1a. **OVERVIEW OF INDUSTRY**

The Retail Industry is closely aligned to the Australian and New Zealand Standard Industrial Classification (ANZSIC) G, sub divisions 41, 42 and 43.

As at February 2014, 133,300 workers were employed in the Retail Industry in Western Australia, making it the third largest employer in the State. The Retail Industry contributed approximately $6.8 billion to Gross State Product in 2011 in comparison to $3.1 billion in 2001 and contributed 4.5% ($68.5 billion) to gross domestic product in 2012-2013. Sales Assistants is the largest employing occupation in Australia (382,000 jobs in 2013) with opportunities in almost every location across the country.

At June 2013, there were 143,895 retail businesses in Australia, which represents an increase of 2,377 retail businesses compared to the year ending June 2012 - the proportion of businesses by State was broadly aligned with the proportion of Australia's population by State. Along with New South Wales and Victoria, Western Australia was one of the states which contained a higher proportion of businesses than people.

The latest figures available indicate there was a total of 13,862 retail businesses in Western Australia, of which 12,480 (90.3%) were small businesses (employing less than 20 people).

The Retail Industry is mainly comprised of small and medium sized businesses and supports a large number of small and medium enterprises (SMEs), large employers as well as retail chains and franchising companies.

**Proportion of Western Australia's Total Employment by Industry**

The table below shows estimates of how many people were employed in the larger industries in Western Australia during the February quarter of 2014.

<table>
<thead>
<tr>
<th>Industry by ANZSIC Division</th>
<th>Total employed Feb 2014 ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>142.3</td>
</tr>
<tr>
<td>Construction</td>
<td>134.4</td>
</tr>
<tr>
<td>Retail</td>
<td>133.8</td>
</tr>
<tr>
<td>Mining</td>
<td>117.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>90.8</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>97.8</td>
</tr>
</tbody>
</table>

The Retail Industry is the second largest employing industry in Australia, with approximately 1,208,100 workers as of February 2014 (approximately 10% of the Australian workforce). The largest contributor to employment in the Retail Trade is the Supermarket and Grocery Stores sector, employing 275,400 workers followed by Pharmaceutical and Other Store-Based Retailing (160,000 workers) and Clothing, Footwear and Personal Accessory Retailing (153,400).
The top employing occupation in Retail Trade is Sales Assistants (General), which is also the largest employing occupation nationally, employing 382,000 workers in this industry. Other large employing occupations in Retail Trade include Retail Managers (160,700), Checkout Operators and Office Cashiers (119,300), Shelf Fillers (66,900) and Pharmacy Sales Assistants (36,900).9

The Supermarket and Grocery Stores industry is one of the most concentrated industries in Australia with the top four players holding over 90.0% of the market. Acquisition activity undertaken by Woolworths and Coles has contributed to increasing concentration since the mid-1970s. In 2013-14 these two players alone accounted for more than 70% of the market share. The entry of German-owned ALDI in 2001 into the Eastern States has increased industry concentration. ALDI operates as a low-cost player that stocks a limited number of popular grocery items. Consumers have responded positively to this model, contributing to ALDI’s rapid growth over the past five years. ALDI holds just over 10.0% of the market in 2013-14.10

Coles plan to create more than 16,000 jobs across Australia as part of an investment of $1.1 billion in new supermarkets over the next three years. They have also pledged to increase the number of indigenous team members from 1,000 to 3,000 before 2020.11 Woolworths Limited also announced they would create 6,981 new jobs in the 2013-2014 financial year with the opening of 108 new stores across its Australian business divisions.12

ALDI announced in March 2014 that they are planning to build a network of 70 supermarkets in Western Australia, the first being at Jandakot, where it plans to build a 48,000sqm warehouse and distribution centre, due for completion in 2016. 7-Eleven Stores are planning to enter the Western Australian market, with the convenience store chain currently negotiating leases on at least 15 sites. Another supermarket group looking at the WA market is US-based CostCo, which currently has five giant warehouse-style stores on the east coast.13

International fashion giant Zara is set to open its first store in Western Australia at Garden City, Booragoon in August 2014 ahead of its Murray Street mall outlet which is opening in early 2015. The store, which will trade over two floors, will be the largest fashion tenancy at the shopping centre. Zara has more than 2,000 stores worldwide and the Booragoon store will be the tenth in Australia.14

Besides economic factors, the value of the Retail Industry for Australia’s economy and population cannot be underestimated. This industry provides the first job for many Australians, be it part-time during studies or as a first full-time job. Retail provides the foundation for the basic work-related skills and knowledge of many individuals for their ongoing careers, whether in the service industries or outside them. At the other end of the spectrum, in a less visible role, retail employs highly skilled professionals across a variety of jobs.

Overall, Retail Trade workers have lower levels of educational attainment. Around two thirds of Retail Trade workers have not attained a qualification above year 12, well above the 42.1% recorded across all industries. Despite this, the industry offers flexibility for those undertaking work and study, reflected by the fact that almost a quarter (23.7%) of all people employed in Retail Trade are studying, well above the 13.2% recorded across all industries.

Recognition of skills is critical in building a highly skilled workforce, considering that only 42.1% of the retail workforce was in possession of a post-school qualification in late 2011.15
Trends Analysis

Retail is an industry being transformed by a range of forces: globalisation and new forms of competition; new technologies and the growth of online sales; and changing demographics, economic conditions and consumer preferences, such as a greater focus on sustainable practices.

Its future lies in developing an omni-channel approach—where it offers a mix of shopping channels and customer experiences from physical bricks and mortar stores, to solely online or ‘pure play’ retailers.

Retail’s transformation and move into cutting edge technologies is creating exciting new career opportunities and a need for stronger leadership to ensure skills and workforce development are keeping pace with the changes.\(^{16}\)

Consumer habits have changed again as the baby boomer generation helps reshape the economy by enjoying more spending power in their older years than earlier cohorts. This has resulted due to the increase in aged pension, the 20 year old superannuation system - and the tax benefits for older people that go with it – boosting incomes. Also many boomers are delaying retirement.

The money at the disposal of the baby boomers has contributed to a historic shift away from spending on goods in favour of services. Since 1986, spending on goods has slumped from about half to a third of all spending.\(^{17}\)

Research conducted by Nielsen revealed Australians are looking for value for money, with home brands becoming increasingly popular. This trend may be born out of necessity due to the difficult economic climate. Price and convenience are two major factors driving time-poor Australian consumers.\(^{18}\)

### PROJECTED SECTORAL EMPLOYMENT GROWTH (000'S) – 5 YEARS TO NOVEMBER 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialised Food Retailing</td>
<td>15.0</td>
</tr>
<tr>
<td>Pharmaceutical and Other Store-Based Retailing</td>
<td>14.8</td>
</tr>
<tr>
<td>Supermarket and Grocery Stores</td>
<td>13.6</td>
</tr>
<tr>
<td>Electrical and Electronic Goods Retailing</td>
<td>12.4</td>
</tr>
<tr>
<td>Clothing, Footwear and Personal Accessory Retailing</td>
<td>8.9</td>
</tr>
<tr>
<td>Hardware, Building and Garden Supplies Retailing</td>
<td>7.8</td>
</tr>
<tr>
<td>Furniture, Floor Coverings, Houseware and Textile Goods Retailing</td>
<td>5.3</td>
</tr>
<tr>
<td>Recreational Goods Retailing</td>
<td>2.1</td>
</tr>
<tr>
<td>Fuel Retailing</td>
<td>1.9</td>
</tr>
<tr>
<td>Motor Vehicle Parts and Tyre Retailing</td>
<td>1.9</td>
</tr>
<tr>
<td>Motor Vehicle Retailing</td>
<td>1.0</td>
</tr>
<tr>
<td>Department Stores</td>
<td>0.1</td>
</tr>
<tr>
<td>Non-Store Retailing</td>
<td>-4.7</td>
</tr>
</tbody>
</table>

Source: Department of Employment, 2013 projections to November 2017
The Retail Industry across Australia is projected to record the third largest employment growth over the five years to November 2018, increasing by 98,200 (or 7.8%). Future employment prospects within the industry vary by sector. Employment is projected to grow strongly in Specialised Food Retailing (up by 15,000 or 15.7%) and Pharmaceutical and Other Store-Based Retailing (up by 14,800 or 9%). By contrast, employment is projected to decline in Non-Store Retailing and remain subdued for Department Stores.

According to national projections, employment in the Retail Industry in Western Australia is projected to increase by 17,200 workers (13.22%) by 2017, including 1,700 workers (5.63%) in Regional WA.

The following are the latest trends for the main employing occupations in retail:

**Retail Managers**

- Employment for Retail Managers to November 2017 is expected to remain relatively steady. Employment in this very large occupation (251,000* in November 2013) remained relatively steady in the past five years as well as in the long-term (ten years).
- Retail Managers have an above proportion of full-time jobs (85.6%). For Retail Managers working full-time, average weekly hours are 45.4 (compared to 41.3 for all occupations) and earnings are below average - in the fourth decile. Unemployment for Retail Managers is below average.
- Retail Managers are employed across several industries including: Retail Trade; Accommodation and Food Services; Wholesale Trade; and Other Services.
- The (internet) vacancy level for Retail Managers is moderate. Annually, 11.4% of Retail Managers leave this group, creating potential job openings (this compares with 14.2% across all occupations).
- Over the five years to November 2017, the number of job openings for Retail Managers is expected to be high (greater than 50,000). Job openings can arise from employment growth and people leaving the occupation.
- The mix of industries employing Retail Managers has subdued employment growth prospects.

**Retail Supervisors**

- Employment for Retail Supervisors to November 2017 is expected to grow strongly. Employment in this large occupation (32,300 in November 2013) remained relatively steady in the past five years and rose slightly in the long-term (ten years).
- Retail Supervisors have an average proportion of full-time jobs (69.7%). For Retail Supervisors working full-time, average weekly hours are 39.3 (compared to 41.3 for all occupations) and earnings are below average - in the third decile. Unemployment for Retail Supervisors is below average.
- Retail Supervisors are employed across several industries including: Retail Trade; Accommodation and Food Services; Manufacturing; and Wholesale Trade.
- The (internet) vacancy level for Retail Supervisors is moderate. Annually, 21.4 per cent of Retail Supervisors leave this group, creating potential job openings (this compares with 14.2% across all occupations).
- Over the five years to November 2017, the number of job openings for Retail Supervisors is expected to be above average (between 25,001 and 50,000). Job openings can arise from employment growth and people leaving the occupation.
- The mix of industries employing Retail Supervisors has subdued employment growth prospects.
Sales Assistants

- Employment for Sales Assistants (General) to November 2017 is expected to grow strongly. Employment in this very large occupation (528,000* in November 2013) rose moderately in the past five years and remained relatively steady in the long-term (ten years).
- Sales Assistants (General) have a relatively low proportion of full-time jobs (27.9%). For Sales Assistants (General) working full-time, average weekly hours are 37.8 (compared to 41.3 for all occupations) and earnings are low - in the first decile. Unemployment for Sales Assistants (General) is average.
- Sales Assistants (General) are employed across several industries including: Retail Trade; Accommodation and Food Services; Manufacturing; and Wholesale Trade.
- The (internet) vacancy level for Sales Assistants (General) is low. Annually, 21.4% of Sales Assistants (General) leave this group, creating potential job openings (this compares with 14.2% across all occupations).
- Over the five years to November 2017, the number of job openings for Sales Assistants (General) is expected to be high (greater than 50,000). Job openings can arise from employment growth and people leaving the occupation.
- The mix of industries employing Sales Assistants (General) is not favourable for employment growth prospects.24

* Please note these figures include Retail Managers and Sales Assistants employed across all industries- i.e. other industries that employ sales people.

Regulatory Requirements

Over recent years, much of the key legislation that is relevant to the retail industry has been reformed or amended. Most recently, this includes Workplace Health and Safety and Australian Consumer Law, but also includes reform to legislation around industrial relations, food safety, trading hours and taxation. Knowledge of these areas, and developments in them, are crucial for businesses in order to remain compliant. Some stakeholders have indicated concern as to how the training system can keep pace with these changes as they occur.25

Licensing/Regulatory Requirements

- Local Government Act 1996
- Retail Shops and Fair Trading Amendment Bill 2007
- Retail Trading Hours Regulations 1987
- Retail Trading Hours (Filling Station Zones) Regulations 1988
- Petroleum Products Pricing Regulations 2000
- Weights and Measures (Exemptions) Regulations 1997
- Liquor Licensing Regulations 1989
- Retail outlets for pet meat – Health (Pet Meat) Regulations 1990
- Tobacco Control (general) Regulations 1991
- Stock (Control of Hormonal Growth Promotants) Regulations 1994
- Health (Food Hygiene) Regulations 1993
- Poisons Regulations 1965
- Weights and Measurements Regulations 1927
- Environmental Protection (Noise) Regulations 1996
The State Government of Western Australia has amended legislation to enable small retail shop owners to now employ up to 18 staff compared to the previous limit of 13. Small retail shops are able to open 24 hours a day, every day of the year, if they choose. These legislative measures will enable more stores to trade 24/7 or to extend their current trading hours.26

The Australian Traders Group (ATG) was launched in January 2013 to work collectively to address key regulatory issues confronting the retail sector and link with government to achieve real change on behalf of its members and the wider industry. This group will be advocating and lobbying for changes such as reducing the Low Value Imports Threshold (LVIT), counterfeit products, retail tenancy and other various tariffs, taxes and charges which put unnecessary regulatory burden onto Australian retailers and impede their ability to employ and meet modern consumer demand. ATG represents 11 retail industry associations, including the Photo Marketing Association, Imaging and Digital Entertainment Association, Australian Retailers Association, Australian Booksellers Association, Bicycle Industries Australia, Australian Music Association, Retail Cycle Traders Australia (Inc), Australian Toy Association, Australian Sporting Goods Association, Franchise Council of Australia, and Snowsports Industries of Australia.27

The ruling that has existed for more than a decade exempts the 10% GST on overseas bought goods valued at less than $1,000. Retailers have been warning for years that the absence of a tax on imported goods worth less than $1,000 has been seriously denting business. They say the change will boost jobs and could net the Government $1 billion of extra revenue each year. Federal Treasury has been asked to examine ways to charge the GST on imported goods worth less than $1,000, which are currently excluded by the low-value threshold.28

Close to 100 countries have signed up to a new set of tax principles to govern how goods and services are taxed across borders. Local retailers are unsure as to what kind of pressure the international consensus will have in Australia, where state and territory governments are yet to reach an agreement about changing the $1,000 GST threshold for online purchases from offshore suppliers. Many local retailers argue that lowering the threshold from $1,000 to a much smaller amount such as $20 would create a more even playing field. However the Productivity Commission found that the cost of collecting GST on online purchases at a threshold of $20 would far outweigh the benefit. State and Territory Ministers were due to make a decision about the threshold in March (2014) and it is envisaged the issue will go to another cabinet meeting in the near future.29

Large national businesses face costly and inconsistent local, state and federal regulations. There are 125 government taxes, eight different sets of workers compensation and occupational health and safety regulations and a host of conflicting food and consumer standards. The costs of these inconsistent regulations are ultimately borne by consumers. The Australian National Retailers Association (ANRA) supports reform which reduces unnecessary compliance costs and looks to the Council of Australian Governments (COAG) to intensify its efforts to deliver genuine regulatory reform.30
Demographics of Workforce

Employment in Retail is dominated by female workers – 57% of the retail workforce is female, compared to 46% for all industries. Almost half (49%) of employees work part-time, compared to 30% for all industries.

Retail Trade is the largest employing industry of workers aged 15-24 years, (34% compared with 16% across all industries). By contrast, 29% of Retail Trade workers are aged over 45, compared with 39% across all industries. \(^{31}\)

Figure 5: Employed persons by age compared with all industries (% share of employment) – August 2013

![Graph showing employment by age group for Retail Trade compared to all industries]

Source: ABS Labour Force Survey (four quarter average), cat. no. 6291.0.5.003

The median age of people employed in the Retail Trade is 33 years – well below the national average of 40 years and the second youngest of all industries, behind Accommodation and Food Services (27 years). Approximately 71% of the workforce is aged under 45 years, leaving a low 29% aged 45 years and over. This reflects a high proportion of youth employment, with many working part-time while in full-time education.

As of November 2013, approximately 57% of retail workers in Australia did not hold post-school qualifications, compared with 36% for all industries, making Retail an ideal entry point to the labour market. \(^{32}\) Despite the low share of workers with a non-school qualification, the industry offers flexibility for those undertaking work and study, reflected in the high share of people studying that work in the Retail industry (23.7% compared to 13.2% across all industries. \(^{33}\)

Retail employs one in ten working Australians and provides jobs in almost every location, with around 475,000 workers employed outside state capital cities. \(^{34}\)
Main Employing Occupations

The top employing occupation in Retail Trade is Sales Assistants (General), which is also the largest employing occupation nationally, employing 382,000 workers in this industry. Other large employing occupations in Retail Trade include Retail Managers (160,700), Checkout Operators and Office Cashiers (119,300), Shelf Fillers (66,900) and Pharmacy Sales Assistants (36,900).

Retail Manager

Retail employs the most managers compared to any other managerial occupation in Australia. There are approximately 251,000 Retail Managers employed across Australia in all industries. The main employing industries employing Retail Managers include Retail Trade, Accommodation and Food Services, Wholesale Trade and Manufacturing.

There are more full-time males employed in this occupation (48.9%) than full-time females (36.8%) compared to 45.6% and 24.8% respectively for all occupations. Conversely, 10.3% of female Retail Managers are employed part-time compared to 4% of males. Across all occupations, 20.9% of part-time employees are female and 8.7% are male.

The following graph shows the share of employment (per cent) by age group for Retail Managers, compared with all occupations.

Retail Manager - Age Profile (per cent share)

From the above graph, it is apparent that the majority of Retail Managers are in the 25-54 age bracket and the highest proportion of those are in the 35-44 age bracket (24.3% compared to 23.4% of all occupations).
Retail Supervisor - Age Profile (per cent share)

The above graph shows that the highest percentage of Retail Supervisors is in the 20-24 age group (25.8%) compared to only 10.8% for all occupations. The second highest percentage of Retail Supervisors is in the 25-34 age group (24.1%) compared to 21.9% for all occupation.

There are more female full-time Retail Supervisors (39.4%) compared to males (30.3%) in contrast to all occupations where there are more full-time males (45.6%) compared to females (24.8%). There are also more part-time females (23.5%) compared to 6.8% part-time males employed as Retail Supervisors.37

Sales Assistant - Age Profile (per cent share)

The above graph shows that 34.3% of Sales Assistants are in the 15-19 age group compared to only 6.9% for all occupations.
The above graph shows that the majority of Sales Assistants are part-time females (53.8%) and that only 18.3% are part-time males (compared to 20.9% females and 8.7% males for all occupations). Also that full-time Sales Assistants are 15.6% female and 12.3% male, compared to 24.8% female and 45.6% male for all occupations.38

**Impact of Globalization**

India is still Australia's largest source of permanent migrants with a total of 19,993 permanent migrants or 27.4% of the total of 72,966 permanent migrants entering Australia for the 2013-2014 six month period to 31 December 2013. United Kingdom and China are Australia's second and third largest sources of permanent migrants, with 9,898 and 8,779 places respectively for the same period. Western Australia attracted 13,307 (18.1%) of the 72,966 permanent migrants which included the largest share of Technicians and Trades Workers in the permanent Skilled Stream.39

The recent introduction of large foreign retailers to Australia has been an additional factor of destabilisation. This is reflected in eBay’s report, which found that 68% of respondents cited increasing competition from international businesses as a barrier to growth. While foreign owned firms currently account for only 5% of market-share, there is evidence of growing global interest in the Australian market in light of the introduction of some large international retailers (eg, Zara, ALDI, and IKEA). The Productivity Commission’s inquiry into the retail industry also noted this trend and quoted CB Richard Ellis’ submission, which explained that the “transparency of the Australian market, population growth prospects and relatively strong economic fundamentals” are attributable to this growing interest. A major reason why consumers are spending a smaller share of their incomes on retail goods is because these goods have become cheaper.40

As identified in the Asian Century White Paper, Australia is well positioned geographically, economically and politically to benefit from the increasing prosperity of Asian countries, including China, India and South East Asian nations. In particular, the retail industry has the opportunity to capitalise on Asia’s growing middle class and their appetite for luxury brands,
unique products and quality. Opportunities are available for retailers to capture a greater share of international visitor spending as well as for Australian retailers to establish a presence in overseas markets. Both of these opportunities, however, will require the workforce to develop new and more complex skills in cross-cultural communication, language proficiency, merchandising and marketing.41

Visitors from China make up a large portion of Australia’s tourism economy and are expected to spend up to $9 billion in Australia by 2020. UnionPay, the only bankcard association in China, has launched an initiative to help Australian retailers reach Chinese consumers visiting the country.42

In its latest push for total global domination, Amazon.com will be expanding its fresh grocery business outside its hometown of Seattle. In Australia, online grocery spend is growing but is only around 1% of total food spend. However, online retailers and lobby groups have welcomed the possibility that Amazon might expand its grocery business into Australia, where the sector has just started coming to life. The Chief Executive of the National Online Retailers Association, Paul Greenberg, says Amazon is a formidable retailer and a proven leader in logistics capabilities. He’s convinced it could work in Australia.43

Amazon also announced the launch of a new device in April 2014 called “Dash” - a tool that makes it quick and easy to add groceries and household items to an AmazonFresh shopping list. Essentially, Dash is a black-and-white wand-shaped device that adds to a consumer’s shopping list when used to scan an item barcode or by pressing a microphone button to say a product name.44

Impact of Government Policy/Decisions

The Australian Retailers Association (ARA) is urging the Government to use the 2014 Budget to assist retailers in Australia who face a difficult operating environment. In the last ten years, the structure of the retail sector has shifted and evolved as a result of globalisation, advances in the digital economy and changes to business practice policies (such as employment and tenancy frameworks). In addition, the retail sector has experienced varying economic environments with the Global Financial Crisis (GFC), an inflexible wages system, lack of consumer/business confidence and the high Australian dollar having a significant effect on the performance of the industry and increasing trade exposure from overseas. 45

The removal of the Federal Government employer incentives for Certificate II level traineeships has shown a marked decline in numbers while the numbers in training in Certificates III and IV are not showing an increase to compensate for this decline. The requirements of industry appear to have been overlooked with policy decisions being made without consultation with industry and the potential workers it most affects.

The Retail and Personal Services Training Council of Western Australia (RAPS) undertook a survey in late 2013 to establish reasons for the decrease in uptake of Certificate II, III and IV within its respective industries. The report on the results found that commencements in Certificate III in Retail Operations declined from 1,330 in 2011 to 780 in 2013. The main reason employers cited for not employing trainees was the withdrawal of employer incentives.

Additionally, the Australian Workforce and Productivity Agency (AWPA) conducted a Retail Workforce Study in March 2014. The study recommended that the Government provide funding for Certificate II level qualifications in Retail service sectors where a Certificate II is
demonstrated to be the industry standard entry level qualification, and preferably where the training is integrated with structured workplace learning. There is the risk that the reduction of funding for retail qualifications will result in a loss of productivity for the industry, which is crucial given the intensified competition from online and international outlets. This also places an extra burden on small and micro enterprises struggling to upskill their staff. Additionally, at the federal level, the August 2013 decision to cease standard completion incentive payments for employers engaging existing worker trainees in non-priority occupations, including retail, is likely to have a detrimental effect on the industry’s training effort.

Deregulated trading hours
The Australian National Retailers Association (ANRA) has called for unrestricted retail trading hours which would allow all shops to have the option of trading 24 hours a day, seven days a week, with the exception of Christmas Day, Good Friday and the morning of Anzac Day.

Coles and Woolworths support the call for national consistency of retail trading hours stating that it would improve economic growth, reduce cost-of-living pressures on consumers and help stores compete against online retailers.

The Australian Retailers Association (ARA) Executive Director, Russell Zimmerman said, although the ARA supports the retail industry trading hours, caution must be taken to keep smaller independent businesses alive. Mr Zimmerman stated that the call for uniform trading hours may assist in economic growth in the short term, however smaller businesses will be unsustainable with the pressures it will involve, and long term it may not prove to give positive economic growth. If consumers want longer trading hours, then employment cost and penalty rates must also be part of the discussion - without penalty rates being reviewed, wages and on costs will be unsustainable for the independent retailers in Australia.

The main union representing retail workers, the Shop Distributive and Allied Employees’ Association (SDA) argues the main challenge facing industry is online sales by overseas retailers, not labour costs and “sees no justification in any further extension of retail trading hours”.

Western Australia
A study conducted in April 2014 by Patterson Research Group for independent grocers revealed that almost nine out of ten (88%) of metropolitan shoppers believe that current shopping hours are adequate for their needs.

The study showed satisfaction with the current system was not influenced by gender, with 88 per cent of men and the same number of women saying they were satisfied. Three quarters of those in the 18 to 39 age group were satisfied with current hours.

The WA Independent Grocers Association president, John Cummings, said results were a damning indictment of unsupported claims by major national retailers and big shopping centre owners that consumers were demanding more shopping hours.

Penalty rates
Following a decision by the Fair Work Commission (FWC) on the Restaurant and Catering award to reduce penalty rates by 25% on Sundays for casual employees, the Australian
Retailers Association (ARA) is hopeful they will see a common sense outcome in this year’s Retail Award Review due later this year. The ARA believes there is sound economic and social argument to bring penalty rates in line with Saturday rates.\(^5^3\)

The Fair Work Commission, at the beginning of June 2014, also handed down its decision to increase minimum wages by 3% which will mean an increase of $20.50 per week per employee excluding the impact of penalty rates and on costs to employ staff, as well as the increase in the Superannuation Guarantee payment from 1 July 2014. The Master Grocers Association considers the wage increase to be another unaffordable cost which will force many small retailers to reconsider their staffing levels. According to a spokesman from the Institute of Public Affairs, although the increase in the minimum wage may seem modest, it is estimated that the decision will cost around 100,000 jobs, currently employed workers hours will be cut, and the unemployed will now find it harder to get a job.\(^5^4\)

**Technological**

The Retail Industry is a commercial environment and is based on quick delivery and immediate results making execution critical to viability and success. This drives a very results-focused environment, where decision making and problem solving happen at a fast pace.

Retailers hold the opinion that small to medium enterprises (SMEs) face rising competitive pressure from major supermarkets and the growing internet-based retail market.

Research is increasingly aware that new technology is driving an unprecedented period of innovation in the retail industry, Australia and worldwide. The recognition of the effects of the explosion of smartphones and third-party mobile applications, improved telecommunications infrastructure and the proliferation of social networks on the retail industry is growing. This is particularly the case in the context of Australia’s high technology adoption rates, as seen by mobile internet access growth.

Mobility was an increasing feature of online participation with 7.5 million Australians using the internet via their mobile phone during June 2013, an increase of 33% (or ten percentage points) compared to June 2012 and a telling 510% since June 2008.\(^5^5\)

There are numerous reports from the industry that the globalisation of the market through online channels is exposing the industry to unprecedented levels of competition.

Customer self-service options have been a recent and significant development in retail, particularly in the supermarket industry. Research has shown that Australian consumers have been remarkably supportive of the model. Australians were shown to embrace this technological development at twice the rate of consumers in Europe and the United States.\(^5^6\)

A survey conducted by Galaxy Research in 2011 found that the majority of Australians (76%) see self-service as more convenient than dealing with a human customer service representative, and that 63% would choose self-service given the opportunity. Eighty-eight per cent of Gen Ys found self-service useful, compared to 73% of baby boomers.\(^5^7\)

There have been some concerns that this development is effectively transferring the work of the check-out operator to the consumer and will subsequently replace the demand for workers. However, there is scope for this development to increase the skills required of staff. In particular, it has been noted that the introduction of technology requires enhanced problem solving capabilities, as well as digital literacy.
New technology has introduced a multitude of options, including: platforms for buying and ordering online, researching and comparing products and prices, product customisation, delivery methods, collective buying, marketing, pure play niche sites, buying directly from the manufacturer and for using mobile devices to do all of the above. As the technology becomes more sophisticated the options will multiply.58

Wearable technology, or 'wearables', have taken the tech scene by storm in recent months. While many wait for the release of smart watches and the much-talked-about Google Glass, businesses should start considering how wearables can benefit their organisation.59

There are a number of ways that wearable technology could impact on retail. Retailers need to find new and intuitive ways to cross and upsell. One of the ways is when consumers enter a store, or department within a store, an app will send them push notifications with offers and deals. However, this requires consumers to be looking at their mobiles. By integrating these apps and beacons with smart watches and Google Glass, the notifications will be impossible for people to ignore. Customers could also browse the rails in store and find a product they like. Simply by inputting the barcode into their smart watch or connected device, they could be alerted if their chosen size is in stock or not. They could then select click and collect, home delivery, or walk away with the item there and then. Likewise consumers could shop from quite literally anywhere with these devices and then arrange to collect in store. Wearable technology broadens the capabilities for multichannel retailing and allows brands to push the boundaries even further.60

In an Australian first, retailers will be able to access critical information about the health of their businesses and how they are faring against their competitors following the launch of the Australian Retail Index (ARI). Created by accounting and advisory firm, BDO, and cloud-based software provider, Retail Express, the free service will operate across four key categories; fashion and accessories, furniture and homewares, sporting and recreational goods, and other general retail. Retailers will be able to benchmark their performance against the market and their peers and make time sensitive decisions about their businesses. The Australian Retail Index looks at thousands of individual retail stores nationally and has a high degree of statistical relevance. While 60% of purchases in stores are card-based, which is the only information that has been available, the ARI is based upon 100% of transactions, including cash sales and lay-bys.61

Training provision itself can be revolutionised through facilitating online learning. A significant benefit of faster and more reliable internet connections is the improvements to using audio-visual ICT technology through which online content is delivered. Industry feedback suggests that there is a potential for an increase in ‘just-in-time’ training, where training needs can be responded to immediately with online modules.62

Online Retail

Australia’s online retail spending increased by 6.4% to $15.25 billion for the year to April 2014, representing approximately 6.6% of traditional retail spending. Domestic retailers continue to control the largest share of online shares – at around 74%. The broad trends for spending by age group have remained stable – with the 35 to 44 age group having the largest share of spending, followed by those aged 25 to 34 and 45 to 54. Western Australia accounts for 12.1% of Australia’s online retail spending.63

As more and more products, brands and services become available to buy with the click of a mouse button (or tap on a screen), shoppers who bought online in the last three months are
increasingly less likely to go to an actual store: 23% of online shoppers go to stores less often now, compared to 10% in 2003. More than one in four online consumers in Australia conduct research online, such as checking prices or reading a consumer view. Looking for deals online is also popular among one in four while 34% purchased a product online in the past month. Amongst Australian consumers who engaged in e-commerce activities – 36% intended to purchase travel reservations, closely followed by entertainment (30%) and books, newspapers, magazines (25%). Among the other products and services which appear to be increasingly sought online are Apparel/Accessories (21%), Food & Beverages (18%) and Skin Care/Cosmetics (16%). See chart below.

State of the Nation’s $24 billion online retail trade

Source: Roy Morgan Research (2013)

The number of consumers who shopped online in 2013 was higher than the number of those who did online banking. In fact, 89% of consumers purchased a product online last year.

Further to this, six in ten online Australians now use a combination of both online and traditional retail stores as part of their product research or purchase process. These ‘new retail’ behaviours are emerging as digital and physical retail stores converge.

Results from the newly released 2014 Nielsen Connected Consumers Report show that online (research)-to-online (purchase) has the best conversion for (printed) books, clothing and digital music; while online-to-offline best converts grocery, liquor, restaurant, clothing and pharmacy item purchase.

Mobile connected devices such as smartphones and tablets are aiding this ‘new retail’ movement, broadening the reach of brands and retailers by facilitating anywhere, anytime shopping, and blurring the lines between what constitutes online versus offline shopping. More than one in ten online Australian shoppers use their smartphone to make a purchase and the same proportion purchase via tablet (13%).

Research has also found that mCommerce platforms (access to the internet through a mobile device) also supported traditional bricks-and-mortar retailers, with nearly half of Australian smartphone users (48%) visiting a business as a result of their search. The integration of
location-based technology in smartphones and the proliferation of geo-targeting applications is further crystallising the need for retailers to engage with mobile platforms. Geotargeting applications launch automatically upon a customer’s arrival in a physical store, providing them with a list of available products and detailed product information. This offers retailers a powerful tool to increase foot-traffic, complementing the retail experience.66

Although the structural shift from traditional retail to online retail may cause some friction, online retail creates other jobs, and the Allen Consulting Group modelling has demonstrated that there is no evidence to suggest that online retailing causes a loss of jobs overall. Furthermore, the internet’s twenty-four hour operation expands the interface in which retailers and customers can interact. Retailers need not shut their doors to potential customers, and customers can shop at their convenience. Online shopping particularly helps to meet demands of time-poor dual-income households.

Non-store retailing, which includes online retailing and commission based sales, achieved a 0.8% share of total income and employed 1.2% of the total retail employment. These figures highlight that this particular subdivision of the retail sector is a high labour user by the industry standard. This suggests that when the online retail sector grows, it employs a significant amount of labour and proportionately more than traditional retail. This is in stark contrast to the misconception that when online retail grows, there is a replacement of labour with capital.67

Customer Service

A survey conducted by NewVoiceMedia of 2,004 adults revealed that 58% of customers were taking their business elsewhere as a result of poor customer service. Of those, 92% had switched at least once or twice in the past year. It is estimated that $8 billion is lost in this way by businesses in Australia each year – not including the impact of negative word of mouth. The significance consumers place on excellent service presents opportunities as well as threats, as organisations can boost their business by getting it right. 77% of respondents said good service had a considerable influence on their loyalty and 76% said they would recommend a company with good service to others, while 51% said they would use such a business more frequently and 35% said they were prepared to spend more money with one. NewVoiceMedia consider good customer service is the critical differentiator and investing in providing personalized and engaging customer experiences will help businesses succeed in retaining customers and securing new business.68

As well as improving the customer service training of staff, organisational culture and employee engagement is increasingly recognised as a key constituent of customer service in an enterprise. An organisation is said to display a ‘service-oriented culture’ when it places emphasis on service through its policies and procedures and when great service is recognised and rewarded. The result is an unambiguous message to staff regarding the organisation’s expectations of them in relation to service. Furthermore, employee engagement is a key element as it is recognised that staff will invest more in their role as a customer service provider if they are more committed to their role.69

Industry feedback has indicated that due to the expanding use of self-serve and self-scanning technologies, sales staff from supermarkets to specialist boutiques will be redirected towards providing advice, guidance and engagement—higher skill activities than transactions. These changes also have implications on the definition and role of customer service in the store. There is a strong sense within the industry that this is critical to the ongoing survival of enterprises. Some retailers have responded by expanding the authority of frontline customer service staff to more effectively manage negative customer experiences. These strategies
require additional skills for frontline staff in addition to a thorough understanding of the aspects of customer service.\textsuperscript{70}

**Economic Drivers**

The population level of each State influences the number of potential customers and so more densely populated States have a higher proportion of stores to service consumer demand. Western Australia continued to record the fastest population growth (2.9\%), well above the national average of 1.7\%.\textsuperscript{71}

The continuous increase in WA's population, which is projected to reach 6.4 million people by 2061\textsuperscript{72}, will further boost the demand for the service industries. Most of Western Australia's growth is projected to occur in Perth. Population growth in the balance of Western Australia is projected to be smaller and increase to 950,800 people by 2061\textsuperscript{73}.

The seasonally adjusted estimate for Australian retail turnover rose 0.2\% in April 2014 following a rise of 0.1\% in March 2014 and a rise of 0.2\% in February 2014. In trend terms, Australian retail turnover rose 6.0\% in April 2014 compared with April 2013.\textsuperscript{74} According to Deloitte Access Economics, after a torrid few years Australian retailers have enjoyed much improved trading conditions of late, spurred by low interest rates and a recovery in both house building and housing prices.\textsuperscript{75}

Consumer goods retailers have faced mixed market conditions, reflecting fluctuating household income, rising unemployment and unstable consumer sentiment levels. These factors have affected demand for a range of consumer goods. Weak economic growth following the global financial crisis led to a tense time for subdivision operators. Mounting consumer uncertainty surrounding the stability of the domestic economy, and fears regarding the possibility of a recession, caused many consumers to restrict expenditure on non-essential goods. Revenue is projected to decline by an annualised 0.3\% over the five years through 2013-14. Sales are expected to increase by 0.9\% in the current year, to total $121.1 billion.

Industries in the Consumer Goods Retail subdivision sell a diverse range of products, such as housewares, furniture, office supplies, clothing, footwear, jewellery, newspapers, books and domestic appliances. These products can be grouped into four broad categories: clothing, footwear and personal accessories, department store goods, household goods and other consumer goods.

Household goods account for the largest share of subdivision revenue at 37.8\%. This segment encompasses a wide range of products such as furniture, housewares, computers, hardware and building supplies, and domestic appliances and only includes items that are sold by specialty retailers, not department stores.\textsuperscript{76}

Western Australia recorded a six percentage point fall in business confidence among SMEs to the January 2014 quarter. However confidence levels remained the highest of any state or territory and SMEs that were confident reported an improving housing market and looking after their customers as the main reasons for their confidence this quarter. SMEs in Western Australia were less likely to be expecting to increase their employment in the current quarter than any other state or territory.

SME confidence was higher in regional areas across the country - some seven percentage points above metropolitan SME confidence. While confidence fell in both metropolitan and regional areas, the eleven percentage point decrease in metropolitan areas was much larger than the marginal one percentage point decrease recorded by regional SMEs. SMEs in
regional areas of Western Australia reported the strongest confidence of any location, with less local competition and having been in business a long time buoying confidence.

Confidence fell amongst retail SMEs which was impacted by concerns over general uncertainty, a decrease in business too much competition and increasing costs. Increases were recorded in the wages and capital expenditure indicators in the past quarter.

When asked about their priorities and plans for 2014, increasing digital presence was the highest priority, with 47% of SMEs having this on their to-do list. This was followed by introducing new products and services and developing a business plan. Developing a business plan and starting a new business recorded the largest increases in the past six months. Overall, just under half of all SMEs wanted to grow their business, and those that did were expecting growth to come from new customers, domestic markets and bricks and mortar sales.77

Size and Distribution

The Retail Industry is the second largest employing industry in Australia, with approximately 1,208,100 workers as of February 201478 (approximately 10% of the Australian workforce). The largest contributor to employment in the Retail Trade is the Supermarket and Grocery Stores sector, employing 275,400 workers followed by Pharmaceutical and Other Store-Based Retailing (160,000 workers) and Clothing, Footwear and Personal Accessory Retailing (153,400).79

Over the five years to November 2013, employment increased by around 24,200 (2%). Employment growth was driven by Clothing, Footwear and Personal Accessory Retailing (up by 26,000) and Pharmaceutical and Other Store-Based Retailing (24,800). However, this was offset by declines in some other subsectors including Supermarket and Grocery Stores.80

The Retail Industry across Australia is projected to record the third largest employment growth over the five years to November 2018, increasing by 98,200 (or 7.8%).81 Future employment prospects within the industry vary by sector. Employment is projected to grow strongly in Specialised Food Retailing (up by 15,000 or 15.7%) and Pharmaceutical and Other Store-Based Retailing (up by 14,800 or 9%). By contrast, employment is projected to decline in Non-Store Retailing and remain subdued for Department Stores.82

More than half the jobs in this sector are for Sales Workers and the Retail Industry provides jobs in almost every location, with around 475,000 workers employed outside state capital cities.83

As at February 2014, 133,300 workers were employed in the Retail Industry in Western Australia, making it the third largest employer in the State.84

The top employing occupation in Retail Trade is Sales Assistants (General), which is also the largest employing occupation nationally, employing 382,000 workers in this industry. Other large employing occupations in Retail Trade include Retail Managers (160,700), Checkout Operators and Office Cashiers (119,300), Shelf Fillers (66,900) and Pharmacy Sales Assistants (36,900).85

Retail Managers - Employment by Region (per cent share)
From the above graph, it is apparent that Western Australia employs 10.3% of Australia’s Retail Managers compared to 11.3% of all occupations, which is indicative of the population size of the State.

Retail Supervisors - Employment by Region (per cent share)

From the above graph, it is apparent that Western Australia employs 12.2% of Australia’s Retail Supervisors compared to 11.3% of all occupations, which is slightly higher than the per cent share of Retail Managers in the State.

Sales Assistants – Employment Numbers
Over the past ten years the highest number of Sales Assistants employed across Australia was 522,100 in 2010. In 2012 this number dropped to 511,000 but the Department of Employment predicts that this number will increase to 556,500 by 2017.

**Sales Assistant - Employment by Region (per cent share)**

The above graph shows that Western Australia employs 9.9% of Sales Assistants employed across Australia, compared to 11.3% of all occupations.\(^{87}\)

Figures obtained from the graph indicate that there has been no significant change in employment of Sales Assistants in Western Australia from 2011 to 2012.

**Sales Assistant - Main Employing Industries (per cent share)**

The majority (73.8%) of all Sales Assistants are employed in the Retail Trade, with 14.8% being employed in the Accommodation and Food Services Industry, 4.6% in the Wholesale Trade and only 1.9% in the Manufacturing industry.\(^{88}\) Figures indicate that there has been very little change of the main employing industries for Sales Assistants between 2011 and 2012.\(^{89}\)
Regional Aspects

Almost two in every five retail jobs are outside the state capital cities, making it a significant source of jobs in regional areas, employing around 475,000 workers in regional Australia.90

There is a lack of career opportunities for females in regional areas – this was particularly noticeable in the Goldfields and Esperance regions during RAPS regional visit.

There is a need to develop training programs for Indigenous youth, particularly females in the Broome and Fitzroy Crossing regions. Retailers in the Kimberley region, in particular, are concerned that the general quality of training being delivered is of a very low standard and fails to meet the basic requirements for employment. Training needs to be relevant to industry requirements and work placement is essential. 91

Most regional areas continue to experience skill shortages and retailers, particularly in the pharmacy sector, are unable to attract the appropriate staff. Also, many employees in regional areas are either part-time or are immigrants who are not eligible for funding. 92

The introduction of extended trading in the Perth metropolitan area does not affect trading hours’ arrangements in regional areas. Regional traders may choose when they open within the trading hours specified for their locality.

Sustainability

Retail employers are finding that customers and potential employees are increasingly aware of environmental issues. Those customers aware of environmental issues will often choose products with low energy consumption as a first preference.

While consumer demand for ethically procured and environmentally sustainable goods and services has been increasing for some time, growing consumer access to information sources and increasingly globalised supply-chains have meant that the industry is more sensitive than ever to issues of sustainability and ethics. This is particularly relevant for the procurement of goods and services from manufacturers.

Many brands and retailers have taken on environmentally-friendly stock as a form of product differentiation and to attract the emerging group of environmentally-conscious consumers. In order for this to work effectively, sales staff must hold product knowledge on the environmental credentials of individual products and understand the relationship between the characteristics of products and their environmental effects in order to educate consumers on the value of their decision.

The retail industry has significant potential to provide a range of sustainable products and services, as well as advice on water and energy-efficient products to consumers. However, the trend towards purchasing sustainable and organic products, whether food, clothes or toys, depends on the customer’s level of disposable income and living costs, as well as consumer confidence.93

Environmental sustainability issues addressed in SIR07 V3.3 Retail Services Training Package may be found in the following units of competency.

SIRXCLM001A: Organise and maintain work areas (offered at Certificates I and II).

SIRXWHS10: Apply safe working practices (offered at Certificate I, II & III qualification levels).
These units cover areas relating to the legislative requirements of environmental protection, waste removal, hazardous substances and dangerous goods (such as flammable goods, explosive goods and waste), avoiding spills, and using personal protective clothing.94

The Australian National Retail Association (ANRA) and the National Retail Association (NRA) are concerned about the impact of the carbon tax on their cost structures and on consumer demand. ANRA is also concerned about the tendency for governments to mandate the taking of certain environmentally friendly actions, rather than relying on commercial incentives to drive voluntary actions. This is seeing the emergence of ‘green tape’ which is imposing costs on retailers that, in many cases, are not faced by international competitors. Coles emphasized the need for a nationally consistent approach to product stewardship regulation, including in relation to plastic bag and beverage container waste.95

The NRA is dedicated to educating retailers on the environmental and economic benefits of improved environmental performance and is encouraging retailers to implement environmentally sustainable practices within their business and reduce their use of energy, water and waste in order to increase profitability whilst caring for the environment.

Energy prices are increasing each year and, for most retailers, up to 20% of their energy bill is due to heating and cooling. The NRA has produced a Sustainability Charter which details ways retailers can significantly reduce their resource costs and improve the impact on the environment thereby reducing the industry’s carbon footprint. The four main areas the NRA is committed to are:

1. Energy and Greenhouse Gas (GHG) Emissions;
2. Waste and Recycling;
3. Water
4. Communicating, Reporting, and Engaging

The Sustainability Charter will be reviewed every 2 years to ensure it reflects new issues, development and opportunities for the practice and demonstration of environmental sustainability within the retail industry.96
Qualification Profile of Workforce

Overall, Retail Trade workers have lower levels of educational attainment. Around two thirds (66%) of Retail Trade workers have not attained a qualification above Year 12, well above the 42.1% recorded across all industries, reflecting the younger workforce age profile of the industry. In particular, the Retail Trade industry has a lower proportion of workers who have completed a Bachelor Degree (9.7%, compared with 19.2% across all industries) or a Postgraduate Qualification (just 2.3%, compared with 7.8% across all industries). Despite this, the industry offers flexibility for those undertaking work and study, reflected by the fact that almost a quarter (23.7%) of all people employed in Retail Trade are studying, well above the 13.2% recorded across all industries.97

Figure 8: Highest educational attainment - share of employment (%) – 2011

Formal training for the retail industry comes from the Retail Services Training Package. The following are the qualifications contained therein:

- Certificate I in Retail Services
- Certificate II in Retail Services
- Certificate II in Retail – Fast Food
- Certificate III in Retail Operations
- Certificate III in Retail Supervision
- Certificate IV in Retail Management
- Diploma of Retail Management
- Diploma of Visual Merchandise
- Vocational Graduate Certificate in Retail Leadership

Entry point to these sectors is at Certificate II, with the ‘trade level’ qualifications (which include skills in supervising and coaching staff) sitting at Certificate III. Australian Qualifications Framework (AQF) level 2 and 3 qualifications represent the bulk of the retail workforce, with the remainder made up to a significantly lesser extent of the higher AQF levels. The industry qualification structure and framework reflect this fact, and so the opportunity to develop a more highly skilled workforce lies in skilling the workforce to AQF level 3.
Small employers (less than 5 employees) are already battling economically with the impact of increased rent, utilities and a downturn in consumer confidence. Due to the demise of the Federal Government employer incentives for Certificate II level traineeships, it is doubtful if these employers will be able to provide training for their staff without some financial support.

Moreover, recognition of skills is critical when one considers that public funding data describes that the majority of the retail workforce do not hold qualifications. With this in mind, notions of developing a highly skilled workforce must also be tied to building first on recognised skills.

An increasing number of employers are reporting that graduates from institute or wholly classroom-based programs do not have the equivalent skill depth and breadth as graduates from workplace-based programs. Evidence is mounting that the typical institutional delivery approach used by many training providers is of an inferior quality because:

- many students do not get access to workplace training or work experience
- without a workplace component, the training is shorter and inadequate for the development of employability skills relevant to real work.

It would appear that a number of training providers are not meeting the delivery requirements specified in the training package. It has been reported that training facilities often do not meet the recommended standard and that students graduate without ever getting access to industry application at work or in training. As a result, employers are reluctant to employ graduates from ‘institutional course pathways’ as they are not considered to be work ready. This significantly disadvantages students, who in effect receive a less valuable qualification than others simply because of their choice of provider and despite a regulatory system which assures standardised quality for all recognised providers.

It is also problematic for employers and employees who work with these graduates if they find employment. There are certain expectations in relation to a qualification which, through no fault of their own, they cannot fulfil and which have implications for workplace safety and productivity and wages. Students who experience this are often left with a poor sense of mastery, achievement and possibly self-worth.98
Industry Specific Job Roles

Retail Manager - Educational Attainment (per cent of employment)

The graph shows the highest educational attainment (per cent share of employment) for this occupation compared with all occupations. Source: ABS Census of Population and Housing, August 2011.

Approximately 43% of Retail Managers held qualifications at Certificate III level or higher in August 2011 (compared to 45% for all occupations), of which approximately 15% held qualifications at the degree or higher level (compared to 16% for all occupations).

Retail Supervisor - Educational Attainment (per cent of employment)

The graph shows the highest educational attainment (per cent share of employment) for this occupation compared with all occupations. Source: ABS Census of Population and Housing, August 2011.
Approximately 34% of Retail Supervisors held qualifications at Certificate III level or higher in August 2011 (compared to almost 45% for all occupations), of which approximately 9% held qualifications at the degree or higher level (compared to almost 16% for all occupations).100

Sales Assistant - Educational Attainment (per cent of employment)

The graph shows the highest educational attainment (per cent share of employment) for this occupation compared with all occupations. Source: ABS Census of Population and Housing, August 2011.

Approximately 24% of Sales Assistants held qualifications at Certificate III level or higher in August 2011 (compared to almost 45% for all occupations), of which approximately 8% held qualifications at the degree or higher level (compared to almost 16% for all occupations).101

Social Impact

Western Australia’s population is projected to reach over six million people by 2056, creating increasing demand for retail services.

At 31 December 2013, Western Australian continued to record the fastest population growth rate with an estimated resident population (ERP) of 2.55 million, an increase of approximately 71,300 (2.9%) over the previous year. Whilst net overseas migration (NOM) was the major component of population change in Western Australia for the year to 31 December 2013, at 45,400 people, this was the largest decrease in NOM recorded (8.8%). Natural increase added approximately 21,100 persons to the WA population, while net interstate migration added approximately 4,800 persons.

Nationally, the ERP at 31 December 2013 was 23.3 million, up approximately 396,000 (1.7%) from the previous year.102

The increasing cultural diversity of the workforce and of customers means that the ability to work across cultures is becoming an essential skill for many employees, especially in service related industries. Leadership and management skills are particularly important for handling changes in Australian society and growth in cultural diversity of employees and customers.
Employers are likely to favor employees who can work and interact with people from different cultural backgrounds. The importance of cultural self-awareness of students is on a similar ranking to the importance of workplace relationships, communication skills, compliance with policies and laws and customer service.\textsuperscript{103}

Similar to many other countries, Australia is currently facing a change in values. Work-life balance and sustainability have become more important. Employers in this sector will see an increased demand for work schedules for individual employees and new career possibilities. Employees are looking at work-life balance and this will gain further importance as younger generations are entering the workforce, looking for flexibility and opportunities for individual expression.

Lifestyle changes are also mirroring changing values and habits of various generations. It is often said that Generation Y is a 'diva' generation: high-maintenance, out for themselves, lacking in loyalty, thinking only of the short term and their own place in it. Switching industries, career breaks, sabbaticals and flexible working are taken for granted by Generation Y in order to make their jobs accommodate their family and personal lives. However, Generation Y people are also ambitious and tech-savvy, familiar with the internet, social networking and high tech gadgets. Many in this cohort grew-up alongside the rapid growth of technology and economic and social globalisation. Generation Y is usually much less likely to respond to the traditional command-and-control type of management and they will be looking for a management style based upon co-operation, delegation and equality.

These changes require well-developed soft management skills, and a more detailed understanding of employee motivation and the issues effecting staff retention. Some workplaces will have to manage these issues across the age generations of employees. Cooperation between team members of different generations has to be carefully managed, especially in small and medium sized companies such as most community pharmacies. Workforce development strategies need to address cross generational issues, customising an approach that meets the diverse needs of all workers in the industry.\textsuperscript{104}
1b. **INDUSTRY OCCUPATIONAL OVERVIEW**

**Supply and Demand of Training**

The retail industry has identified that retention of quality employees is a key sustainability issue. In addition, promoting retail as a worthwhile career and profession is a strategy that many employers believe is crucial to retaining quality skilled labour. Industry stakeholders have reported that VET qualifications and higher education degrees are useful for a variety of reasons, including providing skills for the workplace, developing frameworks for thinking for the future, expanding employee horizons, demonstrating the professionalism of the industry, affirming self-worth, and as an opportunity for employers to value add to employees’ workplace experience.

As previously discussed, employees in the retail sector have low levels of tertiary qualifications. As there is a high correlation between tertiary education and effective performance, there is a clear need to professionalise the retail industry through higher levels of qualifications. Furthermore, industry is keen to see relevant outcomes in terms of employability and qualifications that improve productivity.

Strengthening the relationship between the VET and higher education sectors is critical to each sector. Equally critical is addressing issues around workforce development in retail, as well as quality issues that are relevant to both sectors; issues such as questions of trainer capability, relevance of pedagogy and appropriateness of programs. The partnership between education sectors is proving that positive, productive and effective relationships, built on the needs of industry as well as mutual trust and understanding of the role that each can bring to industry, will provide a powerful foundation for a strong retail workforce.

**Current and Emerging Skill/Labour Gaps**

Due to the changing nature of the industry, retail specific support roles, such as merchandise planning, buying, store design, data analysis and information technology are in high demand. A number of retailers have reported that they have to recruit internationally for retail-specific back office roles and some IT roles because local talent is not available. In particular, there is competition for people with digital media skills, merchandise planning and buying skills and it is difficult to retain people in these jobs.

As brands are increasingly communicated online, the retail industry requires a new set of skills in marketing, which is proving difficult to find. Marketing roles now require a thorough understanding of the customer through expertise in collecting customer data, as well as digital marketing and social media management.

Future revisions of the Retail Services Training Package will be looking at the hanging occupational makeup of retail with particular attention to back-office roles.

The skill levels of sales staff are becoming increasingly important – employees need a deeper level of product knowledge, more sophisticated interpersonal skills and higher levels of digital literacy. Managers need to acquire new skills in developing innovative business models and high-end information and communications technology (ICT) solutions. The challenges involved in developing these skills include: the cost of training, particularly for small to medium enterprises; the complexity and availability of public funding for training; entrenched perceptions of the industry as low skilled and lacking in career prospects; a lack of dedicated human resources personnel within many businesses to support workforce
development; and a lack of leadership skills to drive strategic change and industry transformation.\textsuperscript{107}

Despite all the increased online spending and the fact that Australia has the fifth highest level of internet penetration in the World, only 52.3\% of retailers have their own website or a social media page. Access Economics cites the lack of skills and knowledge in this area by businesses as the most significant reason for the lack of uptake of e-commerce. As a result there is a significant role for training packages to deliver the necessary skills to businesses so that the potential of the internet can be fully exploited.\textsuperscript{108}

The increasing cultural diversity of the workforce and of customers means that the ability to work across cultures is becoming an essential skill for many employees, especially in service related industries. Leadership and management skills are particularly important for handling changes in Australian society and growth in cultural diversity of employees and customers. Employers are likely to favor employees who can work and interact with people from different cultural backgrounds. The importance of cultural self-awareness to students is on a similar ranking to the importance of workplace relationships, communication skills, compliance with policies and laws and customer service.\textsuperscript{109}

Industry feedback indicates that the expanding use of self-serve and self-scanning technologies sees sales staff redirected towards providing advice, guidance and engagement—higher skill activities than transactions. These changes also have implications on the definition and role of customer service in the store. There is a strong sense within the industry that this is critical to the ongoing survival of enterprises. Some retailers have responded by expanding the authority of frontline customer service staff to more effectively manage negative customer experiences. These strategies require skill development for frontline staff in addition to a thorough understanding of the aspects of customer service.\textsuperscript{110}

There is a clear demand from the Retail Industry to train and skill people to address skill gaps and to retain people in the industry. Information collected by RAPS during December 2013 through to May 2014 in regard to SEEK advertised job vacancies in Western Australia shows the following breakdown of 1,448 retail job vacancies advertised:

- 753 or 52.00\% of advertised job vacancies were for Sales Assistants
- 490 or 33.84\% of advertised job vacancies were for Retail Managers
- 205 or 14.16\% of advertised job vacancies were for Retail Supervisors
Declining Occupations

While there is insufficient information to provide concrete evidence, anecdotally it is believed that the trend for the installation of “do-it-yourself” check-out registers at Coles, Woolworths and Big W stores may lead to a decline in Cash Register staff.

Shelf Fillers are also believed to be a declining occupation with a vacancy rate of nil. Anecdotally, increased trading hours in Western Australia have meant a greater utilisation of existing checkout staff to fill shelves in quieter times.
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