Queensland I do not have any faith in this government to make any rational decisions to protect small businesses in this state, especially when it comes to the deregulation of trading hours within this bill. Government's role is to ensure that all businesses thrive, including small business. This government is backing small business into a corner. They are not thriving; they are barely surviving. There is a difference. Thank you for your time. I am happy to take questions.

Mr MINNIKIN: Chris, thank you very much for your attendance here this morning; it is very much appreciated. Going back to your particular store, since the 2010-11 financial year you have gone from 24 to 12 staff and you are now down to six; is that correct?

Mr Antonieff: Yes. Those six staff, if you were to put that in full-time hours, you could safely say around two and a half to three staff.

Mr MINNIKIN: You are obviously representing yourself—you are FoodWorks at Oxley—today.

Mr Antonieff: Absolutely.

Mr MINNIKIN: Within the FoodWorks family, the other franchisees et cetera, what are you also hearing from other FoodWorks stores in and around South-East Queensland?

Mr Antonieff: I am sure you will hear from other FoodWorks retailers, maybe through phone a hook-up. They are suffering a reduction in sales, both during the week and in particular on Saturday. I guess here I speak for all small business retailers around the state when I say that, if these hours are approved through this bill, there will be businesses that go to the wall as they have in Maroochydore with SPAR. I am pretty resilient. I have been putting up with this for the last three years, but the kick in the guts in December was a big kick. I do not know how much more fight I have left in me. Like I said, I have commitments. I have agreements that I have signed with my landlord and I have a commitment to my staff. I have always been up-front with them. I have always let them know what is going on, and they are the first ones to suffer.

Mr MINNIKIN: Thank you, Chris. I have no further questions, Mr Chair.

CHAIR: I do not have any questions for you, Chris. Your statement was fairly comprehensive. That draws this part of the proceedings to a close. The secretariat will be in touch with you with the proof of the transcript.

de BRUIN, Mr Jos, Chief Executive Officer, Master Grocers Australia

CHAIR: Good morning. Thank you for your submission. I invite you to make an opening statement if you wish, after which we may have some questions of you.

Mr de Bruin: Good morning, and thank you for this opportunity. We greatly appreciate being consulted on this very important matter.

MGA is a national employer industry association, so we are registered with the Fair Work Commission. We are in effect an employers' union. We have over 2,500 independent supermarkets, liquor stores and hardware stores around Australia as our members. In Queensland we have 760 independent supermarkets that trade under various brands like FoodWorks, Friendly Grocer, IGA and SPAR. You have heard from a couple of people from those brands. These are not franchisers, by the way: these are just brands that independent retailers trade under and have supplier agreements and so forth with, so it is their business. It is not a franchise business that we are talking about here. These businesses range from small to medium and large—you have heard from some of our smaller to medium-sized members—with 25 staff or less for more than half of those businesses. You have also heard that these supermarkets and businesses are the hub the communities that they trade in, particularly in country and regional areas. Queensland is very different state to any other state. It is large; it is vast. The regional towns are the hubs of communities more than what I have seen around the other states in Australia. As an industry we employ 21,000 staff. We are turning over about \$2.8 billion in sales, so we are together a very formidable business. We do about three million transactions a week, \$156 million a year, so we are interacting with the community every day of the week.

We were privileged enough to be a member of the Mickel review panel. We took an active part. I would like to make a comment. We were very surprised when the terms of reference came out for the first report regarding the Queensland trading hours review. We felt that the terms of reference were quite lopsided; in other words, it was couched in a way that, 'We want to deregulate trading hours. You tell us why not.' That is what it felt like, and to us it felt like that was the tone of the procedures that went forward. We put together a 66-page report with facts, evidence and data, much of which you are hearing in various forms. More recently, in response to the government's response to the Mickel report, we put another 28-page report together. We also conducted some very thorough research around Queensland consumers and what they are thinking about liberalising trading hours, if you like.

In Queensland we have an MGAQ committee, and that committee is made up of retailers from all over the state in Cairns, Toowoomba, Sunshine Coast, Brisbane and so forth. It is very active and very representative of all the brands, so we are active and always talking about various issues that affect our members. We have been opposing the liberalisation of trading hours for many years now. We are not afraid of competition—we welcome it and we welcome it around Australia—but we have always believed that in Queensland there has not been a level playing field for competition, particularly around some of the areas of offer that are available in other states but not in this state. You have heard that the further liberalisation of trading hours will have a damaging effect on independent retailers—our members—in this state.

When the SEQ matter was handed down in December it was an incredible surprise, particularly as it was handed down pretty much in the middle of the Mickel allowable trading hours review. It was absolutely inappropriate that such a significant decision was made by the QIRC, and then only to give six weeks' notice when all businesses in the South-East Queensland region were basing their investment in their businesses upon a law that they knew.

After they had invested into their chicken rotisseries equipment and anything else that they could avail themselves of to create an advantage, particularly during the hours that they could trade, they saw that, as you have heard from Chris and others, dissipate within six weeks. Then to suddenly have a dramatic sales decrease, you can imagine the alarm. Here we are talking about our government and specifically our very important regulator within the Queensland community being able to make a decision that has such a devastating effect on so many families in South-East Queensland with no regard to the consequences, and I find that really difficult.

We are supportive of standardisation. We think standardisation is terrific. We think it is simple and so we do understand that the intent of the review was to try and standardise to have less confusing hours. However, with the way our businesses are configured in this state, we do not agree to furthering any extended trading hours, granting three days of Sunday trading before Christmas and the five full days of trading until midnight before Christmas in all of Queensland. These are all trading opportunities that will be gone and will obviously affect our members. There are 23 regions that are only allowed to trade on Sunday for exempt stores. Three of those are under review. That was only

three or four weeks ago—Stanthorpe, Warwick and Pittsworth, so let us say there are 20—but they have an opt in. They can opt in. When we say there is a five-year moratorium, what is the five-year moratorium on because there is absolutely nothing left? There are no trading hours really that anyone can apply for because it is done and dusted. Of the 23 regions that have been named in the report that can opt in to Sunday trading, we would offer that in most, if not all, of those regions our independent supermarkets will absolutely fail if that were to happen. With regard to the moratorium for five years, when we read that we thought, 'That's terrific news.' We thought it would be applicable to any applications, but that is not the case. That is not the case at all.

We surveyed Queensland consumers, and may I say that we felt that the government's or the Mickel panel research that was done was ambiguous. We felt that it was broad in its context and we felt that the answers that were given by consumers in that particular research were ambiguous as well. We did some really specific research and 85 per cent of all Queensland consumers that we surveyed were satisfied—very satisfied—with the current trading hours as they knew them to be.

Mr MINNIKIN: What population size was that?

Mr de Bruin: That was 900 people. The survey was done in a broad catchment around Queensland and specifically done online and it was done by a company called Factualy.

Mr MINNIKIN: So that is plus or minus around about two per cent if that equals 900.

Mr de Bruin: Yes, indeed but it was very representative of Queensland consumers in general, so whether it is regional or city.

Mr MINNIKIN: Thank you.

Mr de Bruin: Sixty-six per cent of people felt that it was extremely or very important that independent retailers—independent businesses—survived, 60 per cent said that they did not want any additional or any more dominance from large major companies such as Coles or Woolworths and 71 per cent agreed that more trading hours will harm businesses and will eventually harm consumer choice because as those smaller businesses go out of business there is no choice. With that, they even made a further comment to say that prices will go up. Just quoting from our own submission, it states—

Unlike the QGSO survey, the survey provides the detail needed to understand what is really driving opinions and support for extended trading hours in Queensland. Overall, there is an indication that while there is marginal support for changes in trading hours, respondents make it clear that this shouldn't result in an increase in market share for Coles and Woolworths.

There was some real sentiment there against trading hours. Just to finish, this is a very, very serious matter and we hope that the Queensland government considers this as such.

With regard to the rhetoric around small businesses being the backbone of economies, I am hearing it in every state. I hear it in Canberra. I find it extremely difficult to get a grip on what that means to a government and how they can actually walk that talk. I think it is time for the Queensland government to demonstrate an understanding that they have a sense for small businesses, independent retailers and independent operators. I would like to see the government try and assist these businesses in a real way. People are saying that we are the only state in Australia that cannot sell packaged liquor and yet in a Coles or a Woolworths catalogue that you receive in your letterbox you open up that catalogue and you see liquor. You think, 'How can two large businesses have manipulated Queensland law so well?', when that was not the intention a number of years back when we asked to have packaged liquor applicable to supermarkets. Clearly the large chains have manipulated laws. They are able to. They have the massive resource to be able to do it, but everybody stands there and says they cannot do anything about it. I have spoken to three different Attorneys-General who have said, 'We will stop Coles and Woolworths from advertising liquor in their catalogues.' Not one of them has been effective because it is not legal for them to do that apparently. We are at a total disadvantage when it comes to that.

With regard to the way in which change occurs, I think the government needs to understand that things take time. You have just heard from Chris. He had six weeks notice to adapt. He had six weeks notice to adapt to Easter Sunday being called a public holiday suddenly. We need time to adapt, to reconfigure, to recalibrate our businesses, organise our investments and understand how we need to innovate and invest to stand up to the competitive forces of Coles and Woolworths, particularly when these trading hours are being liberalised. I think you know and you have heard, but the demise of independent supermarkets in these regional towns particularly does have an effect. It has a roll-on effect or what I call a multiplier effect—that is, it will affect the plumbers, the accountants, all the people who service the growers and the local farmers. It will affect them as well because we are the people that support those economies in a big way. To that end, I would like to conclude and thank the committee for the opportunity to be able to say a few words today.

CHAIR: Thank you. A couple of housekeeping issues. You referred to a document before. Was that your survey or the report you gave to the Mickel inquiry?

Mr de Bruin: We have a survey and we have certainly quoted all of our research figures in our reports.

CHAIR: I refer to that document that you have in your hand.

Mr de Bruin: This is our last report to you. This was our response document to the Finance and Administration Committee.

Mr MINNIKIN: So those stats are in your submission to us?

Mr de Bruin: They probably are.

CHAIR: Yes, they are.

Mr de Bruin: If not, they are in the first one in a big way.

CHAIR: I just wanted to identify what you were referring to.

Mr de Bruin: In the latest submission to you we did question the integrity of the government's survey and the ambiguity around it.

CHAIR: Okay, but just to be clear: you are referring to what we already have; is that correct?

Mr de Bruin: Yes.

CHAIR: It is not something new?

Mr de Bruin: No.

CHAIR: Earlier in your evidence you spoke about the report that you provided to the Mickel inquiry, and I think you said it was a 66-page report. Can you provide the secretariat with a copy of that report?

Mr de Bruin: Yes.

CHAIR: Has that been given to us previously?

Mr de Bruin: It has been given to the Mickel panel.

CHAIR: Right, but has it been provided—

Mr de Bruin: No, because what was given to you was a submission in response to the bill.

CHAIR: Yes, the bill. I understand. In relation to the report, do you have any objections to that report that you are referring to being published?

Mr de Bruin: Not at all. It has very detailed research data in here—Battlebox situations getting real consumer sentiments.

CHAIR: Can you provide us with a copy of that?

Mr de Bruin: Yes. It is a public document. I will get it to Amanda if you like.

CHAIR: Thank you.

Mr MINNIKIN: Mr de Bruin, I just have one question. I refer to points 20 and 22 of your submission, and thank you very much for your time this morning as well and your comprehensive overview. Specifically, dot point 22 states—

In several other states, independent stores have the option of mitigating or overcoming such losses through the sale of liquor however this option remains unavailable in Queensland.

You have elaborated on that point a couple of times in your verbal submission today. In which other states can I actually go to my local strip centre, say, with a FoodWorks, IGA or whatnot that you represent amongst your client group and purchase alcohol? In which other states can I go right now and actually purchase liquor from them—New South Wales, Victoria, ACT? Where else?

Mr de Bruin: Northern Territory and Western Australia. In South Australia we have just been successful with the current government. Deputy Premier John Rau has just announced that packaged liquor will be available in supermarkets, which is a very big win because it allows us then to have a whole-of-shop offer. If you are going in for a meal, at least we can offer a wine with that meal which we cannot do right now but our competitors can.

Mr MINNIKIN: That would then leave Queensland and Tasmania as the only main jurisdictions?

Mr de Bruin: Tassie is a little bit different in the sense that you can apply for a limited licence where you are able to stock Tasmanian wines and Tasmanian boutique beer and cider and you can locate that in the aisle of the supermarket, and most of the guys that are doing it are locating it next to their deli, cheeses and other local produce.

Mr MINNIKIN: So it is a limited ability in Tasmania but it is still an ability?

Mr de Bruin: Yes, it is absolutely.

Mr MINNIKIN: Right, which would then leave Queensland?

Mr de Bruin: Yes, and it is impossible because of, dare I say it, the enormous power, weight and resource of the hotel industry in this state. We feel that there is an enormous weight there—a weight of voice—that is stopping this from happening.

CHAIR: Just to pick up on what Steve was talking about in terms of licensing allowing independents to sell, is it too far a stretch to say that if that was to happen then the trading hours issue would not have as much impact on the independents?

Mr de Bruin: It would certainly be a great help to be able to compete with an offer similar to what the chains have. As you know, people shop more and more these days. Instead of a weekly shop, they are shopping five or six times. They do not even know what they are having for dinner at 2.30 or three o'clock in the afternoon in most instances these days. When people go in for a quick meal solution, if we had the opportunity to sell wine we would have the opportunity to make that sale and it makes us relevant. If consumers do not know that they can do that, they will go elsewhere where they can and that is where we are not able to compete. In the other states, packaged liquor is regarded as a department. It is a department just like fresh produce and just like grocery.

CHAIR: To explore that idea a little bit further, how does that then assist the regions in places like Mount Isa?

Mr MINNIKIN: Or Walters IGA at Mundingburra perhaps.

Mr de Bruin: Bear this in mind: a packaged liquor licence would be by choice. Not all of our members would take on a packaged liquor licence out of consideration for fellow independent hoteliers particularly, so it is a choice thing.

CHAIR: Sorry to interrupt, but I am just conscious of time. I understand what you are saying in Mundingburra in Townsville that the local independent may decide not to go in direct competition with the publican down the road because of the size of the community and it is just not in their interests to be having a fight about nothing. What I am trying to understand is if, for example, those places have the extended trading hours that are proposed, how does that affect them if they are not going to either sell liquor or participate because they will be bound by legislation wherever they are?

Mr de Bruin: That is a fair question. In regard to trading hours, or the liberalisation of, it should not be seen in isolation and nor should packaged liquor be seen as a panacea to success. There is not one solution.

We have also offered to the government that we need other forms of industry support. If the government wants to change trading hours, there needs to be a period of time where the government can assist our industry, for example, with industry training, industry development, lifting industry skills to be able to further compete with the enormity of these chains. These decisions cannot be made just at the drop of a hat and then people just walk away from that decision. That is probably what we are saying, yes.

CHAIR: Sorry to keep—

Mr de Bruin: I still have not answered the question. I think they would find it very difficult to compete unless they had the time to be able to start to innovate, reinvest back into their businesses.

CHAIR: In dealing with time, do you have an idea of what time you would be—

Mr de Bruin: At least five years. That would give the opportunity for retailers to reinvest back in their businesses and innovate. It gives the banks confidence to support them as well. Many banks are pulling back from our members because of the weight of the competition that some of these chains are providing. We want to instil confidence back into the banking industry to support us so that we can get the finance to innovate, create the jobs, lift productivity, get this economy going.

Mr MINNIKIN: You said 'five years'. From Kennedy's announcement to 20 July 1969, when a man was put on the moon, was 8½ years. Why that length of time? Why five years?

Mr de Bruin: The last time we had a similar situation, which was the capping of packaged liquor, it was in Victoria and we were given three years. Three years to prepare independent liquor retailers to prepare for the tsunami of Coles and Woolworths liquor licences that were to hit the market, three years still was not enough for us to prepare. We had existers, exiters and excellers. We had to try to get the exiters, if you like, up. The training and the industry development that had to take place was going to take us a lot longer and the investment that needed to occur to get those stores and shops up to scratch.

Mr MINNIKIN: If packaged liquor—if—was extended to your particular stakeholders, notwithstanding some of these other issues that you have said in relation to integration and stakeholder training et cetera, do you think that it would be the fillip that would at least give some of your members a bit of a competitive chance?

Mr de Bruin: Definitely, completely. Thanks for the opportunity. Thank you.

CHAIR: We are just going to have a very short adjournment.

Proceedings suspended from 10.32 am to 10.35 am

SPAIN, Ms Helen, Legal Adviser, Retail Guild of Queensland

CHAIR: Good morning and thank you for your submission. I invite you to make an opening statement, if you so desire, after which Steve and I will have some questions for you.

Ms Spain: Thank you, chair. Good morning, chair and members of the committee and thank you for the opportunity to address you today and also for the opportunity to make a submission. I act from time to time for the Retail Guild of Queensland, which looks more at the political implications of decisions in Queensland on independent retailers. Primarily, I deal with IGA and FoodWorks retailers. I do from time to time also act for Master Grocers Australia. Certainly, over the past three years I was engaged by Master Grocers Australia to undertake community engagement in those communities where there were applications on foot before the Queensland Industrial Relations Commission. In addition to my submission today, I would like to share with you some of those experiences on the ground, making submissions to the local councils, and how they responded to their obligations under section 26 of the act and, in particular, in the South-East Queensland case, the Dalby case, and the Goondiwindi case. In addition to the submissions I have made before you, I will refer to some of those experiences.

The Retail Guild of Queensland asked me to look pragmatically at the draft bill—‘Let us have a look and see what are some of the good bits and some of the not-so-good bits.’ You can see from my submission that I have attempted to highlight those areas that we say, ‘Well done. That is a step in the right direction and that will make the life of all retailers and consumers in Queensland easier.’ They obviously refer to things like employee rights, employees not being made to work unreasonable hours and also that the shop holders who are in shopping centres are not forced by their Retail Shop Leases Act to open for those standard extended hours.

However, the thing that really is concerning about this bill is that it almost by stealth introduces a new regime for trading hours. It is almost by stealth saying that the standard trading hours that were approved in December 2016 by the Queensland Industrial Relations Commission should be what the Queensland standard hours are. I would like to put some context to that decision and, from my experience on the ground, where I saw that there was a great deficiency in the evidence before the commission to enable them to make that decision, which is now having far-reaching ramifications if this bill is made into law.

As you are probably aware from the act as it stands now, section 26 obligates the Industrial Relations Commission to take into account the views of the local council. Without looking at the legislation, as expansive as it is, it says that the QIRC should take into account the views of the local council. On the ground, after going to talk to the 11 local councils in the South-East Queensland region for gathering information and evidence for the South-East Queensland case, councils do not know what is required of them. Councils have me appearing saying, ‘I am wanting to make submissions to you as to why you should oppose this application before the QIRC and protect small businesses.’ Most of those councils are very supportive. After I tend to appear at the next council meeting a representative from the National Retail Association for the large retailers comes and makes a similar submission as to why the council should support the application.

The councils are in an unenviable situation, because they are torn between, obviously, the might of the NRA, which are wanting to perhaps expand shopping centres, undertake new developments in their local area, which is obviously advantageous to councils, and the plight of the local business. I suggest to you that councils just put it in the too-hard basket. They are too scared to come out in support either one way or the other. Actually, the Gold Coast City Council did not even want to listen to me in the South-East Queensland case, which I did not take personally. They said that they just were not taking any representations by any side. The Brisbane City Council, the Sunshine Coast Regional Council, Moreton Bay and Redland, I think of the 11 councils in the South-East Queensland area there were two that came out and made a statement to the Queensland Industrial Relations Commission opposing that application. I think the Gold Coast supported the application and most of the others sat on the fence and said that they would abide and respect the decision of the Queensland Industrial Relations Commission.

What is a consequence of that? When the QIRC goes to conduct its hearing, they are looking at all the evidence, looking at the consideration obligated by section 26 and see, ‘The view of the local council.’ ‘There is no view. They’re saying they’re going to follow our lead.’ The number of cases in the QIRC on trading hours where the member has been quite vocal in their disappointment that they have no evidence of the view of the local council before them—I think Member Swan in her decision for the Dalby extension of trading hours in 2015 said that she felt that her decision was the poorer because she did not have a clear direction from the local government area. Here we have

section 26 of the legislation saying that the QIRC must take into account XYZ, but the Z, the view of the local council, is not coming forward because the local councils do not really know. What does 'view' mean? Are they meant to say support or not support? It seems that they do not know what they are meant to do.

A number of times when I have spoken to councils I have had council members asking, 'What is the best way we can oppose this?' 'What is the best way we can stand up for small business?' I refer in this case to the Sunshine Coast Regional Council in the South-East Queensland case. I told them that the best way was to swear an affidavit and agree to give evidence. That then becomes a bit of a bridge too far, because that then becomes sworn evidence in the commission saying, 'We are saying no to the National Retail Association' and then they step back. There is a real deficiency in the legislation and the way it is implemented in the QIRC, because one of the main blocks of evidence at section 26 that requires the QIRC to take into account is not being offered.

CHAIR: When you say 'not being offered'—

Ms Spain: Because the council is not offering a view.

CHAIR: It is offered, but they are not participating.

Ms Spain: They are not participating and the QIRC is saying, 'We don't know what the council says, so we are missing out on that local context.' I refer you to the last page of my submission. I talk about section 26 and that, if you were minded to proceed with the bill, that section 26 could be improved by further direction to the local council as to what is required. What are the social and economic impacts on this community? What is going to be the impact on local clubs and associations if local independent businesses are closed? If there was greater clarity given in an amended 26 to local councils they may be more inclined to actually offer a view. They may be more inclined to say, 'This is something we must do.', that it is mandatory. It is unfortunate that the Local Government Association has not made a submission to this committee in that regard.

CHAIR: Can I go to your submission. On the first page you refer to the federal Competition and Consumer Amendment (Misuse of Market Power) Bill and also the Productivity Commission's Harper review into competition. I understand why it is there and why you have brought it to the committee's attention. Does the bill that we are considering at the moment breach either of those?

Ms Spain: No. We would submit, and certainly the MGA and the other representatives this morning would submit, that the effect of this bill will be to alter market share. Market share will be altered to a greater percentage to the larger businesses. The misuse of power bill before the federal parliament provides a framework to give businesses protection against the effects of misuse of market share. I would say that we need to be on notice that there has been a federal Harper review into the effects of competition on various players in the economy and that the Harper review recommendation was to strengthen protections against misuse of market share and that is what this bill does.

My submission is that the effects of the bill before us today will strengthen market share for the larger players and that if that was to happen the very least that the Queensland government could do would be to be satisfied that this misuse of power bill is legislated federally to offer protection to those small businesses that might be impacted. Trade practices and competition law is a federal area and it is subject to federal legislation. If this bill was to be made law, the very least would be that the federal legislation would offer some protection to small business and at the moment it is not there.

Mr MINNIKIN: Thank you very much for attending today. I appreciate very much your time and your submission. Getting back to this misuse of market power bill. Obviously being an LNP member I can contact my federal counterparts, but do you know when that market power bill is due for its second reading?

Ms Spain: It is in the next sitting, but what I understand is just a month ago Scott Morrison, the Treasurer, actually moved another amendment to that bill which further strengthens the effects test. That was about four weeks ago and that was the last time I looked at it. I am not sure whether that has then put back the time frame. My understanding is that it was due for the next sitting.

Mr MINNIKIN: We might look that up, but thank you. With your submission you have as an annexure the response from the effects of deregulating retail trading in Queensland that was done by the project leader, a Professor Fabrizio Carmignani. In his report in table 4.1 he is using the economic multiplier effect and he has done a regression analysis in relation to the effects of the competition. He is using an economic impact of increasing in his model IGA's presence by 10 per cent and then he is working the regression analysis based on that 10 per cent and from there working it with the multiplier effect will be REM et cetera. Why did he use 10 per cent, do you know?

Ms Spain: I am not able to assist you with that. I was not a party to the preparation of that report.

Mr MINNIKIN: Have you read it?

Ms Spain: Indeed I have read it and I do have an understanding of his research but not in relation to why he used that 10 per cent.

CHAIR: In your submission you say there are good parts to the legislation and parts that are not so good. I know it is in here, but are you able to give us an overview of what you say is perhaps—

Mr MINNIKIN: We are looking for the good bits.

CHAIR: The good bits are obvious from your submission, but I am interested in the bits that you say are not good.

Ms Spain: The bits that are not good is the change with 16D. 16D in the bill purports to bring the South-East Queensland decision, which was decided on evidence from South-East Queensland, which I suggest may have been flawed anyway, to other towns that are totally different in both social and demographic nature. I give that example, say, of Dalby. There is a list in the schedule of seaside and resort towns. Dalby, Biloela, Moranbah—they are all included in that schedule, which is obviously completely erroneous as Dalby and Moranbah and Biloela are not seaside towns. I query is that just to bring all towns that happen to have Sunday trading and substantial national retailers in line with South-East Queensland, because that is actually what the effect of this legislation will do.

CHAIR: If I could deal with the decision that was before the Queensland Industrial Relations Commission, the regions were not, for example, at the table.

Ms Spain: The local councils were not. Obviously Master Grocers Australia represented the interests of independent retailers. There were representations by the chamber of commerce and other representatives, but the local councils were not there.

CHAIR: As a result of the local councils not being at the table, so to speak, therefore the impact that that was going to have on the regions was not before them.

Ms Spain: There was certainly evidence given on the impact on the regions from retailers, but the commission does not see them as being independent, if you like, because obviously they are representing their stakeholders and vice versa for the NRA. The absence of the local council from the commission's point of view, I would suggest, removes an independence. There is another question, which I did not refer to in my submission but certainly Jos from Master Grocers did, which is whether the Industrial Relations Commission is the appropriate forum for deciding these matters, but that is a discussion for another day.

CHAIR: Thank you for your participation today. The secretariat will be in touch with the proof of transcript.

STOUT, Mr David, Manager, Industry Policy, Research and Projects, National Retail Association.

CHAIR: Thank you for your submission. I invite you to make an opening statement after which Steve and myself will have some questions for you.

Mr Stout: Thank you so much, Chair. The National Retail Association is a not-for-profit industry organisation providing professional services and critical information and advice to retail, fast food and broader service industries throughout Australia. The NRA is Queensland based and Australia's largest and most representative retail association.

The NRA's membership comprises of members from all subcategories of retail including fashion, groceries, department stores, homewares, hardware, recreational goods, newsagents, fast food cafes and personal services like hairdressing and beauty. It also includes both large and small business, including the majority of national retail chains as well as independent retailers and franchisees and other service sector employers. The NRA has represented the interests of retailers in broader service sectors for almost 100 years. The NRA's aim is to help retail businesses grow.

Before I go on I would like to say I have already made several submissions to the committee process and have been involved with John and his team throughout the committee process going back probably to October last year. I don't know how many of those particular submissions that you do have. I have made at least three and there have been requests for other bits of evidence along the way. From a baseline position I am assuming you have got what I have given.

CHAIR: We would have everything you have sent to the Finance and Administration Committee, but we may not be in possession of information that you have provided to the Mickel inquiry because it was a separate review. If you have documentation that you have no objection to being published and you want to tender to the committee, I need you to request that they be tabled.

Mr Stout: Today I have a submissions dated 14 November, 30 November and a follow-up submission to the bill on 24 March. Primarily that is what I am here today to talk to.

CHAIR: We definitely have the submission of 24 March, it is just the other two that I believe we do not have. If you need them to refer to, hang on to them. If not, could you table those documents?

Mr Stout: I seek to table the submissions from 14 November and 30 November. If you look at 24 March in isolation it is quite thin.

CHAIR: I appreciate you bringing those other documents along. Sorry, I did interrupt you.

Mr Stout: I just thought I would make that clear in case you were looking for other pieces of information. So far we have participated in the review committee and made the three submissions to date to which I just referred. An extension to weekend trading hours such as the recent Saturday and Sunday trading decision in South-East Queensland will increase demand. The retail industry is driven by consumer demand; consequently, retailers need to be able to meet the demands of shoppers and having their doors open for trade when customers require these services. All retail businesses, whether small, medium or large, are cost-sensitive. When a retail business looks for ways to innovate and acquire an edge over its competitors they are required to factor in a range of costs such as labour, tenancy, overheads and a myriad of regulations they are forced to comply with.

Looking primarily at the bill, if I can just draw your attention to a few things. That is what I primarily wanted to comment on today. On the flip side, I have been involved in the trading hours process probably since the 2003 broader South-East Queensland decision, so I am reasonably aware of what goes on. What I wanted to do is comment on the moratorium. At the moment I would probably consider the moratorium of five years is a concern for the National Retail Association, and it is a concern because it probably does stifle innovation. In some cases you cannot necessarily anticipate what trading conditions will be in the future, and we do think that five years in retail is too far.

The other thing I want to draw your attention to is when the review committee submitted its recommendation in December, the 12 recommendations looked slightly different to when they came out the other side in January 2017. There were some additional things that were added. The 12 recommendations that I saw as part of the review committee in December included things like trading throughout Queensland across all of Sunday. Part of the recommendations which obviously have been resolved are to include a wind-back and an opt-in process. That opt-in process, whilst I understand that is what we are talking about today, was not a part of that agreement prior to Christmas 2016.

As the bill is written, in my view it creates some ambiguity. There are three niche divisions: SEQ, tourist and 'any other area', which was referred to earlier in section 16D. The section 'any other area' does not actually delineate between six-day and seven-day traders, so I think for clarity moving

forward that particular problem is going to exist where current or even future retailers in the landscape are not going to clearly understand exactly where they fall in the definition. It does matter, because obviously there are implications for public holiday trade and Sunday trade for those particular areas, so to me that is an element of confusion. I deal with a fairly significant membership base who continually call me in the lead-up to Christmas and Easter trying to understand the current trading hours regime, and I foresee that that is going to be a problem for our membership base in the future. If there could be even a classification A and B that would be nice, but at the moment for those six-and seven-day traders there would be a difference of 50-odd trading days plus four public holidays, so it would be quite substantial if someone got it wrong.

Currently the tourist area classification is designed to satisfy all of those particular areas that have been created in the order that do not fit either into regional Queensland or South-East Queensland, and they have been classified as tourist. There is one particular area, the Cairns CBD, which currently serves tourists in that zone which has not been included in that tourist definition. That needs to be amended because obviously tourism in the Cairns CBD is significant, so that particular jurisdiction needs to be included because at the moment it is not included in the bill.

Secondly, I would like to draw your attention to the Gold Coast tourist area, because the Gold Coast tourist area is again another precinct in the order which has had significant trading hours—probably between 10 and 12 additional trading hours—over SEQ and it currently still enjoys those additional hours. That particular area has now been included in the new definition under the tourist area. Pacific Fair falls into that tourist area zone in the previous order, but the previous order only dealt with supermarkets and nothing else, so there needs to be a consideration for other non-exempts other than supermarkets in the Gold Coast tourist area. I consider that leading up to the Commonwealth Games it is probably going to be significantly important to the Pacific Fair shopping centre.

That is basically all I have as far as questions on the current bill. I do have some highlights and probably some positives which I know one of the previous speakers discussed, and I am quite complimentary of the fact that there is a lot of standardisation. I do compliment the review committee for the work around pre-Christmas. Christmas is a big time for trade for most retailers, so having three Sundays and a week of midnight trades prior to Christmas is an exceptional result for retailers, especially the major destination centres, because they are the ones that are probably most likely to invest in marketing and enthusiasm to get those midnight trades working.

In summary, Saturday and Sunday trade represents the busiest trading days for the majority of non-exempt retail trading stores. From a customer's perspective, extended trading hours provide greater choice to the consumer and better reflect contemporary shopping habits. Queensland's trading laws should reflect this consumer and commercial reality. Non-exempt Sunday trade currently serves 90 per cent of the state's population. The newly introduced process of opting in will have the effect of further isolating regional parts of Queensland from goods and services enjoyed throughout the state. All retail businesses, whether they are large, small or medium, are cost sensitive. When a business looks to innovate and acquire an edge over competitors, as I said before, there are a range of factors including costs, labour, tenancy, overheads and a myriad of regulations, especially for fast food businesses. If retail is able to operate under longer trading hours than presently it will enable them to obtain greater turnover, which in turn can be spent exploring ways in which to innovate. The NRA requests that this committee consider any further restraints on restricting trading hours because fundamentally it can stifle innovation.

Mr MINNIKIN: Mr Stout, thank you very much for your time this morning. We appreciate it very much. Referring to your 14 November report, do you have that in front of you? You will not need to reference it because it is a pretty straightforward question. On page 11 of the 14 November report you or someone from your organisation stated, 'We strongly support any measure aimed at reducing the significant compliance and regulatory burden imposed on retailers by a range of inconsistent and unnecessary regulations at all levels of government. This red tape imposes significant costs on national retailers,' et cetera. Could you define a bit more what that regulatory burden is and what the red tape is that you would like to see removed?

Mr Stout: From a trading hours perspective it is just the complexity of understanding throughout the state.

Mr MINNIKIN: As it pertains to rosters and zones, that kind of thing?

Mr Stout: Yes. The retailers do not want to get it wrong. They spend an inordinate amount of time trying to get it right, so they normally dedicate resources to try and manage that particular process. At the moment there are anywhere between—depending on the retailer—10 and 20 different

districts. Some of the districts do not follow any logical government district path. They normally tend to be drawn around a particular area or tourist zone, so trying to find a point of delineation can sometimes take an inordinate amount of time.

Mr MINNIKIN: Which adds to the burdensome complexity.

Mr Stout: Yes.

Mr MINNIKIN: Section 4 is your consumer preferences section in the 14 November report, and it is in relation to the NRA's survey of shoppers in relation to South-East Queensland. It says here that in relation to 7 am to 9 pm weekdays there was 65 per cent support; 7 am to 9 pm Saturdays, 61 per cent support et cetera. What was the population size of that survey? How many people were surveyed to get those figures?

Mr Stout: The South-East Queensland survey was about 2,000 and there was an additional 150 for the qual. We tend to do surveys consistently, and we obviously continue to do surveys because the landscape of retail is changing. It is difficult to sometimes get the target audience correct, because if you ask a retired person they have no intention of shopping later or earlier because they obviously have all the freedom to shop when they want. If you ask someone from a household where both parents work, there are a lot of demands and they are time poor, you have to capture those people and you have to capture the person who does the shopping, not the person who comes along—

Mr MINNIKIN: Hence my question what the population size was for that margin of error.

Mr Stout: We not only take a lot of time getting the population right but getting it down to the core individual who does the shopping, which is probably the most important part.

Mr MINNIKIN: When you say getting the population right, what do you mean statistically by doing that?

Mr Stout: Getting the population right so it is representative of the area so you get a mixture of male and female, young and old, working and non-working.

Mr MINNIKIN: Who does the survey, your internal people or an external—

Mr Stout: In most cases, QUT. It is ethically tested.

Mr MINNIKIN: With no skewing of data. Your first chapter is in relation to the submitter. You represent a range of different retailer sizes and types. When it comes to packaged liquor, do you believe that small independent chains should be able to sell packaged liquor?

Mr Stout: I think they can now.

Mr MINNIKIN: I am talking about IGA, FoodWorks et cetera, those sort of people.

Mr Stout: There is nothing prohibiting them from buying a licence now.

CHAIR: Do you mean making application for a licence?

Mr Stout: No. Well, obviously there is a process for obtaining a licence, and that process is the same for everybody now.

Mr MINNIKIN: You firmly believe it is the same for everyone?

Mr Stout: From what I understand there is a relationship between clubs and bottle shop licences, and obviously there are particular brands and there are a multitude of brands, and even brands that come from the Metcash stable would have a presence in this state.

CHAIR: I am conscious of the time. We thank you for your attendance today, David. The secretariat will be in touch with the proof of transcript.

PRYCE, Ms Kristin, Deputy Director, Shopping Centre Council of Australia, via teleconference

NARDI, Mr Angus, Executive Director, Shopping Centre Council of Australia, via teleconference

CHAIR: Could I ask either of you, or both of you, to make an opening statement and then we will throw it over to questions. I apologise for not bringing this on at 10 past 11. Basically, we are running five minutes behind. If needed, I will give you the five minutes that I have taken from you.

Ms Pryce: No problem at all.

CHAIR: If you could start, please?

Ms Pryce: Yes, thank you. I will provide a very brief overview but, in the interests of time, we will try to give your five minutes back to you and turn to questions as quickly as we can.

CHAIR: Thank you.

Ms Pryce: Just for context, the Shopping Centre Council represents Australia's major owners, managers and developers of shopping centres. We provided a significant submission to the Mickel review and we were involved in that process. Although there were a number of issues that we raised in that submission which then were not progressed in the context of this legislation, we are not seeking to revisit some of those core issues, as we note in our submission. As noted in our submission, we focus on some of the specifics of the bill.

We also would like to acknowledge the engagement that we had with the Office of Industrial Relations in terms of assisting and informing our understanding and interpretation of the bill. That is appreciated. I will offer our submission as read to the committee, but I will very briefly summarise the key issues of concern that we note in our submission. Firstly, we have identified an apparent anomaly with regard to the admission of Cairns CBD and possibly others as a tourist area under section 16A of the amendment bill. Secondly, our submission provides up-to-date lot descriptions for Westfield, Chermside and Garden City. I note that Scentre Group is, of course, a member of the Shopping Centre Council of Australia.

Thirdly, we also note a concern regarding the treatment of an existing application before the QIRC with regard to the Gold Coast coastal tourism area. This concern relates to the proposed moratorium at section 59 of the amendment bill on the QIRC making orders on any matters other than 'an extended hours order' and the limitation imposed on the QIRC at section 60 of the bill regarding existing QIRC applications.

That is a summary of the submission but, as I said in the interests of time, I am happy to turn to questions. I should also quickly note that I should have opened by saying sorry that we are doing this over the phone. Both Angus and I had commitments in Sydney today. Otherwise, we would have been up there. We made it up a fortnight ago but, of course, I completely understand that the weather was such up there that it was not conducive to progressing. So thank you for accommodating us on the phone.

CHAIR: Yes, I understand, Kristin, that you turned up after we cancelled. I apologise for that.

Ms Pryce: No, that is more than fine. As I said, we are just pleased that we can be on the phone today.

CHAIR: Yes, and we do not find it a limitation. We do these phone hook-ups quite often. In relation to the first two issues that you raised, I can indicate to you that the department has advised that it will move amendments to take your concerns into consideration.

Ms Pryce: Great. Thank you.

CHAIR: I am just trying to get an understanding of who you represent. You represent owners of shopping centres? Have I summarised that appropriately?

Ms Pryce: Yes, you have. For your benefit, some of the names that you may be familiar with are Scentre Group, which is the owner and manager of Westfield shopping centres; AMP; QIC is a member of ours, as is a group called Stockland. They are some names that you might be familiar with.

CHAIR: Do you have any shopping centres in Western Queensland?

Ms Pryce: Yes, we do. I will talk firstly up through into Northern Queensland but then also, yes, in major regional centres in Western Queensland. We can provide a list of our member owned centres in Queensland generally, but certainly in those areas that you might be interested in in Western Queensland.

CHAIR: One of the issues is that there is a distinction that can be drawn between what happens in South-East Queensland and what happens in the regions. Do your members have any thoughts or views about how the changing of the trading hours would impact on the regions?

Mr Nardi: We do. Our policy position was articulated in our submission to the Mickel review, because we have members who own assets, in fact, in Mount Isa—you referenced Mount Isa—and across regional and rural Queensland. One of our key recommendations was, as an example, enabling widespread Sunday trading across the state. That recommendation was not adopted. We acknowledge that there are differences, but our submission pointed out some of the inequities between some regional areas that can trade on a Sunday versus those that were unable to and those that will now seek to have to continue going through the QIRC on case-by-case applications. We have a position that we did seek widespread Sunday trading but, as we mentioned in our submission, that was not adopted and we are not seeking to reopen that kind of area of policy.

CHAIR: For example, the impact that the change in trading hours may have on the shop owners, or the people who have leases for small businesses that are attached to, for example, a supermarket that has the extended hours—

Mr Nardi: Yes.

CHAIR: Does your research touch on any of the businesses that are within the centres?

Mr Nardi: We provided a view that, obviously, the limitation is when the major retailers are unable to open. Generally, our members do not open their centres, because those major retailers are the generators of the main customer foot traffic. From our point of view, if the major retailers can open, it enables those. They obviously cannot be forced to trade under legislation. It enables those smaller retailers to trade if they so choose to. Our submission to the Mickel review did not provide a detailed articulation on that except that we support that it will enable retailers to open to trade if they so choose.

CHAIR: Okay.

Mr MINNIKIN: You are referencing specifically that table in your 14 November report—that pivot table—those that cannot trade on Sundays and those that can trade on Sundays and that is in relation to persons per square kilometre.

Mr Nardi: Yes.

Mr MINNIKIN: For example, you have Ayr, with a density of 130.5 people, who cannot trade on a Sunday and yet Townsville, with 9.2 people per square kilometre, which can trade.

Mr Nardi: Yes. That table that you are referring to just drew the distinction based on a population metric. You can compare the metric in terms of overall population and population density and even growth—just between those that currently are unable to trade versus those that are able to trade. We put that in as part of our argument as to why we believe there is a case for widespread Sunday trading across particularly those areas outside South-East Queensland. I think in Ayr as well we provided a general statistic that, across those areas, for every major retailer that can trade is an average, from memory, about 20 smaller retailers, which we call specialty retailers, which could be able to trade if they choose. The major retailer can open.

CHAIR: I do not have any further questions. Is there anything further that you would like to add before we move on to the next part of our hearing?

Mr Nardi: I have nothing further to add. Hopefully, our submission is fairly clear. You mentioned that the department had come back and will seek to address the first two. There was then just that third matter. As we stated, we are not seeking to reopen the policy issues. We accept what Mickel recommended and what the government responded to. It is really just dealing with the matters under the amendment bill.

Ms Pryce: I have nothing further to add.

CHAIR: Thank you for your time. The secretariat will be in touch with the proof of the transcript sometime in the future. Thank you.

Mr Nardi: Thanks very much, chairman. Thank you.

UREN, Mr Ashley, Deputy Chair of the Queensland Law Society Industrial Law Committee, Queensland Law Society

BRODNIK, Ms Kate, Policy Solicitor, Queensland Law Society

CHAIR: Welcome, Ashley and Kate. Would either of you like to make an opening statement, if you so desire.

Ms Brodnik: I will start, thank you. First of all, thank you for inviting the Queensland Law Society to appear at this public hearing. As you probably know from previous public hearings where we have been invited, the society is the peak professional body for the state's legal practitioners, of whom over 11,000 we represent, educate and support. In carrying out its central ethos of advocating for good law and good lawyers, the society proffers views that are truly representative of its members. The society is an independent, apolitical representative body upon which the government and parliament can rely to provide advice that promotes good evidence based law. Given that the society's main focus is on good law and good lawyers, our comments in respect of this bill are really limited to the legal entitlements and obligations between employers and employees. Mr Uren speak further to that.

I want to touch briefly on the submission that we put in our after our initial submission. It was prompted by a request for us to consider the relationship between section 59 and section 60, which I believe the previous witnesses commented on. We propose to recommend that section 59 be made subject to section 60 so that the two sections were consistent with each other and also then to reorder the provisions under section 59 so that it says, 'Subject to section 60, during the moratorium period, an application for an order under section 21 cannot be made other than for an extended trading hours order' and then following on from that, 'The industrial commissioner must not make an order under section 21 other than an extended hours order.'

Mr MINNIKIN: Sorry, that should be 'commissioner' and not 'commission'?

Ms Brodnik: Commissioner, yes, sorry. That is a typo. I will now hand over to Mr Uren to speak about the employee-employer obligations.

Mr Uren: It is noted, as per our written submission, that a shop that is looking to extend their current working hours will require written agreement or consent from those employees in writing. Given the nature of the retail industry and the wide variety of staff that are employed in that industry, this additional protection should not be a significant issue and clearly does not impact on the current arrangements or rosters of employees until that consultation and agreement is reached.

The society considers that the statutory oversight of the new extended hours cannot be categorised as reasonable additional hours or ordinary hours without that additional consent in writing and that strikes a balance between protecting employees and increasing trading hours for the retail sector. We do note the operation of section 27(2) (n) of the Fair Work Act, which lists business trading hours as a non-excluded matter in enterprise bargaining and the making of awards. Any potential concern that the state parliament is going beyond what is intended in the regulation of business hours to impose additional written consent obligations is quickly dismissed by section 29 which permits and provides for the interaction of modern awards and enterprise agreements made under the Fair Work Act with state and territory laws.

For these reasons the society does not propose any amendments to the bill other than those already mentioned by my colleague Ms Brodnik regarding the proposed section 59 which was also in the society's letter of 29 March.

Mr MINNIKIN: I have no questions. Thank you both for your time this morning.

CHAIR: I do not have any questions for you either. Thank you for coming along. The secretariat will be in touch with the proof of transcript.

Ms Brodnik: Thank you very much.

CHAPMAN, Mr Ron, Chief Executive Officer, Caravan Trade and Industries Association of Queensland

PLANT, Mr Jason, General Manager, Caravan Trade and Industries Association of Queensland

CHAIR: Thank you for coming along to talk to the committee. I would invite you to make an opening statement if you so desire and then we may have some questions for you.

Mr Chapman: Thank you very much, Mr Chair. We represent about 260 businesses around the state, not all of whom are tied up in this trading hours matter. It is probably a bit of an interpretation on some of them, where they are manufacturers and retailers, whether they are tied up or not, so we are probably representing today about 130 to 150 of those. We did put in a submission in the first place on this and we did have an interview with the committee chaired by Mr Mickel. Unfortunately that was not listed in the documents that went out, but we did actually have an interview although ours was done by teleconference rather than face-to-face.

There are a few things I have noted here, if you want me to go through them now, that we have picked up since the announcement has gone out and we would like to reinforce what was in our previous submission.

CHAIR: Of course.

Mr Chapman: To be absolutely honest about it, and that is what we are here for, we are astounded at some of the statements that have been made since the announcement of the preliminary findings and recommendations. One politician, in correspondence to a number of our members, states, in part, that the government is committed to creating jobs and stimulating Queensland's economy wherever possible and the decision to standardise trading hours will play a huge part in contributing to this. He then goes on to say it is important to note that it is not compulsory for caravan dealers to open on Sundays, it is the government's belief that the new hours will allow dealers to determine what hours they open within the new allowable hours. They do not have to open for the full spread of hours, this is a business decision for individual owners based on client needs and what is best for the business. Our reaction to statements like this is that people who make them unfortunately may never have run small businesses themselves and have no understanding of small business operations, especially ours, and we wanted to talk about some of the unique aspects of ours.

Almost every business in our industry is classified as small and family owned. There is, in fact, only one public company operating retail sales operations in this state and that is a small part of their overall business, which is primarily motorhome hire and manufacture here in Brisbane. The reality is that small businesses like our members' do not have the specialised trained staff to be able to add Sunday to their working week. As we said in our original submission, selling caravans is a specialised field and involves a lot of legal ramification, not just on the dealer principal but on licensed sales personnel as well.

The fact is that there are more caravans sold in Queensland than any other state now and we do that in six days. New South Wales and Victoria work seven days and we sell more caravans than they do in six. All that seven-day trading will do in our industry in Queensland is increase the cost of operations, therefore increase the cost to consumers and not sell one more caravan. It will almost certainly impact on the work-life balance, unnecessarily putting strain on families who run the businesses and those employees who work there. To make statements like 'new hours will allow dealers to determine what hours they open' is, quite frankly, fairytale stuff. The truth is that all it will do is allow rebels to open to try to steal sales from those who understand orderly marketing which presently works well in six days a week.

Past research by our industry has shown that consumers usually take two years to purchase one of our recreational vehicle products. They do not need seven-day trading to do this. They have ample opportunity on several occasions in the year as well to attend caravan shows which are open legally on Sundays under present court orders. In discussions with a major retailer and industry leader in another field, he has told me that when they became eligible to open on Sundays they had to do so because of the rebels in their industry. When they did so however, they only ever felt half open because the range of units that they sold all had specialists on each of those units—very parallel to our industry—and each of those could not work every Sunday. They could not have a full staff working on Sunday so they only ever felt half open. The result was that professionalism was missing for their clients and it was a continual drain on good staff resulting in increased staff turnovers. They no longer open on Sundays and have increased their business because of the professionalism and expertise

which they can now offer again in full. Seven-day trading will impact negatively upon the consumer experience when visiting retail dealerships such as ours and our members will not be able to fully provide a full suite of professional services to a customer on Sundays. It will also impact upon the consumer experience on Saturday as the dealer will be forced to spread their staff between Saturdays and Sundays.

There is clear evidence that it would have little effect on staff numbers and where it did it would simply add costs to consumers. As our original submission stated, our survey of members showed 89 per cent are generally satisfied with the present trading hours and an even higher 96 per cent do not want to open on public holidays. If anything, our members have been even more vocal in this regard since the government's interim report was released. We are different to many retail businesses and we would like to stay that way as regards trading hours. Thank you.

CHAIR: Is it correct that there is nothing stopping you from selling a caravan on a Sunday?

Mr Chapman: No, we are not allowed to under the present act.

Mr MINNIKIN: Thank you both for your time today. We really appreciate it. I am referring to your written report which I have just received a copy of. In your second last paragraph on page 1 you state that the fact is that there are more caravans sold, as you verbally articulated before. Where are the facts? Where is your source in relation to registrations over the last five, 10 years?

Mr Chapman: Our federal office collates from each state department of transport registration figures.

Mr MINNIKIN: Would you mind furnishing that to the committee, please?

Mr Chapman: Yes. We did put some actual figures in the original submission, but I will get a copy of it and email that to you.

Mr MINNIKIN: I would appreciate that. Thank you.

Mr Chapman: That has been the case for the last two years. Victoria used to have the biggest sales. We have beaten them I think it is the last two years. We sold 26 per cent of the national market last year and that is the calendar year, from memory, although I would have to double-check on that.

Mr MINNIKIN: Up until two years ago when Victoria was then the lead, for how long have you been able to buy a caravan in Victoria on Sunday?

Mr Chapman: For a number of years. I am trying to think when it changed. It has to be 10, 15 years ago.

Mr MINNIKIN: Approximately.

Mr Chapman: Yes, a long time. Most caravans are manufactured down there. We do have a nonetheless fairly good manufacturing base in Queensland, but it is specialised type caravans. What are loosely called general run-of-the-mill caravans are mostly made down there.

Mr MINNIKIN: The stats that you will provide the committee will show that in the last two years Queensland has sold more than New South Wales and Victoria.

Mr Chapman: Yes. I stand correct on the time. I am sure it is two. It is definitely last year and I am pretty sure we beat them the year before. Normally we have beaten New South Wales as well and sometimes they've beat us. It was a fight for number two. Just off the top of my head, without having the figures in front of me.

Mr Plant: It is quite significant though, given the population base of Queensland compared to New South Wales and Victoria. Even though on years where we are very close, when you take into account the population it is quite significant, our sales.

Mr Chapman: What that has led to as well or what has brought it about we believe is because we have a very orderly group of dealers, with some exceptions. Unfortunately most of those are branches of Victorian manufacturers that have opened their own retailers up here. But generally it is orderly and our level of complaint by consumers is minuscule compared with what my interstate counterparts tell me.

Mr MINNIKIN: Your original submission stated that your survey of industry members showed 89 per cent and 95 per cent do not want it. That is based on your 260 members?

Mr Chapman: No. We separated out those we thought were capable of doing this. We did not want to skew any figures. It went out to, I think the figure was something like, 128 members and that is the result from that. Obviously we did not get feedback from all of them. I think the feedback was from 72 per cent of those—120 or whatever it might have been.

Mr MINNIKIN: Around about 85, 90 people.

Mr Chapman: I think it is within the bounds of acceptable statistical accuracy.

CHAIR: Going back to my original question, if you are at a caravan show on a Sunday—

Mr Chapman: That is allowable, yes. I did not realise you meant at the shows. We have special standing orders on caravan shows. We have three ourselves: two for Brisbane, one for the Gold Coast. There are some other entrepreneurs who are not part of the industry who run shows elsewhere. The difference between us and them is that we are very particular about who we allow in, all compliant product, and we have a team of inspectors who check all of those things. Unfortunately, anyone who pays money can go in most of the others.

Mr MINNIKIN: If I turned up and wanted to sell caravans working for one of your firms, a rookie or novice like me who at least has got, I would like to think, some common sense, how long would it take for you to get me au fait with the industry—that is, the ability to competently sell a caravan?

Mr Chapman: You would probably be put to work directly under the sales manager or someone like that for a period of at least three months. You would not be allowed to sign up contracts during that time. You would have to bring potential customers in. Generally speaking, most of our dealers do that with all the deals that are done so the owner of the business makes sure there is nothing shonky being done in there. Things such as tow vehicles, if you sell a caravan to someone and their tow vehicle is not compatible with that caravan you can be charged with quite serious offences, especially if they get out of there and something sinister happens along the road. There has been a case interstate that I aware of, a long time ago, where someone was charged with manslaughter or implicated in a manslaughter charge because of that. There have certainly been cases in this state a long time ago where someone sold a caravan without a current gas certificate and someone was gassed and they were charged. All of those sorts of things have great legal implications on the operation of a dealership which you do not get on a lot of other things. In fact, our very office in Brisbane produces a 498-page document which covers every car sold in Australia in the last 10 years. It is updated every six months and that is used by the industry Australia wide and it is also used by Queensland Transport, as a matter of fact. That is purely there so that our members can be sure that the car is compatible with the caravan they are selling.

Mr MINNIKIN: Very good. You might not be able to answer my last question. If I was to then, as a rookie and novice that brings common sense to the table, sell motor vehicles, do you have any idea what it would take to train someone in motor vehicles? I know it is a different industry.

Mr Chapman: Not directly, although we have discussed this with the Motor Trades Association.

Mr MINNIKIN: I ask because your responses are very similar.

Mr Chapman: That is much the same thing they follow with a trainee salesman. They are employed as a trainee salesman for a while. They work directly under them. I would imagine before they let them loose it is probably going to be three months or something like that as well. In our industry I would be surprised if it was any less than six months before they were really allowed to sit at their own desk and say a few more things than they had in the first place.

CHAIR: I do not have any further questions. Is there anything you would like to add?

Mr Chapman: No. I think I have pretty well covered what we would like to say. We just wanted to try to point out that we were a little bit different because of some of these things and the difficulties in getting the staff.

Mr MINNIKIN: Thank you both.

Mr Plant: I will get those statistics across to you as well.

Mr MINNIKIN: We appreciate that, thank you.

CHAIR: To the secretariat, please. Thank you for participating today. The secretariat will be in touch with the proof of transcript.

Proceedings suspended from 11.47 am to 12.45 pm

Templeman, Mr Scott, Manager, Economic Development & Tourism, Southern Downs Regional Council (via teleconference)

CHAIR: Welcome, Scott. I understand you are from the Southern Downs Regional Council. Thank you for the council's submission on the bill. I invite you to make an opening statement if you so desire, after which the committee members will ask you questions. With me today is Steve Minnikin, the member for Chatsworth. I am Peter Russo, the member for Sunnybank.

Mr Templeman: Thank you very much. I will just start by saying that I am actually on leave at the moment. One of our councillors was going to come down and see you in person today, however, he was called away on council business. We did want to say as a council that our area is growing. It is an area that you would be well aware of down on the borders. It has the major towns of Warwick and Stanthorpe and we do not have seven-day trading currently. We are positioning ourselves as a tourist destination. We have nearly 800,000 tourists a year coming into the area. Most of those tourists are coming from areas that have seven-day trading, and they find it a bit disconcerting when they arrive in our area and they are not able to experience the shopping that they are used to in South-East Queensland and northern New South Wales. We also see an increase to seven-day trading, particularly in our area, as a way to increase jobs and maintain economic prosperity within the region, mainly because we know that on Sundays a large proportion of the Warwick population go to Toowoomba or Ipswich to go shopping because there is nothing else to do in Warwick. For those reasons, gentlemen, the Southern Downs Regional Council is keen to support the bill. We would like to see seven-day trading hours uniform across the state, and we certainly want to be included in those seven-day trading hours so that we can be on an equal footing with the rest of the state.

The only other thing that I would like to mention in opening is that we are not included in the opt-in areas at the moment in the bill. We sit outside those automatic opt-in areas, which means that if this bill does get through we still would need to make a submission to have extended hours in the Southern Downs. We would like to put forward to you as the committee that we would like to be included in the group that automatically gets swept along with the changes once the bill is passed.

CHAIR: When the Queensland Industrial Relations Commission heard the application for an extension of trading hours, did you have the opportunity to present submissions to them?

Mr Templeman: Yes, we did. I appeared as a witness on behalf of the council in front of the commission.

CHAIR: Obviously you would have given similar evidence then as what you have given to the committee today?

Mr Templeman: That is correct. We believe there is going to be a huge economic boost for the area. We believe that it will help to create hundreds of jobs for the area and it will also stop that leakage of retail dollars to larger retail centres.

CHAIR: Obviously, Scott, there are two categories of players in this area: there are the independents like the IGAs and FoodWorks et cetera, and then there are the bigger guys such as Woolworths, Coles and ALDI. How do you think extended hours would impact the small independents in your region?

Mr Templeman: We did a fair bit of work with the National Retailers Association on case studies from up and down the coast going back into the history of extending trading hours, and there is a good body of evidences that suggests that if the majors are open—Woolworths, Coles, Big W, the big box guys—then the smaller independents get swept along for the ride. At the moment we have a McConaughy's hardtop shopping centre that is undergoing refurbishment. It will have a full-line Coles. It currently has a full-line Woolies and Big W. Now on Sundays it is not open, and my CEO often jokes that once we can get seven-day trading it is going to save us an awful lot in bandages because people try to walk into the hardtop shopping centre and bang their noses on the doors. I have seen it, because our Visitor Information Centre is right across the road and I have actually seen people walk into the glass doors.

At the Industrial Relations Commission Spanos IGA objected to the submission. Our point as the local government is that Spanos might lose a little bit of trade—we understand that—however, we believe that other independent shoppers and the majors will create more jobs than will be lost from the independents like FoodWorks or IGA. We have also spoken to some of the mini majors such as Target Country and other well-known clothing brands like Jeans West, Millers, Noni B and these types of operators, and they are quite excited because it will provide them with more jobs, more shifts, and it will provide more turnover for them during the week.

Mr MINNIKIN: Scott, are they the retailers that you mention in the last paragraph of the first page where you say, 'Some Stanthorpe traders have indicated that they have increased their Saturday trade' and would like to do likewise on a Sunday? Are they the sorts of players that you are referring to?

Mr Templeman: Yes, some of them are even more independent. They are the small mum-and-dad jobs. One of those is a gentleman called Mick Spiller who has M&D Auto Parts. He is situated near the ALDI shop. When ALDI came to Stanthorpe on Saturdays he is trading his socks off now and he opens on the Sunday a little bit now. He is keen to support more shopping in Stanthorpe now as well as a number of traders up and down the main street, because people in Tenterfield and Texas and some of those towns around Bonshaw and Inverell come into Stanthorpe to do a shop at ALDI.

CHAIR: Has there been any representation made to you by car yards or motor vehicle salesmen or managers of car yards?

Mr Templeman: No, not directly to me from car yards. They have not made any representation one way or the other, so I will not suppose what they would be thinking.

CHAIR: I just wanted to check whether there have been any. I do not have any more questions of you, Scott. Thank you for your submission. It is comprehensive and sets out the points that you made. Did you provide a written submission to the Queensland Industrial Relations Commission?

Mr Templeman: Yes, and I will tell you gentlemen that it is very similar to the one that I presented to you. I changed the format around but it has the same points.

CHAIR: I just wanted to make sure that I had all the bases covered. If that is the case, I do not have any further questions, Scott.

Mr MINNIKIN: Thank you very much for coming in on your annual leave, Scott; I appreciate it.

Mr Templeman: Gentlemen, thank you very much for the opportunity. As I said, the council does support the amendment and we certainly hope that it gets through.

DUNN, Mr Trent, Dealer Principal, Lawrences Motors Pty Ltd, Rockhampton (via teleconference)

CHAIR: Welcome, Trent. My name is Peter Russo, I am the chair of the Finance and Administration Committee and the member for Sunnybank. With me is Steve Minnikin, the member for Chatsworth. I welcome you to make an opening statement if you would like to, and after that Steve and I will no doubt have a couple of questions for you.

Mr Dunn: Basically, I am just looking for support. The MTAA opposes seven-day trading. I have some key points from a dealer's perspective. Being in a regional area it is just not viable for us to open on a seven-day trading roster. I have some key points. Do you want me to run through them now?

Mr MINNIKIN: Before you do that and get on a roll, could you give me a little bit of background in relation to your particular dealership? Is it light vehicles, Holden, Ford, Toyota? What is your background?

Mr Dunn: We are a multi-franchise dealer. Holden is our main brand and Suzuki is our secondary brand. We also offer truck servicing and of course servicing and parts and that side of things. In terms of size I have about 55 employees, so it is a reasonable size dealership. Probably the biggest concern for us is that seven-day trading will not result in more sales for us. From talking to other dealers and dealer development groups in New South Wales and Victoria, all it does is make for more customer-free days through the midweek period. Then the people that flow through have more time to make a decision, but at the end of the day you do not have better results as such by having longer trading hours.

CHAIR: Trent, would it have any impact on your overall wage bill?

Mr Dunn: Very much so. The biggest thing with this industry too is that you have trained and qualified sales staff. They have to have a licence, and the same with business managers for the finance side of things. They all have to be accredited and those types of things, so you cannot just go and pull someone off the street and say, 'Do you want to work and sell cars on a Saturday or a Sunday?' To have the right level of key staff you have to have qualified staff.

Mr MINNIKIN: To be a salesperson—forget about finance managers—what would it take to get someone off the street and bring them up to speed and train them? Assuming they have their licence et cetera, of course, how long would it take to train someone to the level of customer service that you would expect?

Mr Dunn: It takes me at least a couple of months to get them to a point where I am comfortable. As I said, that licensing side of things, the modules that they have to do, does take a little bit of time. Plus, as I said, there is a few dollars involved in doing them as well. It then becomes the work-life balance. With current staff that we have, as I said, they already work long hours and probably the biggest thing with the agreement you are looking at bringing in, you are saying it will not be compulsory for people to have to work, but as far as if they want to be in this industry it will be a choice of a roster type thing so it really is going to discourage the good people who we currently have that are qualified to look at other industries more than stay in the motoring industry.

CHAIR: If there was a mechanism whereby motor traders could be exempt from seven-day trading, but the overall extension of trading was extended to other businesses, would you still have an objection to the bill?

Mr Dunn: No. From surveys MTA conducted, over 90 per cent of the automotive dealerships did not want this to be brought in. We are open 24/7 these days as it is with our internet pages. Research shows that people do most of their car shopping online. Plus all our salesmen, their mobile numbers are on their business cards and they are happy to talk to someone after hours if they need to. If we did go to seven-day trading, a lot of times when someone comes in to buy a car you deal with the one same salesperson and they normally don't buy the same day. If they rock up on a Wednesday or something like that to do their initial look and a test drive and then they come back on a Sunday to sign up and their salesperson is not on, they are either going to ring the person on their mobile and probably get called in on their Sunday or another salesperson is going to take the sale from them. There is going to then be the need to put more wages on commissions and split commissions and that sort of stuff which then doesn't sit well with the buying deal for the customer and that one-on-one personal service that we tend to offer in this industry. Plus also, I don't know whether you are aware, this industry at the moment has been heavily reviewed by ASIC in recent times. We are finding even with our good staff we have at the moment, they are hurting fairly well with Brisbane

their wages and what they have been accustomed and been used to. They have all come back and then telling them they need to work more hours to spread it all around is going to discourage people from being in this industry.

CHAIR: I do not have any further questions for you. Is there anything else you would like to tell us today before we sign off?

Mr Dunn: Probably the biggest thing is I know you guys have said it is our choice if we want to operate the seven-day trade or not but the biggest concern from our industry with our manufacturer agreements with the franchise side of things is, yes, okay, it is our choice right now, but when our five-year dealer contracts are up, because the possibility of longer hours is available to us they will write into our dealer agreements that we have to trade seven days. When we were not asking for it, that then puts a financial strain and extra stress on sales staff and that type of thing as well. That is the reason why we would certainly prefer to oppose that the motoring industry are a part of that bill.

CHAIR: I understand Steve does not have any more questions.

Mr MINNIKIN: Thank you for your time.

Mr Dunn: I more so just wanted to support that so that you hear it from a different angle.

CHAIR: The secretariat will be in touch with you in relation to proof of transcript, but thank you for your time.

KOPITKE, Mr Michael, Board Member, Townsville Chamber of Commerce (via teleconference)

CHAIR: Good afternoon, Michael. Thank you for attending the hearing today. My name is Peter Russo. I am the chair of the committee and member for Sunnybank. With me is Steve Minnikin, the member for Chatsworth.

Mr MINNIKIN: Good afternoon.

CHAIR: Would you like to make an opening statement?

Mr Kopittke: Yes. I am a small business consultant. I have had franchise systems running across Australia and New Zealand. On receiving details of the submission, I have taken the time to contact 10 bakeries, four newsagents and an IGA convenience store. The feedback that I have received from them will form the basis of the comments that I will be making to the committee.

CHAIR: Thank you.

Mr Kopittke: Basically, in Townsville 40 per cent of the our CBD is actually vacant. On the major arterial road coming into the CBD in Townsville, 20 per cent of those retail outlets are vacant. Currently, from the small business operators that I have spoken to, between the hours of 6 am to 11 am, which is before Coles and Woolworths open in Townsville, 40 to 60 per cent of the small businesses' trade is done. The IGA guy has explained to me that if Woolworths and Coles open at 9 o'clock as per the submission that they have applied for, then he will have to reduce—this is one outlet—15 hours in wages.

In regard to the additional employment that the submission was made on in extending the hours, it is my interpretation, as a small business person of 21 years, that that will be outweighed by the amount of businesses that in the future do not open, close, will not open on Sundays and then have to put people off. As a small business consultant and chamber of commerce we are very concerned about extending trading hours to Coles and Woolworths.

I have also worked in Emerald and I have worked in regional towns, in Innisfail, Ingham, Cairns, and my comments would be applicable to many of these towns. Giving the large chains more trading hours will impact small business. It is as simple as that. We are the only country in the world where two major players, Coles and Woolworths, have nearly over 75 per cent of the market share. I think the only other country that has two players is the US and those two players have 27 per cent.

CHAIR: Why would Townsville, for example, which could be regarded as a tourism area, be different to regional Queensland, say around the Darling Downs/Warwick area?

Mr Kopittke: Obviously the areas up here have been hit by mining. We have 11 per cent unemployment in Townsville. Townsville is an individual issue. We were mortgage in possession capital of Australia two months last year. We have certainly got some issues in Townsville. I would suggest Mackay and Rockhampton would have similar issues, and some of these regional mining towns like Emerald would be the same.

Mr MINNIKIN: In relation to the different stakeholders that you represent, you have also mentioned some of the smaller supermarket retail chains, I assume IGA and FoodWorks.

Mr Kopittke: It was an IGA guy that opens at 6 clock on a Sunday and he is the main guy around town that opens early who would be mostly affected by this.

Mr MINNIKIN: As you can appreciate, we have received a lot of different submissions—some in favour, some against, some fifty-fifty. A thread that has started to surface is in relation to the market dominance of the big two supermarket chains, obviously Woolworths and Coles. Other people have made remarks in relation to their detached bottleshops and their affiliation with their respective big bottle liquor merchant, et cetera. Unlike most other states, as you are aware, the independents cannot sell packaged liquor. This pertains to the small supermarket chains. Do you think there would be an appetite for them to want to do that to try to arrest declining MAT sales at all or you haven't thought that through with them?

Mr Kopittke: Definitely. If you speak to Coles and Woolworths what has happened is they have actually nearly put all the butchers out of business. My understanding is that Coles and Woolworths will be removing butcher shops from their individual outlets in the shopping centres and they will be centrally producing and packaging meat. Coles and Woolworths have taken out the fruit guys, they have taken out the bakeries, and what happens is over time they will get their market dominance and start removing butchers from their stores. This is common knowledge. If you were to make some inquiries in Woolworths it is my understanding that they intend to exit in-store bakeries—so in-store butcher shops over the next couple of years. I am about free trade, but they have enough trading

hours, I believe, as it is. There are some specifics. The Gold Coast is a different area. Brisbane is a different area. In regional markets we are struggling with very high unemployment. I see the submission stated that there will be 954 full-time jobs created. I would suggest to you that that would be negated by the amount of small businesses that close or do not open.

CHAIR: I do not have any further questions for you. I am not sure about Steve.

Mr MINNIKIN: No, Michael, but thank you.

CHAIR: Thank you for speaking to us. Is there anything further you would like to add before we sign off?

Mr Kopittke: The other thing I thought was unusual, I thought perhaps the next step is to try to find out the health of small business in Queensland. It is a bit like the horse before the cart. Small business is struggling in Queensland and you need to know the state of small business. I thought it would have been part of this submission. Retail is only one section of small business. I would recommend to the government that they do an analysis of the health of small business in Queensland. Thank you for listening.

CHAIR: Thank you.

Mr MINNIKIN: Thank you.

CHAIR: The secretariat will be in touch with you about the proof of transcript. Thank you for your time today.

SMITH, Ms Debbie, Private capacity (via teleconference)

CHAIR: Debbie, my name is Peter Russo. I am the chair of the Finance and Administration Committee and the member for Sunnybank. Before I introduce the other committee member, I thank you for accommodating the committee and speaking to us earlier than scheduled. Also with me today is Mr Steve Minnikin, the member for Chatsworth. Would you like to make an opening statement to the committee? After that Steve and I will have some questions for you.

Ms Smith: I have a written statement, so I will read that or speak to that if you like. If does not go forever. Then I will email that to you.

I am the co-owner of the Northlands and Blue Mountain FoodWorks at Toowoomba and the Oakey FoodWorks. I have been in the independent supermarket industry for 21 years. I bought my first store in Allora, which is between Toowoomba and Warwick, in 1996 and sold it in 2015. My business partner and I bought two really rundown stores in Northlands and Blue Mountain in Toowoomba in 2008. We bought a clothes store in Oakey in 2012. Our stores are not large stores; they are approximately 700 square metres. Oakey is 500 square metres and Blue Mountain is 350 square metres. The average large supermarket like Coles is about 3,000 square metres.

The barriers to entry and operating independent supermarkets are high. Our current stockholding across the three stores is about \$700,000. Landlords require leases of at least three years, usually with directors as guarantors. Fit-outs are expensive due to the amount of refrigeration, computing and health and safety and food requirements. The range is from \$1,500 to \$2000 per square metre. Banks lend money for small business investment based on the business plan but secured by directors, bricks and mortar and guarantees. That is definitely my experience anyway. My husband and I have our houses on the line for my business, as does my business partner. The supply terms are generally seven to 17 days.

Consumers in competitive shopping environments demand reasonable pricing, a diverse range and fresh produce. Utilities costs are increasing exponentially. My electricity pricing per store is predicted to increase by \$1,200 a month in 2018. Currently we are paying around \$5,000 a month. Queensland independent retailers cannot offer the consumer the wholemeal solution, unlike the chain stores of Coles and Woolworths, which have company owned liquor outlets collocated with supermarkets and promoted in their catalogues. What I mean by that is if I happened to be in the industry in Victoria, I could offer—no matter the size of my business—the consumer the wholemeal solution. I cannot do that in Queensland. Our Toowoomba stores were the only stores in North Toowoomba when we committed to borrowing \$750,000 to upgrade them to make a modern supermarket offer. We also committed to diversify our small convenience store by buying a neighbouring post office to maintain a post office in Harlaxton—which is a very low socioeconomic area—that looked like it was going to lose its post office and to improve the customer offer.

In 2012-13 the Toowoomba Regional Council approved a change to the town plan to allow a shopping centre—which includes the largest Coles west of the Great Divide and an ALDI and numerous speciality shops—to be built 800 metres away from Northlands and 1.2 kilometres away from Blue Mountain. The impact of that for us was that Northlands is down 35 per cent in turnover, the gross profit was down five per cent and the loss of jobs was 20, or about 350 hours per week. Blue Mountain was down 30 per cent in turnover, 3.5 per cent in profit and four jobs were lost, or about 100 hours per week.

The business strategy to help combat the extra pressure has been to open extra hours at both stores. Northlands extended its hours from 6 am to 11 pm. We did try 6 am to midnight, but we felt that particularly in Toowoomba in winter it was a bit unattractive, so we brought it back to 11 pm seven days a week. Blue Mountain is 6 am to 7.30 pm. The post office is the only seven-day-a-week post office in Toowoomba. Seven am to 8 am seven days are good trading hours for us. Coles cannot open, and I know that it has recommended that they open at 7 as per the recommendation. I am here to tell you that that is going to have a very detrimental effect on us, particularly if we do not get any lead-in. An increase in Coles' trading hours will impact significantly on our business, reducing staff rosters by 15 hours per week, and an increase after 5 on Saturday and Sunday will also threaten staff hours and the businesses' overall viability. We have cut the business costs as much as we can. My business partner and I both work in excess of 90 hours per week.

While this is a personal plea for our business, I would also like to describe the role that we provide to our community and that the chains do not do, because I do not want you to think that this is all about Debbie Smith really, because I do not actually fundamentally believe that it is. We currently employ five school-based trainees. Woolworths and Coles are big corporates. When we stop being around, the schools will struggle to find positions for retail trainees because the schools come directly

to us. We donate in kind and in money to our local schools and clubs. We provide—and no Coles or Woolworths could do this—low-income assistance vouchers through St Vincent de Paul and other charitable organisations. People go to St Vincent de Paul when they are having a really rough trot. They get an \$80 or \$100 voucher. They come in here and they are allowed to spend it on everything that is basic food—no confectionery, no soft drinks, no tobacco—and we police all of that. At the end of the month we send that account to St Vincent de Paul. We believe that is a vital part we play in our community, which actually does have a bit of a low socioeconomic uptake. We take phone orders and deliver groceries free to the elderly or disabled. We also have an online offer, but old people do not like to go online and put their credit cards online to pay for their groceries. A lot of them are not confident in that. Our old people—and we have at least 20 a week—use this and we do not charge them for it.

We allow local schools and sporting associations to have monthly accounts for their organisations. I know it is a bit of an old-fashioned thing, but if you are a local footy club it is not easy for you to get a credit card. How do you run your canteen if the local shop will not let you buy the Coke for your canteen? By giving you an account it is a really effective way for them to help their club. We buy from local farmers and suppliers and we give them the scope to succeed. We regularly sponsor work experience students. That means that there are kids at school who do not know what they want to do, and the school comes directly to us and asks us if we can take one or two. It gives those kids their first introduction to the workplace. We also take kids who are struggling at school to give them some sort of experience of what it is like to be in a normal workplace, and we have two of those kids at the moment.

I believe that the independent grocery industry is vital to a vibrant entrepreneurial economy. We are the channel that gives innovative producers a launching pad for success. I have spoken to the lady who started Carman's Muesli and Carman's Muesli Bars, and she would not have got started if it was not for independents. She got into IGA and small shops first. She is a huge success now because she is in Coles and Woolworths, but she never would have had that success without the independents. What I am saying is that the stroke of a pen by the government to say that the majors will open at 7 instead of 8 will not be a huge advantage to the consumer or to Coles and Woolworths, quite frankly, and not a particularly huge advantage to their staff because they will just burn out. There will be fewer people working at different times to fill in that hour because the amount of business they will get from it will not actually justify the extra wage. They actually already have people in their stores. They have people in their deli filling and it is just that the doors are open, but it will have a huge impact on us. I am asking you to consider that and to consider what impact it will have on the independent grocery industry and a vibrant Queensland economy.

CHAIR: You mentioned that you have stores in different areas. Have you had any contact with other retailers in those areas who perhaps share your view or who have a different view?

Ms Smith: I have been in independent retail for the last 21 years and I know many independent retailers. I talk to many of them on a regular basis. As far as our industry is concerned, I have taken a bit of a mentoring role. You get a lot of change in small supermarkets because it is really quite often the first business that someone can go into, and I have helped a lot of those people. The impact of the great plethora and increased numbers of Coles and Woolworths in regional and metropolitan areas has had a detrimental effect on our industry. I have also spoken at length to SPAR and IGA retailers and SPAR wholesale and Metcash wholesale after the SEQ matter, the opening up of trading hours in Brisbane. SPAR is down 10 per cent on Saturdays and five per cent overall. Metcash is also down. I think Metcash is 10 and five. SPAR is 10 per cent overall and 20 per cent on a Saturday because they are smaller stores. Those guys have got really tiny stores. The thing is a lot of them are just working themselves and it is their job. They eat out of the business and they live out of the business. They are doing so not because necessarily they want to work 80 or 90 hours a week, but that is the way it is when you have such a big number of Coles and Woolworths in every neighbourhood.

When I first bought these stores in Toowoomba in 2008 there were five major shopping centres. I know life goes past fairly quickly, but 2008 is not that long ago. There are now 10 and they are building another two. While the Toowoomba region has grown, it has not doubled. We have had a large number of smaller stores and independent stores close down as a result of the fact that the Coles or Woolworths is the new milk bar in Toowoomba because there is one on every bleeding corner.

Mr MINNIKIN: You mentioned before with your verbal report that, unlike Victoria, you cannot offer the complete meal. What did you mean by that exactly? Do you mean wine, or something, to accompany a packaged meal?

Ms Smith: I cannot sell alcohol. The Queensland Liquor Act prohibits alcohol from being sold inside supermarkets. The only people who can sell liquor are those people who own a hotel. In 1989—as I said, I have been around for a long time—when the industry joined hands with Coles and Woolworths and many others to try to get an opening of the Liquor Act in Queensland—

Mr MINNIKIN: Similar to New South Wales, ACT and Victoria et cetera?

Ms Smith: Very similar. It was a big industry initiative and we thought we nearly had it. I have the historical documents of how a detailed submission was put in and we really thought that the government was going to change their mind and at the last minute they decided not to. They decided not to on the basis that they wanted to protect country pubs and country infrastructure. So they said that you can have a licensed bottle shop—five of them—within 10 kilometres if you owned a hotel. Six weeks later, Coles bought Stewart's hotel at Alexandra Headland and since then Coles and Woolworths have bought up all the hotels to the point where a hotel might make a profit of \$100,000. So if you brought it on the open market as a business for that hotel, it is probably worth only \$300,000 or \$400,000. Now, they are worth millions because of the value of the off-licence bottle shop.

You guys, I am sure, know shopping centres very well. There is a BWS, or a Liquorland, or a Dan Murphy's, or a First Choice right near every Coles or Woolworths supermarket. On the front page of your Coles or your Woolworths supermarket catalogue you will have baked beans or Kellogg's Corn Flakes, or chickens or grapes. On the back page you will have XXXX, or wine. Twenty-five per cent of those wines that are sold by Dan Murphy's, or the equivalent, are all private labels that are owned by Woolworths. Sixty-five per cent of that 25 per cent is actually imported wine, mostly from New Zealand. We are not doing our consumers or our producers any favours by this liquor law.

Mr MINNIKIN: Debbie, I am not trying to talk over the top of you, but I am just very conscious of the time that we have left with you. My last comment is, do you believe that the independents like your FoodWorks, IGAs et cetera would welcome the opportunity to be able to sell packaged liquor similar to what they can do in other southern states and territories?

Ms Smith: It would absolutely make a huge difference to our business and would justify the fact that we had lost so much of our trading hours. It is about 30 per cent of the grocery industry in Victoria.

Mr MINNIKIN: To offset the extra trading hours that maybe the majors can capitalise on, you think that if you could sell packaged liquor it might to a degree—to a degree—level the playing field a little bit?

Ms Smith: Yes, it would absolutely assist us.

Mr MINNIKIN: Okay. Thank you.

CHAIR: Thank you, Debbie. I do not have any further questions. I thank you for participating today. The secretariat will be in touch with you regarding the proof of transcript. Debbie, can I ask you to ensure that you email your statement that you referred to to the secretariat, please?

Ms Smith: I will do that straightaway.

CHAIR: Thank you very much.

Ms Smith: Thank you for your assistance and your consideration.

IRELAND, Mr Richard, Joint Managing Director, Ireland's Motors, Cairns (via teleconference)

CHAIR: Richard, my name is Peter Russo. I am the chair of the Finance and Administration Committee and also the member for Sunnybank. With me is Steve Minnikin, the member for Chatsworth. I would like to welcome you, Richard. I understand that you are the managing director of Ireland Holden in Cairns. Thank you, Richard, for appearing before the committee today. I invite you to make an opening statement, after which Steve and I will have some questions for you.

Mr Ireland: Sure. I have written to the committee previously. Do you have that?

CHAIR: Yes, I have your submission.

Mr Ireland: I would simply restate the things that we have said in there in that the current trading hours are acceptable to the industry and, we believe, to consumers alike. They currently assist us in attracting quality employees. From what I have seen in other areas, the demographic of the employee as an end result of seven-day trading is nowhere near as good as the quality and the calibre of the people who we are able to employ under a 5½ day trading regime. We also have a lot of employees coming to us out of the hospitality industry because of the better trading hours that they perceive and the better life balance that we can offer in terms of employment with us. We have a really stable workforce because of that.

One of the problems that we have seen in other areas that have seven-day trading is that there is a constant churn, mainly because of people burning out and not being able to have family time and that sort of thing. The reality, I believe, in our area as well as other areas is that a lot of consumers prefer to have a look around and be able to look through stock and that sort of thing in a period of time when the dealership is not open. That is possible on a Sunday here.

A few years ago there was a dealer who attempted to open on Saturday afternoons. He was fresh to town. Within a few weeks he gave up and just committed to the 5½ days as everyone else was because there was just no traffic and no interest from people in turning up. It simply drove up his expenses.

In terms of expenses, at the moment in the industry, it is more critical than ever. I do not know whether you are aware of the current circumstances that the motor vehicle retail industry is going through, but there are quite a few regulation changes happening through ASIC in terms of the lenders and the insurance companies for the products that we provide with vehicles. As pretty much a direct result of that, revenue from finance and insurance products for our dealership has fallen by 48 per cent on a year-on-year basis. Vehicle sales have fallen, because it is more difficult for people to get loans now than it was before. Vehicle sales have fallen by about 13½ per cent in new cars and about nine per cent in used cars. The overall net profit for dealerships throughout the state has also fallen. In our case, it has fallen by about 92 per cent a year to date. So there is a fair bit of hurt out there in both metro and regional dealerships. Taking trading hours to a longer period would simply exacerbate that and, I think, in a lot of cases could send dealers broke.

The argument will be that dealers do not need to open for the longer hours, but at some stage there will be a dealer within the marketing area who decides to open and that will cause, through competition, a need for everyone to open and it is simply going to drive up expenses with no real net benefit to consumers. We will not sell any more cars. It will just cost a lot more to do it.

My very strong position would be the same as what the Motor Trades Association has said and that is a recommendation that, in terms of our sector, the motor vehicle sector, the bill is amended to provide for the retention of 1990 trading hours, as they were last amended, I think, in 2010, I think it was—sorry, 27 October, 2016. So I guess that is our position.

CHAIR: Richard, in relation to your salespeople, I think you said that you employ 55 people. How many of those are sales?

Mr Ireland: No, we employ 160 people in Cairns.

CHAIR: How many of them are sales?

Mr Ireland: Sales? We would have—I am giving you a guesstimate here—we would have about 25 to 30 people who would be in the motor vehicle retail sales area and that would include salespeople, sales managers and executives who sell the finance and insurance.

CHAIR: In relation to your salespeople, have you asked them how they feel about having to work seven days a week?

Mr Ireland: I did. They are terrified of it. They really do not want it. We have said to our staff that we do not intend to open but, of course, the reality is that if competition opens, then it is a problem.

CHAIR: Some of the evidence that we have received today is that, when you do your agreements with your suppliers, because you sell—

Mr Ireland: We can end up being required to open to the trading hours, yes, and that is a danger. Under the franchise agreements, they have the opportunity to tell dealers that they have to be open. It is a little bit like a situation of a person trading within a shopping centre. They have no choice. At the end of the day, motor dealers can be in the same position.

CHAIR: I notice in your submission that you pay overtime. Is that a standard industry norm, or is it just something that you do?

Mr Ireland: No, it is something that we do. The structure of the commission payments are that we pay overtime and if they work more time than what they receive in commission, we will pay the additional. Every now and then there is the local show. We will have a boating and caravan, or car exposition at the showgrounds. If that is on a Saturday afternoon or a Sunday, we pay the additional time for that as well at overtime rates on top of commission.

CHAIR: That is not the norm across the industry, is it?

Mr Ireland: I do not think it is, no, but at the end of the day, if dealers are not paying overtime and their commission is paid in lieu, then, certainly, people are not going to earn any more, because the commission will not go up. We will not be selling any more cars. The evidence at the moment in the industry is that vehicle sales are trending down and have been since about 2015.

CHAIR: Has the mining industry slowdown, or downturn, affected it?

Mr Ireland: Not so much in Cairns. That is certainly a factor in Mackay and Townsville. I should note also that I am the President of the regional Holden dealers association for Queensland and I am also on the Mitsubishi National Dealer Council, representing regional Queensland dealers on the national body, so I am aware of what the factors are in other areas. Mostly the mining effects are in the Townsville region, down through the Bowen Basin and in the Mackay region. Cairns has been in a slump for about 12 years, since about 2006-07 and the GFC. We have never really come out of that because we have had no construction. The only non-government construction that has occurred in Cairns in that whole time, in the past 12 years, has been a project that is currently being built, the Cairns aquarium. Apart from that, the only building that has occurred has been extensions of existing facilities for shopping centres and so on or for state government or local government built buildings. The construction industry here has been zero. That has been the primary issue with the Cairns economy over the past 12 years. There has just been no construction.

We are doing well in tourism now, but the tourism industry typically does not spend local. It is an industry that employs a lot of young transient people who do not invest, buy property or build anything. They do not even buy cars because they do not need them, bless them. The owners of those tourism-type properties, the hotels and so on, are not from Cairns, so at the end of the day tourism profits tend to go out of town. The tourism industry can be absolutely flying with full employment, but at the end of the day it is virtually spinning wheels in the economy unless you get some construction around it as well.

Mr MINNIKIN: Richard, I have one question. I am referring to the first page of your submission. In the last paragraph you state—

A survey was undertaken to ascertain the contemporary view of the Association's motor vehicle sector membership on trading hours for the purpose of this submission. It indicated 90% support for the retention of the existing Vehicle Order.

Is that an MTAQ survey?

Mr Ireland: Yes, it is. I am referring to the MTAQ survey. I received the information from the MTAQ in that regard.

Mr MINNIKIN: How large was that MTAQ survey?

Mr Ireland: My understanding is that it was all of their members throughout the state.

Mr MINNIKIN: That is about 60,000 or something?

Mr Ireland: No, it would be dealerships; it would be the number of dealerships.

Mr MINNIKIN: There are 1,022 motor vehicle dealers.

Mr Ireland: Yes, but they will not all be members. I could not tell you the extent of it. In addition to that, in preparation for my submission I sought the views of the Mitsubishi and Holden dealers throughout the state. I did not get any response in favour of extending trading hours. All of the responses I got were against.

Mr MINNIKIN: Thank you.

CHAIR: Thank you, Richard. That concludes this part of the proceedings. The secretariat will be in touch with you regarding the transcript of today's hearing. Thank you for your time.

BURGE, Mr Michael, Lamberts Produce, Townsville (via teleconference)

CHAIR: Hello, Michael. My name is Peter Russo. I am the chair of the Finance and Administration Committee and the member for Sunnybank. With me here today is Steve Minnikin, the member for Chatsworth.

Mr Burge: What is the topic of conversation today? Is this the state government committee?

CHAIR: Yes, it is the state government parliamentary committee and it is about the trading hours

Mr Burge: And we are discussing changes to all trading hours or Sunday hours in particular?

CHAIR: Basically, the changes to the trading hours as proposed under the bill. In summary, it is about extending trading hours for certain businesses.

Mr Burge: Which includes retail. I have a store in Charters Towers. FoodWorks has asked me to sit in on an interview with the committee and throw a few ideas at you guys. Presently, we are one of two in Charters Towers. We have a Woolworths in Charters Towers. We trade seven days a week; they trade six days a week. We have a payroll of approximately \$30,000 a week. We employ 56 people ranging from small school kids right up to adults. As I understand it, if we were to lose our Sunday trade, we would probably have to shed 25 per cent of that staff. I guess my reasoning in Charters Towers is that I do not see those wages or those jobs being picked up by Woolworths. I see it as a net loss of work; a net loss of income for the town, which probably like most regional towns in Queensland is struggling at the moment with the mining downturn. It is probably just another thing we can do without dealing with right now, right across regional Queensland.

We have seen a fair bit of decentralisation. We are losing services, whether it be rail, hospitals, NORQEB. I paid my power bill only today. It was \$18,500 for the month. We do not have a NORQEB Energex representative actually living in Charters Towers. We have a metre reader who comes around. I guess he is employed by Energex. My point is that a lot of these regional communities are being affected by things similar to trading hours and it is hurting the local economies. I guess that is basically where I come from and where I sit on it.

CHAIR: Michael, in relation to the electricity account that you just referred to, is that purely for the store in Charters Towers?

Mr Burge: Yes, that is one store in Charters Towers. I can tell you now that three years ago that power bill was 25 per cent less. We are in a position in Charters Towers where we cannot tender our power, because of the distance we are from the mainstream. We are 136 kilometres west of Townsville. I have another business in Townsville where we can tender our power. We are probably paying double the amount per kilowatt for power in Charters Towers than we pay in Townsville, which is 136 kilometres away. Just so you understand, we have taken a lot of preventive actions in terms of power.

CHAIR: Michael, I need to bring you back to the topic. You said you have a business in Townsville. Is that an independent supermarket?

Mr Burge: It is not a supermarket. It is a fruit and meat barn. We trade seven days a week. We face fairly stiff competition in Townsville. Obviously in Townsville trading hours have been fully deregulated for the past two years. Prior to that, there was minor deregulation. We trade in that environment in Townsville.

CHAIR: Is the business that you are referring to Lamberts Produce?

Mr Burge: That is Lamberts Produce, yes.

CHAIR: Whereabouts are you situated in Townsville?

Mr Burge: We are situated in Rendle Street, Aitkenvale.

CHAIR: Are any of the big players situated close to where your store is in Townsville?

Mr Burge: Stockland is probably three kilometres away, but that is a different type of thing. Stockland is a shopping centre and obviously has a different demographic to where we go. We are more a destination. We are actually in an industrial area, so we are a destination. We are not directly competing with supermarkets in Townsville, because we are only doing meat and fruit. We are more seen as a fresh alternative, I guess you would say. We do not sell groceries at all.

CHAIR: Do you have any idea where your customers come from? Do they come from further afield than just Townsville itself?

Mr Burge: Basically, we are from Townsville. We draw from most areas of Townsville. We do get some from Ingham and a few from Ayr, but most of those guys are pretty well represented where they are. They have an independent and they have either a Coles or a Woolworths, depending on the population. We advertise heavily on the TV and in the paper, but we do not draw that many people from outside. I think possibly it is fuel prices and, like I said before, just the economic situation at the moment. People do not have a lot of excess money. North Queensland is in that situation, so they will not drive. Probably three or four years ago, if they had the money they would have jumped in the car and driven from, say, Ingham to Townsville or maybe from Charters Towers to Townsville, but I just do not see them driving at the moment. I think there is a bit of a disconnect there, because a lot of people cannot afford it.

CHAIR: Michael, from what you have just told the committee, trading hours say for the big three would not impact on your business in Townsville?

Mr Burge: Any increase in trading hours in Townsville will impact on us, because the more hours that the big three are open will obviously take turnover away from us. Basically, it has been seen in the south-east corner when that decision came down in December. I am a FoodWorks and I talk to other guys in FoodWorks. I think it is generally accepted that most of those guys dropped 30 per cent in turnover as a result of that. Basically, what happens is that when you talk to somebody and they get competition in the seven-day trade situation, they lose 50 per cent of their Sunday trade and normally around about 33 per cent of their Saturday trade. That is sort of a given or the nominal figure that they work with. Any increase in trading hours, any more competition from the big three—

CHAIR: Michael, is Lamberts Produce linked to one of the independents such as FoodWorks?

Mr Burge: No, it is totally independent.

CHAIR: And your store in Charters Towers is a FoodWorks store?

Mr Burge: Yes, it is a FoodWorks store.

CHAIR: As a proposition, if you were able to sell alcohol in your FoodWorks store in Charters Towers, do you think that would make you competitive with the big supermarket in your area?

Mr Burge: We always work on convenience. Certainly it would make us a little more convenient. You have to understand, too, that there are three bottle drive-ins in Charters Towers. They are local businesses and they will be affected indirectly or directly by us selling alcohol. In our situation, say we serve 9,000 customers a week, if one-in-20 is the conversion rate onto alcohol purchases and the average alcohol purchase is \$28, do the sums. If 2,500 people are going to buy alcohol off us at an average of \$25, that is \$60,000 a week that will have to come from somewhere, so it will come from the other businesses in town.

Is alcohol seriously on the agenda? It has been something that has been bandied around for a long time, but I always assumed that it was non-negotiable in Queensland.

CHAIR: When you ask if it is on the agenda, probably the answer is no, it is not on the agenda, but it has been brought up in evidence by other independent stallholders.

Mr Burge: As a trade off? Are they using it as an argument against deregulation? I guess most Woolworths have a BWS right next door to them, so the minute they go seven days they will obviously take a chunk of that alcohol market too on a Sunday, won't they.

CHAIR: Thank you, Michael. Steve does not have any questions for you. The committee will be in touch with you in relation to the proof transcript. Is there anything that you would like to add before we sign off?

Mr Burge: No, that is all good. My main concern is the decentralisation and the loss of jobs in a place such as Charters Towers. It is already struggling, like towns right across North Queensland. I speak for Yungaburra, Magnetic Island and all the other FoodWorks across North Queensland.

CHAIR: Thank you, Michael.

ARSENIC, Ms Louise, Private capacity (via teleconference)

KATTER MP, Mr Robbie, Member for Mt Isa(via teleconference)

COGHLAN, Ms Kim, Electorate Officer, Mt Isa Electorate Office (via teleconference)

MACRAE, Mrs Peta, Private capacity(via teleconference)

Mr MINNIKIN: Just for our benefit, Robbie, could you give us the backgrounds of Peta, Louise and Robert.

Mr Katter: That is a really good question. When Coles and Woolies put an application in a year or two ago, I went and advised Peta Macrae, who owns one of four or five newsagencies in Mount Isa, and said be aware of the threat of this to your business and she became very motivated then. She is a councillor now in the Mount Isa City Council. The other one is Bob Burrow who owns a convenience store in town. The other one, they have recently bought the butcher's shop near Peta Macrae's newsagency.

Mr MINNIKIN: That is Louise?

Mr Katter: Yes. They are just a cross-section of small shop owners in Mount Isa that see themselves as competition to Coles, Woolies and K-Mart. I will try to give you a quick background. About a year or two ago, it was either Coles or Woolies, I can't remember which one, put an application in to extend the trading hours and we arced up, all the smaller shops in town. The chamber of commerce did a survey, which will be thrown around, that said their members were in favour of it by a slight majority. I wanted to bring that up first. It does not really help my argument. I put on record that the chamber of commerce are seen as more representative of the mining industry and are made up of large contractors, a lot of them who don't even live in Mount Isa. That could probably be used and come before you as evidence and I just want to make you aware of the background of that. Subsequently I ran into a lot of small business people around town who were very unhappy with the position of the chamber of commerce. You might think it is odd that the chamber was one of the very few in regional Queensland that backed the seven-day trade in a non-tourist area.

My main point is that the big businesses in town, Coles, Woolies, Bunnings, are slowly encroaching on all the other retail activity. I think Mount Isa is a really good microcosm of what happens in the retail market. We have all these small traders under threat. They are terrific contributors and are great examples, the people who are on the phone, Peta Macrae, and Bob Burrow. They are involved in a lot of community things. They dedicate a lot of their money to sponsor a lot of things. When I was giving evidence in the last one of these hearings I challenged Coles and Woolworths and asked what they gave to Mount Isa because they are the biggest businesses in town and they bragged about a \$40,000 nationwide regional project. That is \$40,000 spread across Australia that was funded by the shoppers in Woolworths, it was not even funded by their profits. That was the sort of lightweight argument that they were putting up against what they contribute to the local community. I would argue bugger all. The actual workers themselves contribute things. They do some community stuff, but for the size of the business they contribute, I would say, relatively nothing to the town yet they take so much of the profit. The Woolworths store itself in Mount Isa is one of the ugliest buildings in the CBD. It shows they are not interested in reinvesting back in the region. They take whatever retail trade they can.

The small convenience stores play a very vital role in Mount Isa in that we have got problems with a lot of Aboriginal kids being malnourished, not fed and not being looked after well. They will get hold of some money and run to the corner shop to get food and feed themselves. If the financial integrity of those corner stores dies and they fall over those kids lose that option to walk to the corner store. They are not going to walk three or four kilometres into town to Woolworths for a feed. They may be forced to, but a lot of people don't have that luxury. We have got a lot of old people that can get personal service from these convenience stores. They are the sorts of things that will be lost. I can speak with some authority on this. I was a valuer in Mount Isa for 10 years and I valued a number of the convenience stores. There is not a lot of margin in them to play around with. That Sunday or Saturday where they have dominance in that trading time, that is when they make their good money that keeps them alive and keeps them viable. You deny them that and make them compete with Coles and Woolworths on Saturday and Sunday, there is no question that it is just a matter of time as to when they will shut down. You cannot put faith in customer loyalty—you just have better brands or boutique style shops. That has not worked in anything I am aware of in Mount Isa.

My opinion is the people who complain about convenience in Mount Isa will never stop complaining until they have 24-hour access to shopping. The argument about shiftwork in Mount Isa is really baseless. In fact, the argument about shiftwork is actually more an argument for not having seven-day trade or extended trading hours because it is usually a four-day shift for most of the people who live in town—four on, four off. If you can't do your shopping in four days there is something wrong with you. Even on a Sunday I am not inconvenienced. I go to the corner shop up the road if I have forgotten to buy bread or milk or whatever else. The argument against convenience is ridiculous.

The argument about tourism in Mount Isa is ridiculous. There are already shops open on a Saturday and Sunday in Mount Isa. If you did agree that there would be some slight increase in trade in some of the other shops peripheral to the Coles and Woolworths outlets, it would be so small and it certainly would not outweigh the negative benefits you have to the retail shopping experience. I can speak with authority about the Mount Isa area, but I would say the same applies in many other non-tourism areas of Queensland, but if you let Coles and Woolworths have their way we will just have four shopfronts to visit in Mount Isa, which is already happening now. Your SportsPowers are compromised, all these other stores, because of the encroachment of market share from K-Mart and Bunnings. All those other small operators are getting pushed out of the market. Some of them are very good operators. I say back to people who want extended trading hours be careful what you wish for because you will look into the future in five or 10 years time and you will have four bulky looking warehouses to buy your goods from and see how much you like it then. When you go to get sponsorship for your kid's soccer team see how you go because they are not giving any money to the local community. They are my main points and I thank you for your time.

In closing, I would say I am very bitterly opposed to these changes. I think they would be extremely detrimental to our community fabric and what is worse is I think it is strangling these businesses by stealth. It would be a slow strangulation to death of these small businesses in town that play a vital role in the community, in sponsorship, in helping elderly people with their shopping—in some cases driving groceries to the house or helping them get to their car and giving them that personal service—and access to the lower socio-economic families where kids have that accessibility to corner stores so that they can walk down there and still feed themselves if they are in trouble. Thank you very much for your time.

Mr MINNIKIN: Thank you, Robbie, and good afternoon to Peta as well.

Ms Macrae: Good afternoon, everyone. I apologise for being late.

Mr Katter: Mr Chair, you do not need me any longer, do you?

Mr MINNIKIN: We will not keep you long. Mr Chair, if you do not mind I might just raise something. Peta, you have a few newsagencies in Mount Isa; is that correct?

Ms Macrae: No, I just have the one and it does open on a Sunday, but that is really not my primary concern. I am here representing myself in that position and also other small businesses in that area as well.

Mr MINNIKIN: Sure. Bob Burrow is not here yet? He has not signed on yet, has he?

Ms Macrae: No, Bob is actually overseas but I only found that out this morning, and I think Louise is on her way down. She has been caught up.

Mr MINNIKIN: Not a problem. Robbie, as valuer to valuer—the two valuers in the Queensland parliament currently—I understand exactly where it is you are coming from. It will not surprise you to learn that we have received submissions from some of the smaller retailers, particularly in different geographic locations. We all know that no two towns or cities are the same. There is something I would float past you, and I know this might be a bit vexed with Mount Isa with some of the specific issues that surface in Mount Isa, but there have been some comments in relation to the possible extension of the big box majors Woolworths and Coles on the Sundays but to assist the small independent supermarket chains. I am not talking about your butcher, your baker and your newsagent, but typically your FoodWorks and IGAs, small little convenience stores like that. At the moment, as you would be aware, they are prohibited from selling packaged alcohol—unlike New South Wales, Victoria, ACT et cetera—to give them in theory some kind of fighting chance. If they were able to at least do that, it might offset some of the extra competition from extended trading hours. There are, of course, other issues from a social policy perspective that would need to be ascertained and looked at, but do you or Peta have any thoughts? That is outside the scope of this committee but it is something that has been raised.

Ms Macrae: I am only just hearing this for the first time, but my initial response is I am fighting to keep all businesses viable, and I think that once you take something off one and give it to another it will then have a flow-on effect for those businesses. Particularly in Mount Isa with the issues that we have I would not like to see that myself personally.

Mr Katter: Yes, I think it is an excellent example of lateral thinking and I think it is a good idea, but I would be very sceptical of it in how I would see that playing out. We know that Coles and Woolworths tried very hard to get into the alcohol trade, and they did a very good job of it by going in sideways when they bought out all the pubs and started the Dan Murphy's and BWSs and all of that. You could see if they are not allowed to sell on the shelves it could be they buy out the IGAs or whatever. If you gave a licence to the smaller and medium sized ones then that might be their way to get their toehold in the market too. That is what I would be worried about. Then we might send some of the pubs in town broke, and this is just in Mount Isa. I am not sure how that dynamic would play out in the bigger centres because we do not have Dan Murphy's and BWS yet in Mount Isa. You could compromise those pubs in Mount Isa and end up with whatever medium sized trader has been bought out by Coles to sell their grog anyway. I would just be a little bit worried about that. My main concern is expanding the market share of Coles and Woolworths, which is already unhealthy in my opinion.

CHAIR: Robbie, your supermarkets in Mount Isa—and pardon my ignorance—do not have adjoining bottle shops?

Ms Macrae: No.

Mr Katter: No

CHAIR: Separate to the hotels in Mount Isa are there stand-alone bottle shops run by anybody?

Mr Katter: Sort of. There is Buffs Club and an Irish club, but they are really pubs effectively. I do not think there really is, is there, Peta?

Ms Macrae: I cannot think of any, no. We have that one big bottle shop but it is actually owned by 'The Isa'.

Mr Katter: No, we do not, is the short answer.

Mr MINNIKIN: The train of thought was, as you can appreciate, we have received submissions from all over Queensland and it was just something that has been raised. Some are used to having Woolworths and Coles with their Dan Murphy's and their First Choice et cetera, which is the norm in a lot of other parts of Queensland. It was just a suggestion in relation to some of the smaller independent supermarket chains like FoodWorks and IGAs. If they could offer a complete meal including a limited range of whites and reds and that sort of thing, exactly what you see south of the border, it might give them a bit more of a chance to compete if there were extended trading hours and they were competing against with the big boxes, that was all.

Mr Katter: It could be a good idea. I would just need a bit more time to digest that. I like that it is a way of empowering the smaller guys and re-energising them, because I think that is where the real problems are in the market

CHAIR: Robbie, in your submission you mention that Walters IGA closed in 2014 'because of difficulties with their other businesses, not necessarily related to Mount Isa' and there has been the closure of major retail chains since 2014. You refer to Millers clothing, Mather shoes and a number of smaller gift shops, a baby goods shop, coffee shops, music shop, newsagency, pool shop et cetera. I will not read them all out unless you want me to. Do you think there are other reasons why these shops closed that are not dependent on—

Mr Katter: Yes, you are right. That is a good question, and a lot of that would have to do with the downturn in industry.

Ms Macrae: That is just a demonstration that Robbie is making of the difficulty of conducting a business—

CHAIR: Yes, in Mount Isa.

Ms Macrae: I think that if you give Coles and Woolworths more market share you are going to see more of those businesses close. The government at the moment is throwing a fortune into Youth Boost. I have picked up three girls that I am employing at the moment, and if you see more small businesses close that is just wasted money because there is going to be loss of employment in the towns. Coles and Woolies are not going to pick up those kids. They are going to put in automated checkouts.

Mr Katter: That is a good point.

Ms Macrae: Once you lose the small businesses that offer that employment then that is going to affect our prices, it is going to affect sponsorship and all the stuff that Robbie pointed out earlier. There are going to be flow-on effects.

Mr Katter: Peta, Mal, your husband, is he shiftwork or is he on the FIFO roster?

Ms Macrae: No, he works shiftwork.

Mr Katter: I was just saying before that you are more qualified to make a contribution on this than me, but I just think it is an absolute—

Ms Macrae: Yes, that was a very good point.

Mr Katter: Because everyone says it is because of shiftwork. That is one of the arguments that the Chamber of Commerce used, and I thought that was ridiculous. My hours would make it harder to shop in, not four days on and four days off for the majority of people, because it gives you four days to do your shopping.

Ms Macrae: Can I just make a point about the Chamber of Commerce. I am actually on the board of the Chamber of Commerce at the moment, and they conducted a survey prior to me being on that board. What they did was put a survey out to small businesses saying, 'Do you agree with seven-day trading?' That was what they left it at. A lady that owned the butcher's shop up the road said yes because she meant she wanted to open on a Sunday. It was not very well worded and a lot of people misunderstood the intention of what was asked, and that is why they got such skewed results. The whole shift thing does not bear any weight at all, as you said, Robbie.

Mr MINNIKIN: Peta, thank you for clarifying that because I was going to raise a question about that survey from the Chamber of Commerce. Robbie did the right thing and declared what that finding was in his opening comments which obviously goes against the grain of his submission and where you are coming from.

Ms Macrae: Yes. As I said, I am on the board of the Chamber of Commerce and I do speak to a lot of businesspeople. There are mixed views but, to be honest with you, the people that have some sort of interest in this are opposed to it. I guess the larger mining companies have employees saying they would like to be able to access cheaper groceries on a Sunday, and some of them may be in favour of it. They probably have a little bit more influence on the Chamber of Commerce because they are such big companies. But if you talk to your small mum-and-dad shops or business owners in town who actually support the community through sponsorship, you will probably get a different answer.

Mr MINNIKIN: How many people are on the Chamber of Commerce?

Ms Macrae: There are six of us on the board at the moment.

Mr MINNIKIN: How many people were surveyed; do you know? I know it was done just before you arrived, but do you know how many people were surveyed?

Ms Macrae: I was on the Chamber of Commerce then, I just was not on the board. I have a feeling there were 300 to 400 people surveyed. From memory it was only just over 50 per cent who voted for seven-day trading.

Mr MINNIKIN: A very slight majority.

Ms Macrae: Yes, that was my understanding from back then. I am just pulling this from my memory. But when you actually look at the questions they were very unclear, and I think that a lot of people did not really understand how they were answering the questions and what the implications were.

Mr Katter: I forget whether it is Coles or Woolies, but they did an appalling job of trying to prosecute their argument in the last hearing, because the foundation of their argument was that Mount Isa was booming when, like, for the six or 12 months prior all the newspaper has been saying is, 'How do we stop the downturn?' and you have people crying that the shops are closing and all the houses are vacant. This guy flew in from Melbourne and the spearhead of their argument was, 'Don't you realise that you need this because the town is expanding?' which just shows you how little these people who were pushing it really knew the town. I thought it was really worth mentioning that no-one consulted the community. No-one went to the Chamber of Commerce or the city council and asked, 'Would you guys like seven-day trading?' They just put the application in and drove it from that point, which I think speaks volumes. It was never driven by the community or driven by a desire from anyone in Mount Isa. It was remote offices in Sydney or Melbourne that put that last application in, and they did it without any consultation whatsoever with the community through the whole process.

Ms Macrae: I think what they used was an advertising brochure from Mount Isa City Council during the boom, and of course every town puts out a publication that is going to sell their town. They are not going to say, 'We are in the middle of a downturn and businesses are closing.'

Mr Katter: I am not trying to run them down deliberately, but it really was surprising how quick they were to prosecute their arguments properly and just how little effort they put into at least talking to anyone in town to get their arguments right. That is just a bit of background.

Mr MINNIKIN: How many Coles and Woolworths, big box retailers, are in Mount Isa? I know there are the two companies, but how many physical Coles or Woolworths are there?

Mr Katter: Two Woolliest and one Coles.

Mr MINNIKIN: Are there any ALDIs? Are they out there yet, or not?

Mr Katter: No. I do not think you would have room for anything more. IGA had a shot and fell over.

Mr MINNIKIN: That was the Walters.

Mr Katter: The Walters, yes. You would be pretty game to have another go. In fact, I sort of thought there was an opportunity because the building has been vacant for a long time. I spoke to a few people but I thought with the numbers there is no way. You would get smashed by Coles and Woolies trying to start something up from that. That was even trying to get the rent at half of what they had been paying.

Ms Macrae: Louise Arsenic has just joined us.

CHAIR: Hello, Louise. My name is Peter Russo; I am the chair of the Finance and Administration Committee. With me is Steve Minnikin, the member for Chatsworth.

Mr MINNIKIN: Louise, you have the butchery; correct?

Ms Arsenic: Correct, yes.

Mr MINNIKIN: Just the one setup?

Ms Arsenic: We are new business owners. We have only been in there for eight months.

Mr MINNIKIN: And your views on extended trade, potentially?

Ms Arsenic: I think the bottom line is that Sunday trading would mean for us a loss of sales and profit. I think the emotional, mental and financial stress that this would put on our family to sustain an income, we would definitely foresee probably a closure of the business, which would mean losing our home, assets, probably having to leave town to recoup the costs. We are raising young teenage daughters who are in their crucial senior years of schooling, so it would be a huge impact. My husband runs the business. We employ staff. So that would affect their partners and their families.

CHAIR: Louise, it is Peter Russo, the chair, here. How many staff do you employ?

Ms Arsenic: We have five at the moment and we also have just the local lady who makes sauces and chutneys for us. So I suppose five and a bit.

CHAIR: Are all the people who work for you qualified butchers?

Ms Arsenic: Yes, a couple of qualified butchers and we also have a young apprentice and we are looking at taking on another young apprentice.

CHAIR: The butchers and the young apprentice, they are all locals?

Ms Arsenic: They are. Everyone is a local, yes.

CHAIR: Robbie, your submission is fairly forceful and we also have the chamber of commerce submission. From reading your submission, am I right in saying that there are two independent stores in the south of the city centre, or one?

Mr Katter: Are you talking about little corner stores or medium sized stores?

CHAIR: I am just trying to get my head around how many good convenience stores—

Mr MINNIKIN: Bread, milk, the usual pick-up stuff.

Ms Macrae: There are four.

CHAIR: Are there two in the heart of Mount Isa?

Mr Katter: They are mostly fairly well placed all around the place. There are not too many in the heart. In fact, there is a bit of a deficit of corner stores in the heart of the city.

Ms Coghlan: Probably the one closest to the city, Robbie, would be Pamela Street. That would be Collings convenience store.

Mr Katter: Yes, but if you are in the city, it is pretty easy to find a park.

Mr MINNIKIN: Is that where Playtime used to be for the clothes?

Mr Katter: That is Woolies. That is right near Playtime.

CHAIR: Does anyone have any further information that they would like to pass on to the committee, because I do not have any more questions for anyone?

Mr Katter: If I could leave with one point from my end? I am pretty against this stuff everywhere, but Mount Isa especially. We are trying to have a diverse community so you have small business owners and shop owners and people like that trying to hold it altogether. Coles and Woolies—not the workers themselves; they are good people—those businesses contribute nothing to the town and they are sucking up all of the retail trade progressively more and more. BCF, Bunnings, Coles and Woolies are getting bigger and bigger. All of that opportunity for the small business owner is evaporating. We are trying so hard to hold it all together now. Coles and Woolies do not need any help. No-one in the community needs this.

Speaking from the Mount Isa perspective—it might be different for other areas; I do not know—in this space I have never thought how this would affect Townsville, Mackay or places like that, but I know that there is no discernible benefit to this. It is a unique place, Mount Isa. It is so remote. There are no other alternatives. It does not have that critical mass where we could just open another store or we could make it a higher quality level of product that would attract more affluent people. You just do not have the options like that. It is a small critical mass that we have there for small business. I think that it would be tragic for anything to come into Mount Isa that compromises that.

CHAIR: I do not have anything more. I would like to thank you, Robbie, for your attendance and your contribution.

Ms Macrae: Could I say one more thing as well?

Mr Katter: I will go. Thanks, Peter.

CHAIR: Thanks, Robbie.

Ms Macrae: I am glad you brought up the Wanderers. One of the community groups we sponsor is a major sponsor of the Wanderers. My objection with the whole Coles and Woolies thing is just their buying power. People will say, 'If you want to compete, you need to offer better prices, or better services, or whatever,' but there is no way possible that we can offer any of those things. I can buy Coke cheaper from Coles or Woolies than I can buy it from Coke. So you are not only going to see your small businesses close but all of your wholesalers also because they are just not as competitive. That is my last point. Did you have anything else, Lou?

Ms Arsenic: No. I really believe that visitors come to Mount Isa, as the other gentleman said, for the total outback unique experience. I believe that visiting local businesses with its country family and personal touches are crucial as part of that experience. Visitors always say that and I think that is just so important for the whole community.

Mr MINNIKIN: Ladies, thank you for your time.

Ms Arsenic: No worries, thank you.

Ms Macrae: Thank you.

CHAIR: That concludes the hearing into the Trading (Allowable Hours) Amendment Bill. I would like to thank all the witnesses and stakeholders who participated again. Also, I give a big thank you to the Hansard reporters. A transcript of these proceedings will be available on the committee's parliamentary web page in due course.

Subcommittee adjourned at 2.37 pm