

21 September 2015

Workplace Relations Framework
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2061

And by email: workplace.relations@pc.gov.au

Dear Sir or Madam

Sunday Trading Analysis: Inquiry into Workplace Relations Framework

Thank you for the opportunity to comment on the Productivity Commission's Draft Report on its inquiry into the *Workplace Relations Framework*.

Our comments focus on the retail sector aspects of *Chapter 14: Regulated weekend penalty rates for selected consumer services* which principally relate to Sunday trading and weekend penalty rates.

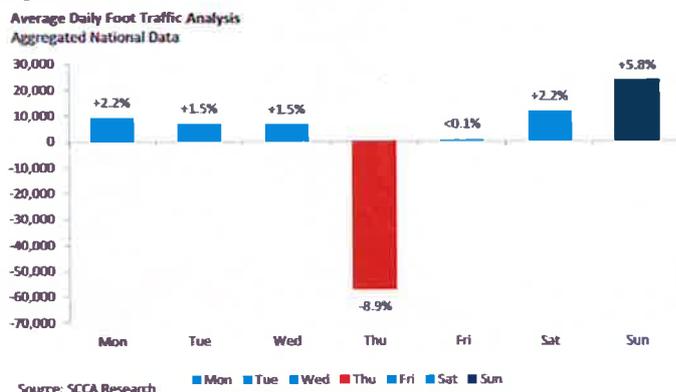
Support for the Commission's key points

We support one of the Commission's 'key points' that social trends and community norms have shifted so that in certain service sectors, including retail, "*Sunday working is now inherent in the job...Australian society expects to be able to shop, go to a pharmacy, and eat at cafes and restaurants on weekends*".

The Commission correctly notes, in our view, that "*this trend will not diminish*".

At section 14.2 of the Draft Report – *The shift to a seven-day consumer economy* – the Commission notes (at page 495) our previous submission and analysis (**see below**) which highlights that customer foot traffic growth for Sundays exceeded any other day in the period from 2009-2014. This highlights the shift of customer demand over time towards Sunday shopping and, in our view, that Sunday has become a 'normal' shopping day from a customer perspective.

Figure 1.



Demand for 'earlier' Sunday trading

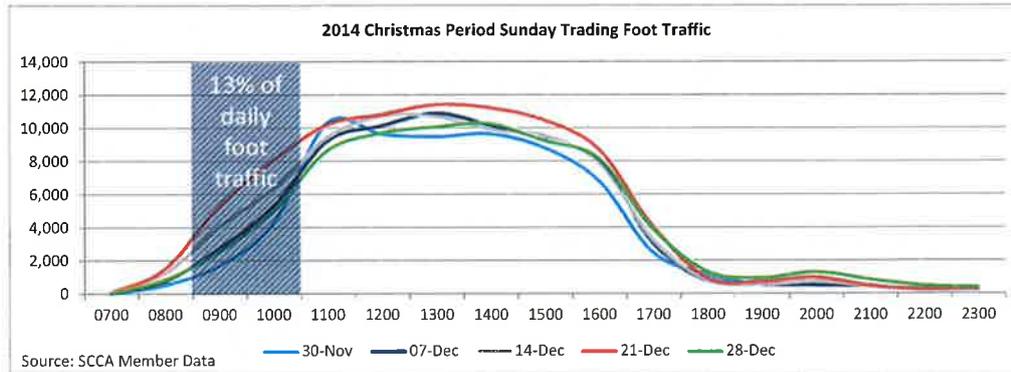
In addition to the general customer shift and demand towards Sundays noted above, our analysis of occasional 'extended' trading hours in certain jurisdictions highlights that there is also demand for earlier trading hours.

As an example, while Sunday trading is limited for larger retailers to 11am-5pm in Adelaide and Perth, these hours can be extended during the Christmas period.

In this regard, the SA Government announced on 13 November 2014 that extra trading hours had been granted across Adelaide "to provide greater flexibility for shoppers in the lead up to Christmas". This enabled a 9am opening time instead of the normal 11am opening for the following five Sundays: 30 November, 7 December, 14 December, 21 December and 28 December.

We have analysed SA data from our members, and the snapshot (**see below**) highlights that an average **13% of daily customer foot traffic** was from the 'extended' 9am-11am period. Demand during this earlier timeframe amounts to thousands of consumers across the five Sundays, who obviously found this earlier period convenient to visit shopping centres and do their shopping.

Figure 2.



We believe this information should be considered by the Commission to reiterate its 'key points' in relation to Sunday trading as part of "the shift to a seven-day consumer economy".

While the issue of shop trading hours is not in the scope of this inquiry, we endorse the Commission's previous recommendation in its (2011) *Inquiry into the Economic Structure and Performance of the Australian Retail Industry* that "Retail trading hours should be fully deregulated in all states (including on public holidays)" (Recommendation 10.1). The issues surrounding trading hours restrictions were noted (at findings 5.1-5.4) in the Commission's (2014) *Study into the Relative Costs of Doing Business in Australia: Retail Trade*, including that "trading hours restrictions...are increasingly out of step with changing patterns of work, leisure and shopping".

WA Government pledges to extend Sunday trading

Since the Commission's Draft Report was released for comment, the WA Government has responded further to shifting consumer demand by making an election pledge (on 23 August 2015) that earlier (9am) Sunday would be introduced across Perth if it is re-elected in 2017. This pledge comes just three-years after Sunday trading was introduced across Perth. In making this pledge, the Government also announcement a commitment to seek to reduce weekend penalty rates for small businesses to a maximum loading of 50%.

Since making the election pledge, the WA Premier, Colin Barnett, has gone one step further by announcing on 7 September 2015 that the Government may introduce legislation during this term of Government to enable earlier Sunday trading from 2017.

I would gladly discuss the above and attached information in more detail. Please do not hesitate to contact me on 0408 079 184 or anardi@scca.org.au.

Yours sincerely

A. Nardi 22.9.2015

Angus Nardi
Executive Director