

Information note—

Retail trade and COVID-19

This is a background document only and does not purport to be a comprehensive discussion of the issues involved. It does not represent the view of the Commission on any issue.

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Introduction

1. This note provides information on the characteristics of employees and businesses operating in the Retail trade industry, including the recent effects of the COVID-19 pandemic.
2. The impacts of COVID-19 on Retail trade have been rather mixed. The panic buying that occurred in March 2020 led to a record increase in turnover. However, this did not occur across all retail businesses and there was a dramatic fall in April as many businesses closed or were impacted by the limits put on social gatherings and non-essential reasons to leave home.

Employee characteristics

3. There are 4 levels within the Australian and New Zealand Standard Industrial Classification (ANZSIC) structure: division, subdivision, group and class. The most readily available data are at the division level (or 1-digit level) and much of the data presented are at this level. In this instance, the relevant division of ANZSIC is Division G: Retail trade. However, the ABS 2016 Census provides detailed data at the 4-digit level, which is also used to provide information on the *General Retail Industry Award 2010* (Retail Award).

Employee profile

4. The ABS data of direct relevance to the Retail Award are limited. A paper¹ by Commission staff provides a framework for 'mapping' modern award coverage to the ANZSIC. Under this framework, the Retail Award is 'mapped' to the following ANZSIC industry classes:

- 4110—Supermarket and grocery stores
- 4121—Fresh meat, fish and poultry retailing
- 4122—Fruit and vegetable retailing
- 4129—Other specialised food retailing
- 4211—Furniture retailing
- 4213—Houseware retailing
- 4214—Manchester and other textile goods retailing
- 4221—Electrical, electronic and gas appliance retailing
- 4222—Computer and computer peripheral retailing
- 4229—Other electrical and electronic goods retailing
- 4231—Hardware and building supplies retailing
- 4241—Sport and camping equipment goods retailing
- 4242—Entertainment media retailing
- 4243—Toy and game retailing
- 4244—Newspaper and book retailing
- 4245—Marine equipment retailing
- 4251—Clothing retailing
- 4252—Footwear retailing
- 4253—Watch and jewellery retailing
- 4259—Other personal accessory retailing
- 4260—Department stores
- 4272—Stationary good retailing
- 4273—Antique and used goods retailing
- 4274—Flower retailing
- 4279—Other store-based retailing n.e.c
- 6632—Video and other electronic media rental and hiring
- 6639—Other goods and equipment rental and hiring n.e.c.
- 7220—Travel agency and tour arrangement services

¹ Preston M, Pung A, Leung E, Casey C, Dunn A and Richter O (2012) 'Analysing modern award coverage using the Australian and New Zealand Industrial Classification 2006: Phase 1 report', Research Report 2/2012, Fair Work Australia.

- 9421—Domestic appliance repair and maintenance
 - 9499—Other repair and maintenance n.e.c.
 - 9532—Photographic film processing
5. The aggregation of the above industry classes is referred to as the 'General retail industry'.
 6. The Census is the only data source that contains employment characteristics for the Retail Award.
 7. The most recent data from the Census, for August 2016, show that around 737 000 employees were in the General retail industry. Table 1 compares certain characteristics of employees in the General retail industry with employees across 'all industries'.
 8. The profile of employees in the General retail industry differs from the profile of employees across 'all industries' in five important aspects:
 - employees in the General retail industry are predominately female (60.8 per cent compared to 50.0 per cent of employees across 'all industries');
 - over half (57.5 per cent) of employees in the General retail industry are employed on a part-time basis (i.e. work fewer than 35 hours per week), compared with only 34.2 per cent of employees across 'all industries';
 - over one quarter (26.0 per cent) of employees in the General retail industry work 1–15 hours per week compared with only 11.6 per cent of employees across 'all industries';
 - over one third (35.4 per cent) of employees in the General retail industry are aged between 15 and 24 years compared with only 16.6 per cent of employees across 'all industries'; and
 - over one quarter (26.3 per cent) of employees in the General retail industry are students (21.7 per cent are full-time students and 4.6 per cent study part time) compared with 13.7 per cent of employees across 'all industries'.

Table 1: Employee characteristics of General retail industry, 2016

	General retail industry		All industries	
	(No.)	(%)	(No.)	(%)
Gender				
Male	288 658	39.2	4 438 604	50.0
Female	448 052	60.8	4 443 125	50.0
Total	736 710	100.0	8 881 729	100.0
Full-time/part-time status				
Full-time	299 173	42.5	5 543 862	65.8
Part-time	404 069	57.5	2 875 457	34.2
Total	703 242	100.0	8 419 319	100.0
Highest year of school completed				
Year 12 or equivalent	464 045	63.6	5 985 652	68.1
Year 11 or equivalent	87 395	12.0	856 042	9.7
Year 10 or equivalent	139 143	19.1	1 533 302	17.4
Year 9 or equivalent	29 759	4.1	273 180	3.1
Year 8 or below	8 069	1.1	112 429	1.3
Did not go to school	1 401	0.2	26 356	0.3
Total	729 812	100.0	8 786 961	100.0
Student status				
Full-time student	159 063	21.7	715 436	8.1
Part-time student	33 813	4.6	491 098	5.6
Not attending	539 540	73.7	7 618 177	86.3
Total	732 416	100.0	8 824 711	100.0
Age (5-year groups)				
15–19 years	122 038	16.6	518 263	5.8
20–24 years	138 728	18.8	952 161	10.7
25–29 years	90 156	12.2	1 096 276	12.3
30–34 years	72 477	9.8	1 096 878	12.3
35–39 years	58 330	7.9	972 092	10.9
40–44 years	58 620	8.0	968 068	10.9
45–49 years	57 077	7.7	947 187	10.7
50–54 years	52 676	7.2	872 485	9.8
55–59 years	43 447	5.9	740 822	8.3
60–64 years	27 848	3.8	469 867	5.3
65 years and over	15 309	2.1	247 628	2.8
Total	736 706	100.0	8 881 727	100.0
Average age	34.2		39.3	
Hours worked				
1–15 hours	182 536	26.0	977 997	11.6
16–24 hours	115 082	16.4	911 318	10.8
25–34 hours	106 452	15.1	986 138	11.7
35–39 hours	133 827	19.0	1 881 259	22.3
40 hours	79 141	11.3	1 683 903	20.0
41–48 hours	43 669	6.2	858 120	10.2
49 hours and over	42 533	6.0	1 120 577	13.3
Total	703 240	100.0	8 419 312	100.0

Note: Part-time work is defined as employed persons who worked less than 35 hours in all jobs during the week prior to Census night. Totals may not sum to the same amount due to non-response. For full-time/part-time status and hours worked, data on employees that were currently away from work (that reported working zero hours), were not presented.

Source: ABS, *Census of Population and Housing, 2016*

Forms and conditions of employment

9. The ABS defines casual employees as employees without paid leave entitlements.² One-third of all employed persons (33.3 per cent) in Retail trade were casual employees in May 2020, almost double the proportion across all industries (17.2 per cent) (Table 2).

Table 2: Employed persons by status of employment in main job, May 2020

	Retail trade		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
Employee	1056.5	89.3	83.1
<i>With paid leave entitlements</i>	662.2	56.0	66.0
<i>Without paid leave entitlements</i>	394.3	33.3	17.2
Owner manager of enterprise with employees	65.3	5.5	6.2
Owner manager of enterprise without employees	58.5	4.9	10.4
Contributing family worker	2.4	0.2	0.2
Total	1182.8	100.0	100.0

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

10. When considering only employees, almost half of all employees in Retail trade worked full-time (49.0 per cent) compared to around 7 in 10 employees across all industries (70.6 per cent), while over one-third of employees (37.3 per cent) in Retail trade were casual employees, higher than for employees across 'all industries' (20.7 per cent) (Table 3).
11. The proportion of full-time employees that were employed on a casual basis in Retail trade (11.6 per cent) was higher than 'all industries' (9.7 per cent), while more than 6 in 10 part-time employees in Retail trade were employed on a casual basis (62.0 per cent), compared with less than half of part-time employees across 'all industries' (46.9 per cent).

² ABS, *Characteristics of Employment, Aug 2019*, Catalogue No. 6333.0, Explanatory notes.

Table 3: Employees with and without paid leave, May 2020

	Full time (%)	Part time (%)	Full-time		Part-time		All employees	
			With paid leave (%)	Without paid leave (%)	With paid leave (%)	Without paid leave (%)	With paid leave (%)	Without paid leave (%)
Retail trade	49.0	51.0	88.4	11.6	38.0	62.0	62.7	37.3
All industries	70.6	29.4	90.3	9.7	53.1	46.9	79.3	20.7

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

Employment on Sundays

12. Data on the prevalence of employment on Sundays can be analysed using the Longitudinal Labour Force Survey microdata, with the latest release being for May 2020.
13. In May 2020, there were 240 800 employees that work on Sundays in Retail trade. Table 4 presents the characteristics of these employees.
14. The majority of employees that work on Sundays in Retail trade were part time (61.8 per cent), which is significantly higher than the proportion across all industries (34.1 per cent). Almost half (48 per cent) of employees that work on Sundays in Retail trade were employed on a casual basis, which is higher than the proportion across all industries (29.2 per cent).

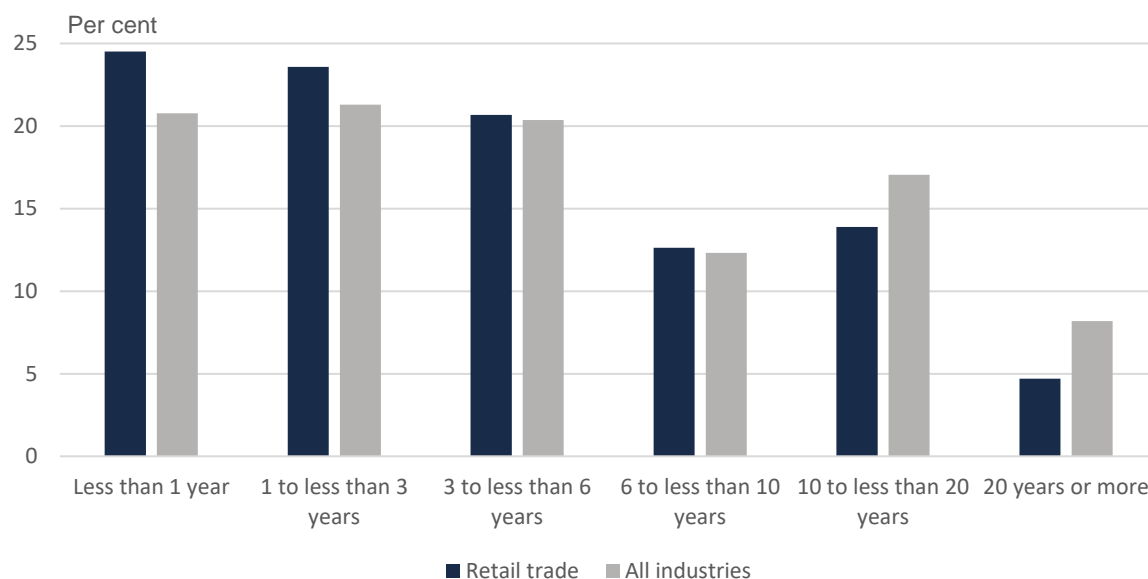
Table 4: Characteristics of employees that work on Sundays, May 2020

	Retail trade		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
Employees	240.8		
<i>Full-time</i>	91.9	38.2	65.9
<i>Part-time</i>	148.9	61.8	34.1
<i>Casual</i>	115.6	48.0	29.2
<i>Permanent</i>	125.2	52.0	70.8

Source: ABS, *Microdata: Longitudinal Labour Force, Australia*, Catalogue No. 6602.0.

Employee turnover

15. Information on employee turnover can be analysed using data on the duration of employment with current employer. This can be obtained from the Household, Income and Labour Dynamics in Australia (HILDA) Survey.
16. Chart 1 compares duration with current employer for employees in Retail trade and employees across all industries. In 2018, employees in Retail trade were more likely to experience a shorter duration of employment with an employer (less than 10 years) than employees across all industries and less likely to experience employment duration of 10 years or more. Over two-thirds of employees (68.8 per cent) in Retail trade had been with their employer for less than 6 years.

Chart 1: Employment duration with current employer for employees in Retail trade, 2018

Source: HILDA survey Wave 18, 2018.

Business characteristics

Business profile

17. As at June 2019, there were 67 756 employing small businesses in Retail trade, which accounted for over half (51 per cent) of all businesses in the industry (Table 5).
18. Across all businesses, a higher proportion of businesses in Retail trade were small and medium-sized businesses compared with the proportion of all businesses across all industries, though this is mainly due to the lower proportion of non-employing businesses in Retail trade.
19. Small businesses accounted for 92 per cent of employing businesses in Retail trade, slightly lower than across all industries.

Table 5: Percentage of businesses by business size, June 2019

	Retail trade (%)	All industries (%)
All businesses		
Non-employing	44.5	62.7
Small	51.0	34.7
Medium	4.2	2.4
Large	0.3	0.2
	100.0	100.0
Employing businesses		
Small	92.0	93.1
Medium	7.6	6.4
Large	0.5	0.5
	100.0	100.0

Note: Small businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. The publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2015 to Jun 2019*, Catalogue No. 8165.0

Business impacts of COVID-19

20. This section discusses the impact of the COVID-19 pandemic on retail businesses based on survey data published by the ABS.³

21. Between 10 June 2020 and 17 June 2020, only 12 per cent of businesses in Retail trade were operating as normal, with 88 per cent of businesses operating under modified conditions (i.e., shifting more operations online, or operating with a reduced workforce). The proportion of businesses in Retail trade operating as normal was lower than the proportion across all industries (24 per cent) (Table 6).

Table 6: Operating conditions of businesses, 10–17 June 2020

	Operating as normal (%)	Operating under modified conditions (%)
Retail Trade	12	88
All industries	24	73

Note: Modified conditions include shifting more operations online, or operating with a reduced workforce.

Source: ABS, [Business Indicators, Business Impacts of COVID-19, June 2020](#), Catalogue No. 5676.0.55.003.

³ ABS, *Business Indicators, Business Impacts of COVID-19, various*, Catalogue No. 5676.0.55.003.

22. Table 7 presents changes in revenue compared to the same time last year by industry. Around 71 per cent of businesses in Retail trade reported a decrease in revenue compared to the same time last year, which is slightly higher than for all industries (68.8 per cent).

Table 7: Changes in revenue compared to the same time last year by industry, 10 June–17 June 2020

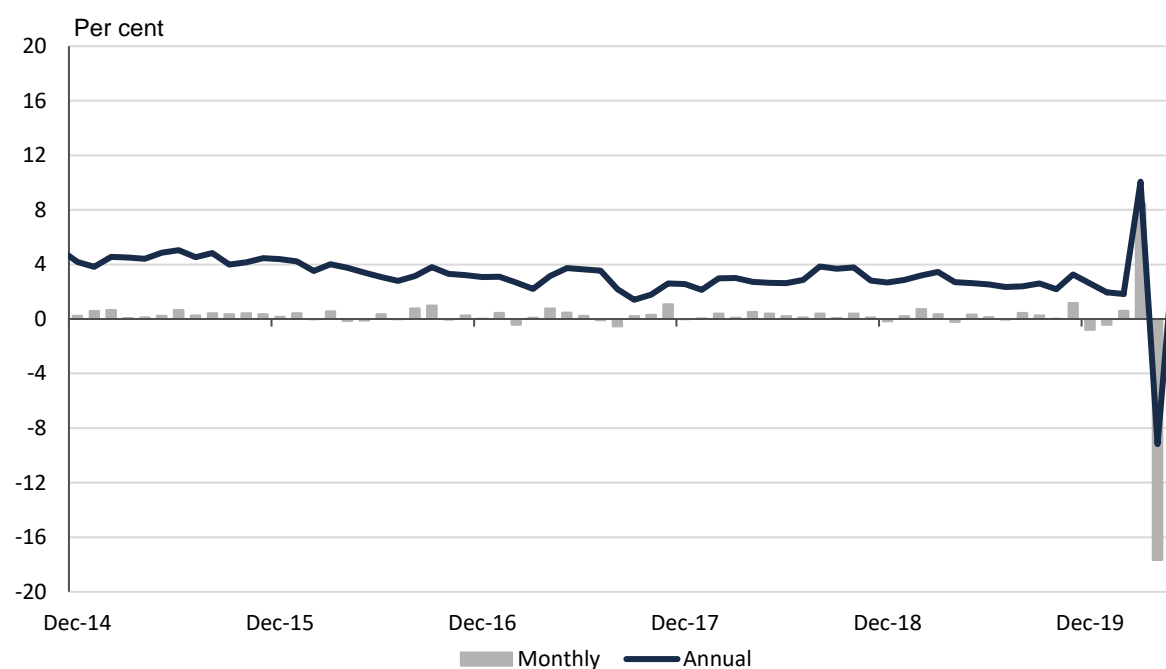
	Decreased (%)	Stayed the same (%)	Increased (%)
Retail Trade	70.7	7.6	21.7
All industries	68.8	22.9	8.3

Note: These proportions exclude responses that did not know their change in revenue.

Source: ABS, [Business Indicators, Business Impacts of COVID-19, June 2020](#), Catalogue No. 5676.0.55.003.

23. Chart 2 shows the monthly change in retail turnover to May 2020. Following a significantly large increase in March 2020, retail turnover then increased by 16.3 per cent in May 2020, the largest monthly increase ever recorded, following the largest fall of 17.7 per cent in April 2020. Over the year to May 2020, retail turnover was 5.3 per cent higher.

Chart 2: Retail turnover, May 2020

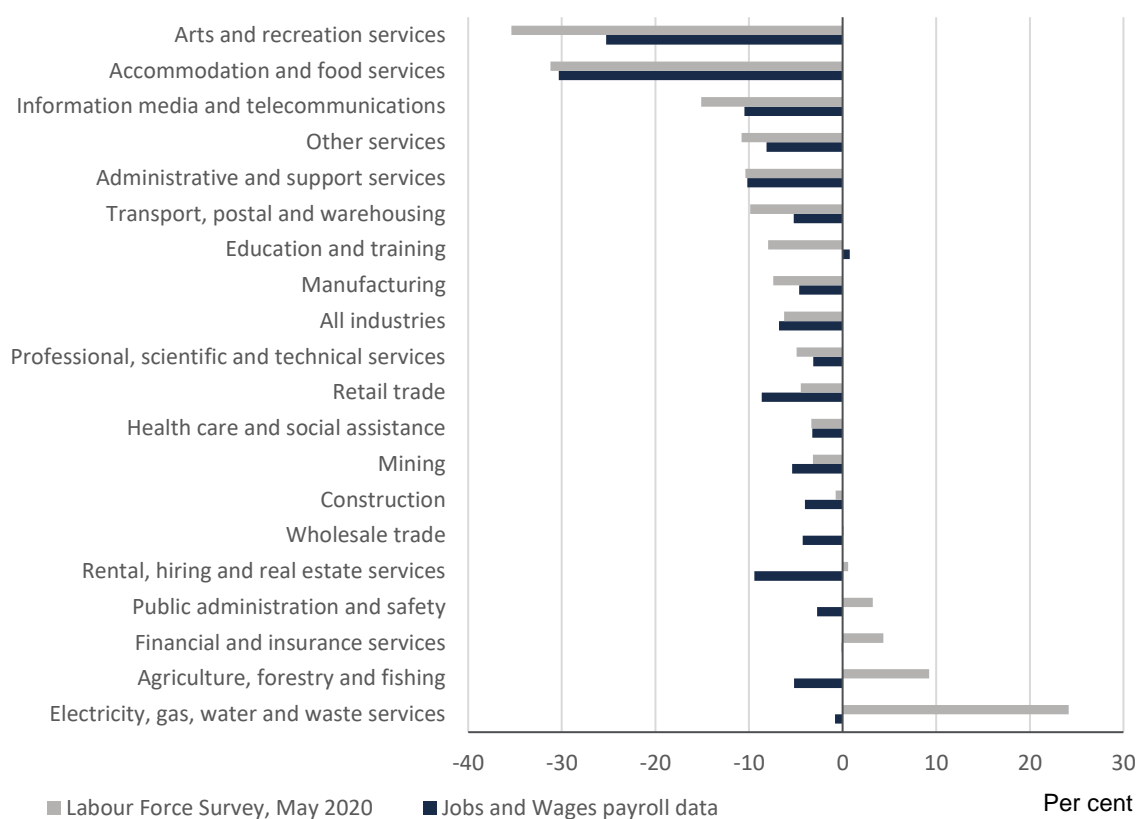


Source: ABS, *Retail Trade, Australia, Preliminary, May 2020*, Catalogue No. 8501.0.55.008; ABS, *Retail Trade, Australia, Apr 2020*, Catalogue No. 8501.0.

24. Chart 3 compares the change in payroll jobs from *Weekly Payroll Jobs and Wages in Australia* between February and May 2020 and the quarterly change in employment from the Labour Force Survey (LFS).

25. The all industries decline in payroll jobs (-6.8 per cent) and employment (-6.2 per cent) was broadly consistent between the data sources. Industries that experienced the largest declines in payroll jobs also experienced a similar decline in employment in May 2020.
26. Total payroll jobs declined by 8.6 per cent in Retail trade between February and May 2020, while employment declined by 4.5 per cent. While the decline in payroll jobs is almost double the decline in employment, differences between the composition and characteristics of the series might explain the variation. For example, data on payroll jobs are collected from administrative data while data from the LFS are collected through surveying households. Payroll data are also in original terms, while LFS data are in seasonally adjusted terms.

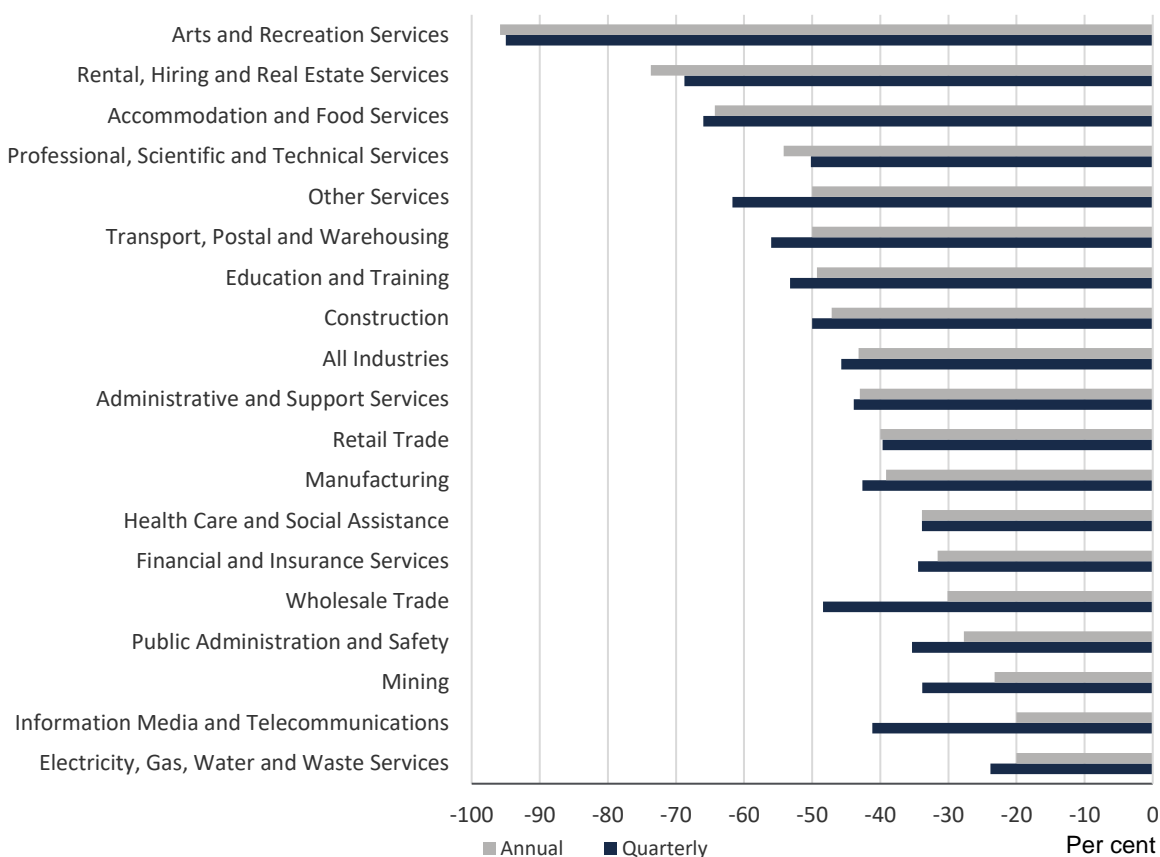
Chart 3: Change in payroll jobs and employment in the May quarter, by industry



Note: Payroll data are in original terms. Labour force data are in seasonally adjusted terms. Payroll data calculated between 8 February and 9 May 2020 to align with the respective Labour Force survey reference periods.

Source: ABS, *Weekly Payroll Jobs and Wages in Australia, Week ending 30 May 2020*, Catalogue No. 6160.0.55.001; ABS, *Labour Force, Australia, Detailed, Quarterly, May 2020*, Catalogue No. 6291.0.55.003.

27. Chart 4 presents the change in job vacancies by industry in the May quarter 2020 and over the year. Total job vacancies fell by 45.8 per cent in the May quarter 2020 to be 43.2 per cent lower over the year. Job vacancies in Retail trade fell by 39.7 per cent in the May quarter 2020 and 40.0 per cent over the year.

Chart 4: Change in job vacancies, May quarter 2020

Note: Data are in original terms.

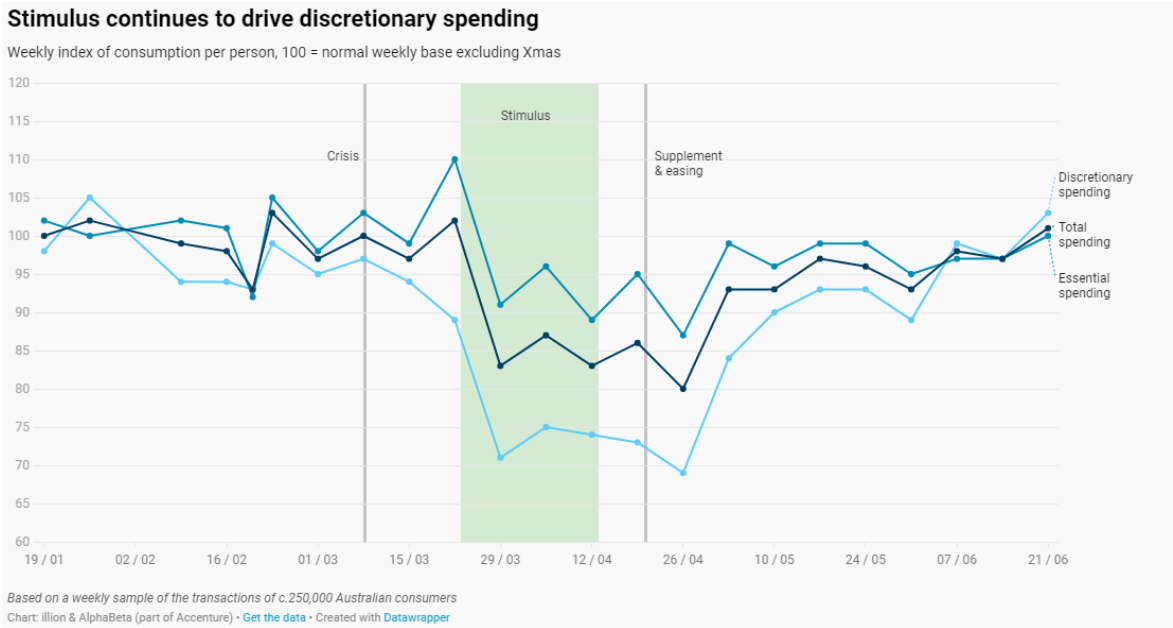
Source: ABS, *Job Vacancies, Australia, May 2020*, Catalogue No. 6354.0.

Consumer spending

28. The following data from Alphabeta tracks consumer spending on a weekly basis in 'real time' (Chart 5). It shows that total spending in the week of 8 to 14 June was slightly above a normal week (an index of 101) following much lower spending from mid March to early June. While essential spending was the same as a normal week, discretionary spending was slightly above (index of 103).⁴

⁴ Spending categories are not provided by essential or discretionary and can be found here <https://www.alphabeta.com/illiontracking/> under "2. Consumer spending by category".

Chart 5: Consumer spending, 8–14 June



Source: Illion and AlphaBeta, [Covid19 Economic Impact – Real Time Tracking](#).