Industry profile—
Retail trade

Material to assist AM2014/305—Penalty rates case

Workplace and Economic Research Section, Tribunal Services Branch

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1 Introduction

The aim of this industry profile is to present data on the Retail group of modern awards. These are:

- Fast Food Industry Award 2010
- General Retail Industry Award 2010
- Pharmacy Industry Award 2010.[1]

Unfortunately, there is little data available for each of these modern awards. Instead, this industry profile uses the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 to present data for comparable industries to those in the above modern awards. The ANZSIC was developed for the compilation and analysis of industry statistics in Australia and New Zealand.[2]

The most comparable industry classification for the Retail group of modern awards is 'Retail trade'. Retail trade (Division G) in ANZSIC is defined as:

> …units mainly engaged in the purchase and/or onselling, the commission based buying, and the commission based selling of goods, without significant transformation, to the general public. The Retail Trade Division also includes units that purchase and onsell goods to the general public using non-traditional means, including the internet. Units are classified to the Retail Trade Division in the first instance if they buy finished goods and then onsell them (including on a commission basis) to the general public.
>
> Retail units generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. The display and advertising of goods may be physical or electronic.
>
> Physical display and advertising includes shops, printed catalogues, billboards and print advertisements. Electronic display and advertising includes catalogues, internet websites, television and radio advertisements and infomercials. While non-store retailers, by definition, do not posses[s] the physical characteristics of traditional retail units with a physical shop-front location, these units share the requisite function of the purchasing and onselling of goods to the general public, and are therefore included in this division.
>
> A unit which sells to both businesses and the general public will be classified to the Retail Trade Division if it operates from shop-front premises, arranges and displays stock to attract a high proportion of walk-in customers and utilises mass media advertising to attract customers.[3]

There are four levels within the ANZSIC structure: division, subdivision, group and class. The most detailed level is the class (4-digit) and data are presented at this level where possible. However, the most readily available data is provided at the division level (1-digit). The following presents the subdivisions, groups and classes within Retail trade.

[1] Variations to the *Hair and Beauty Industry Award 2010* are no longer being pressed.

[2] ABS, *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 2.0)*, Catalogue No. 1292.0.

[3] ABS, *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 2.0)*, Catalogue No. 1292.0.

- 39 Motor vehicle and motor vehicle parts retailing
  - 391 Motor vehicle retailing
    - 3911 Car retailing
    - 3912 Motor cycle retailing
    - 3913 Trailer and other motor vehicle retailing
  - 392 Motor vehicle parts and tyre retailing
    - 3921 Motor vehicle parts retailing
    - 3922 Tyre retailing
- 40 Fuel retailing
  - 400 Fuel retailing
    - 4000 Fuel retailing
- 41 Food retailing
  - 411 Supermarket and grocery stores
    - 4110 Supermarket and grocery stores
  - 412 Specialised food retailing
    - 4121 Fresh meat, fish and poultry retailing
    - 4122 Fruit and vegetable retailing
    - 4123 Liquor retailing
    - 4129 Other specialised food retailing
- 42 Other store-based retailing
  - 421 Furniture, floor coverings, houseware and textile goods retailing
    - 4211 Furniture retailing
    - 4212 Floor covering retailing
    - 4213 Houseware retailing
    - 4214 Manchester and other textile goods retailing
  - 425 Electrical and electronic goods retailing
    - 4221 Electrical, electronic and gas appliance retailing
    - 4222 Computer and computer peripheral retailing
    - 4229 Other electrical and electronic goods retailing
  - 423 Hardware, building and garden supplies retailing
    - 4231 Hardware and building supplies retailing
    - 4232 Garden supplies retailing
  - 424 Recreational goods retailing
    - 4241 Sport and camping equipment retailing
    - 4242 Entertainment media retailing
    - 4243 Toy and game retailing
    - 4244 Newspaper and book retailing

    - 4245 Marine equipment retailing
  - 425 Clothing, footwear and personal accessory retailing
    - 4251 Clothing retailing
    - 4252 Footwear retailing
    - 4253 Watch and jewellery retailing
    - 4259 Other personal accessory retailing
  - 426 Department stores
  - 427 Pharmaceuticals and other store-based retailing
    - 4271 Pharmaceutical, cosmetic and toiletry goods retailing
    - 4272 Stationery goods retailing
    - 4273 Antique and used goods retailing
    - 4274 Flower retailing
    - 4279 Other store-based retailing n.e.c
- 43 Non-store retailing and retail commission-based buying and/or selling
  - 431 Non-store retailing
  - 432 Retail commission-based buying and/or selling.

The data in this profile are collected from five sources: the Australian Bureau of Statistics (ABS); the Fair Work Commission's Australian Workplace Relations Study (AWRS) and the Fair Work Commission's Award Reliance Survey (ARS); the Household, Income and Labour Dynamics in Australia (HILDA) Survey; and the Department of Employment's Workplace Agreements Database (WAD). The ABS contains a number of surveys on the performance, structure and characteristics of industries. In particular, detailed information from a catalogue on the Retail trade and Wholesale trade industries is included where appropriate. The AWRS, ARS and HILDA are large-scale quantitative surveys that collectively provide information on enterprises, employees and households. HILDA has the added advantage of presenting information over time. The WAD is a census database of Australian federal enterprise agreements.

Further information on the Fair Work Commission's data sources is located on its website.[4]

The next section provides an indication of how the ANZSIC match with the modern awards based on a 'mapping' exercise undertaken by the Fair Work Commission in 2013.

The data presented in this profile are divided into six sections: an overview; industry structure and performance; labour market structure and trends; earnings and wage instruments; forms and conditions of employment and award reliance.

In sections 3 to 6, data for Retail trade are compared with data across all industries. In section 7, data are presented only for Retail trade with comparisons made between award-reliant organisations/employees and other types of organisations/employees covered by either an enterprise bargaining agreement or individual arrangement. Following Wright and Buchanan

[4] Award Reliance Survey 2013 data manual: https://www.fwc.gov.au/documents/sites/wagereview2015/research/AR-data-user-manual.pdf and Australian Workplace Relations Study 2014: https://www.fwc.gov.au/creating-fair-workplaces/research/australian-workplace-relations-study.

(2013), an award-reliant organisation is defined as an organisation that has at least one employee paid at the exact rate of pay as specified in the relevant award. An award-reliant employee is defined as an employee that is paid exactly the award rate.[5]

[5] This is consistent with the approach in other Fair Work Commission research such as Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report 4/2012, Fair Work Australia; Farmakis-Gamboni S, Rozenbes D and Yuen K (2012), *Award-reliant small businesses*, Research Report 1/2012, Fair Work Australia; and Wright S and Buchanan J (2013), *Award reliance*, Research Report 6/2013, Fair Work Commission.

2 Retail group and ANZSIC

The Fair Work Commission has previously undertaken research to 'map' modern awards with ANZSIC classes. Table 2.1 shows how the modern awards in the Retail group 'map' with the relevant ANZSIC class. The first column on the left of Table 2.1 presents the modern awards that are part of the Retail group. The second column presents the ANZSIC class that has been 'mapped' to the modern award that is also contained in the Retail trade division and included in this profile. The third column presents the ANZSIC class that has been 'mapped' to the modern award and are not included as part of this profile as they are not contained within the Retail trade division. The final column presents the ANZSIC class 'mapped' to the modern awards and not contained within the Retail trade division and instead contained within the Accommodation and food services division.

Table 2.1: Modern awards 'mapped' to ANZSIC class

Retail group modern award	ANZSIC class included in profile	ANZSIC class not included in profile	ANZSIC class in Accommodation and food services profile
Fast Food Industry			4512 – Takeaway food services
General Retail Industry	4110 – Supermarket and grocery stores 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 4231 – Garden supplies retailing 4241 – Sport and camping equipment	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 9421 – Domestic Appliance Repair and Maintenance 9499 – Other Repair and Maintenance n.e.c. 9532 – Photographic Film Processing	

Retail group modern award	ANZSIC class included in profile	ANZSIC class not included in profile	ANZSIC class in Accommodation and food services profile
	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.		
Pharmacy Industry	4271 – Pharmaceutical, cosmetic and toiletry goods retailing		

Source: Fair Work Commission, https://www.fwc.gov.au/awards-and-agreements/minimum-wages-conditions/annual-wage-reviews/previous-wage-reviews/annual-w-27.

ANZSIC class 4123 – Liquor retailing is included in this profile although it was 'mapped' to the *Hospitality Industry (General) Award 2010*, which is located in the Hospitality group of modern awards. For data on the ANZSIC class 4512 – Takeaway food services (which maps to the *Fast Food Industry Award 2010*) see the Accommodation and food services Industry Profile.

3 Industry overview

This section provides an overview of the industry by presenting data from the Australian Bureau of Statistics (ABS) on key economic indicators and data from the Fair Work Commission's Award Reliance Survey and Australian Workplace Relation Study (AWRS) on modern award coverage and penalty rates.

Key indicators for Retail trade industry are presented in Table 3.1. The data show that the industry accounted for:

- over $380 billion of sales and almost 5 per cent of valued added to the economy;
- over 10 per cent of employment, 9 per cent of actual hours worked per week in all jobs and over 8 per cent of wages;
- over 6 per cent of all businesses and over 16 per cent of all award-reliant non-managerial employees;
- around 2 per cent of investment;
- almost 20 per cent of total underemployment; and
- almost $18 billion in company gross operating profit.

Table 3.1: Economic indicators of Retail trade

	Retail trade	Percentage of all industries
Industry value added ($m) (June 2016)[a]	74 284	4.8
Sales ($m) (June 2016)[a,c]	381 950	14.9
Employment ('000s) (August 2016)[b]	1256	10.5
Actual hours worked per week in all jobs ('000s) (August 2016)[b]	35 762	9.0
Company gross operating profit ($m) (June 2016)[a,c]	17 723	7.1
Wages ($m) (June 2016)[a,d]	41 774	8.2
Gross fixed capital formation ($m) (June 2015)[a]	8656	2.1
Businesses (June 2015)[e]	132 382	6.2
Award-reliant non-managerial employees ('000s) (May 2016)[d]	368	16.2
Underemployment ('000s) (August 2016)[b]	208	19.5

Note: (a) sum of four quarters; (b) average over the four quarters; (c) All industries excluding Agriculture, forestry and fishing, Education and training, Health care and social assistance and some subdivisions of Finance and insurance services; (d) all industries excluding Agriculture, forestry and fishing; (e) All industries excluding the public sector.

Industry value added and sales are seasonally adjusted and expressed in real terms from chain volume estimates. Employment is expressed in seasonally adjusted terms. Actual hours worked per week in all jobs and underemployment are expressed in original terms. Company gross operating profits and wages are seasonally adjusted from current price estimates. Gross fixed capital formation and is expressed in original and real terms, from chain volume estimates.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Jun 2016*, Catalogue No. 5206; ABS, *Business Indicators, Australia, Jun 2016*, Catalogue No. 5676.0; ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015*, Catalogue No. 8165.0; ABS, *Employee Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0; ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

The Fair Work Commission's Award Reliance Survey collected data on the number of organisations that use each modern award. The most common modern award used by award-reliant organisations within the Retail trade industry in 2013 was the *General Retail Industry Award 2010* (Table 3.2). This was used by more than six in 10 award-reliant organisations in Retail trade. It was also the second most common modern award used by award-reliant organisations across all industries.

Table 3.2: Top 10 modern awards used in Retail trade, per cent of award-reliant organisations, 2013

	Retail trade (%)	All industries (%)
General Retail Industry Award 2010	61.5	15.1
Vehicle Manufacturing, Repair, Services and Retail Award 2010	11.6	6.6
Pharmacy Industry Award 2010	10.9	2.1
Clerks—Private Sector Award 2010	8.9	16.0
Meat Industry Award 2010	4.0	0.9
Manufacturing and Associated Industries and Occupations Award 2010	2.5	4.7
Road Transport and Distribution Award 2010	2.0	2.3
Hospitality Industry (General) Award 2010	1.0	13.3
Fast Food Industry Award 2010	0.9	1.8
Nursery Award 2010	0.8	0.4

Note: An award-reliant organisation has at least one employee that receives the exact award rate of pay.

Source: Fair Work Commission, *Award Reliance Survey*, 2013.

The Fair Work Commission's AWRS collected detailed data on employee wages and can identify employees that received penalty rates. Around one in 10 employees received penalty rates, both in Retail trade and across all industries (Table 3.3). Award-reliant employees were more likely to receive penalty rates compared with employees on other methods of setting pay, both within Retail trade and across all industries.

Table 3.3: Percentage of employees who receive penalty rates, by method of setting pay, 2014

	Retail trade (%)	All industries (%)
Award	19.0	22.0
Other methods	5.5	6.2
All employees	**10.6**	**10.6**

Note: 'Other methods' of setting pay include enterprise agreements and individual arrangements. The sample analysed was restricted to employees working for businesses that either operated 6 or 7 days in a week, operated on weekends or used shift work arrangements. 'Penalty rates' are collected in the AWRS by asking participants for the gross (before-tax) amount received for penalty payments (for work performed outside standard hours).

Source: Fair Work Commission, *Australian Workplace Relations Study,* 2014.

4 Industry structure and performance

This chapter presents data on the structure and performance of the Retail trade industry and the characteristics of enterprises using data from the ABS and AWRS at the division and subdivision levels.

4.1 Industry structure

4.1.1 Output

Data on output is available for the Retail trade classes using the ABS catalogue *Retail and Wholesale Industries* and is presented in Table 4.1. In 2012–13, the industry classes mapped to the Retail group of modern awards accounted for around three-quarters of industry value added in Retail trade. The largest contribution came from Supermarket and grocery stores which accounted for around one-quarter of industry value added in Retail trade.

Table 4.1: Industry value added by industry class, 2012–13

	Industry value added ($m)	Proportion of Retail trade at June 2013 (%)
Supermarket and grocery stores	17 541.7	25.2
Fruit and vegetable retailing	846.8	1.2
Other specialised food retailing	1034.4	1.5
Furniture retailing	1661.7	2.4
Houseware retailing	329.8	0.5
Manchester and other textile goods retailing	544.8	0.8
Electrical, electronic and gas appliance retailing	3165.4	4.5
Computer and computer peripheral retailing	1112.1	1.6
Other electrical and electronic goods retailing	451.7	0.6
Hardware and building supplies retailing	3907.3	5.6
Garden supplies retailing	584.3	0.8
Sport and camping equipment retailing	1012.1	1.5
Entertainment media retailing	287.5	0.4
Toy and game retailing	176.2	0.3
Newspaper and book retailing	1236.8	1.8
Marine equipment retailing	221.9	0.3
Clothing retailing	3816.4	5.5
Footwear retailing	762.1	1.1
Watch and jewellery retailing	1071.1	1.5
Other personal accessory retailing	303.1	0.4
Department stores	4065.6	5.8
Pharmaceutical, cosmetic and toiletry goods retailing	4328.3	6.2
Stationery goods retailing	239.1	0.3
Antique and used goods retailing	726.7	1.0
Flower retailing	218.0	0.3
Other store-based retailing n.e.c.	2738.8	3.9
Retail trade	**69 655.1**	**100.0**
Total selected industries	**1 001 183**	

Note: Data for total selected industries was collected from the Australian Industry publication. Total selected industries excludes Financial and insurance services as businesses in this industry were not in the scope of the survey.

Source: ABS, *Australian Industry, 2013–14*, Catalogue No. 8155.0; ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

4.1.2 Business size

In June 2015, small businesses accounted for over half of businesses in Retail trade (Table 4.2). Both small and medium businesses comprised a higher proportion of businesses in Retail trade than across all industries while non-employing businesses comprised a lower proportion in Retail trade than across all industries.

Focusing on employing businesses, while small businesses accounted for the majority of businesses in Retail trade, the comparison with all industries was relatively similar across the sizes.

Table 4.2: Percentage of businesses by business size, June 2015

	Retail trade (%)	All industries (%)
All businesses		
Non-employing	41.8	60.6
Small	53.8	36.9
Medium	4.2	2.4
Large	0.2	0.2
	100.0	100.0
Employing businesses		
Small	92.5	93.5
Medium	7.2	6.1
Large	0.3	0.4
	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 2011 to Jun 2015*, Catalogue No. 8165.0.

4.1.3 Industry concentration

Industry concentration can measure competition within an industry and refers to the degree with which a small number of firms provide a major proportion of total production within that industry.

In Retail trade, large businesses accounted for almost half of wages and salaries, sales and service income and industry value added (Table 4.3). Small and non-employing businesses accounted for higher proportions of wages and salaries in Retail trade than in total selected industries, while medium businesses accounted for lower proportions across each of these measures in Retail trade than in total selected industries.

Table 4.3: Wages and salaries, sales and service income, and industry value added by business size, 2014–15

	Percentage of industry total		
	Wages and salaries (%)	Sales and service income (%)	Industry value added (%)
Retail trade			
Small and non-employing	30.6	33.8	31.5
Medium	23.0	19.9	20.7
Large	46.4	46.3	47.8
	100.0	100.0	100.0
Total selected industries			
Small and non-employing	28.2	35.3	35.6
Medium	26.8	22.3	21.5
Large	44.9	42.4	43.0
	100.0	100.0	100.0

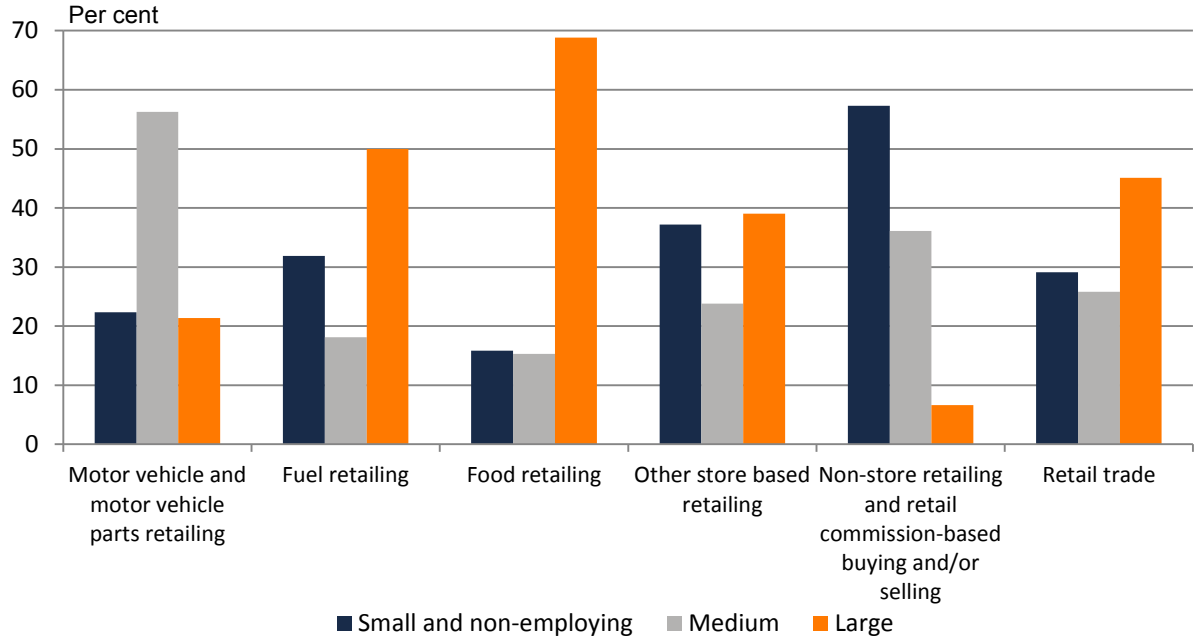
Note: Small and non-employing businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. Total selected industries exclude Financial and insurance services as businesses in this industry were not in the scope of the survey. Small and non-employing businesses cannot be disaggregated.

Source: ABS, *Australian Industry, 2014–15*, Catalogue No. 8155.0.

Figures 4.1 to 4.3 present these measures by business size for each subdivision of Retail trade in 2012–13. The figures provide another measure of concentration at the subdivision level. While Table 4.3 shows that large businesses accounted for higher proportions across each of these measures in Retail trade, the following figures show that for each measure:

- large businesses accounted for higher proportions of Food retailing and Fuel retailing;
- medium businesses accounted for a higher proportion of Motor vehicle and motor vehicle part retailing; and
- small businesses accounted for a higher proportion of Non-store retailing and retail commission-based buying and/or selling.

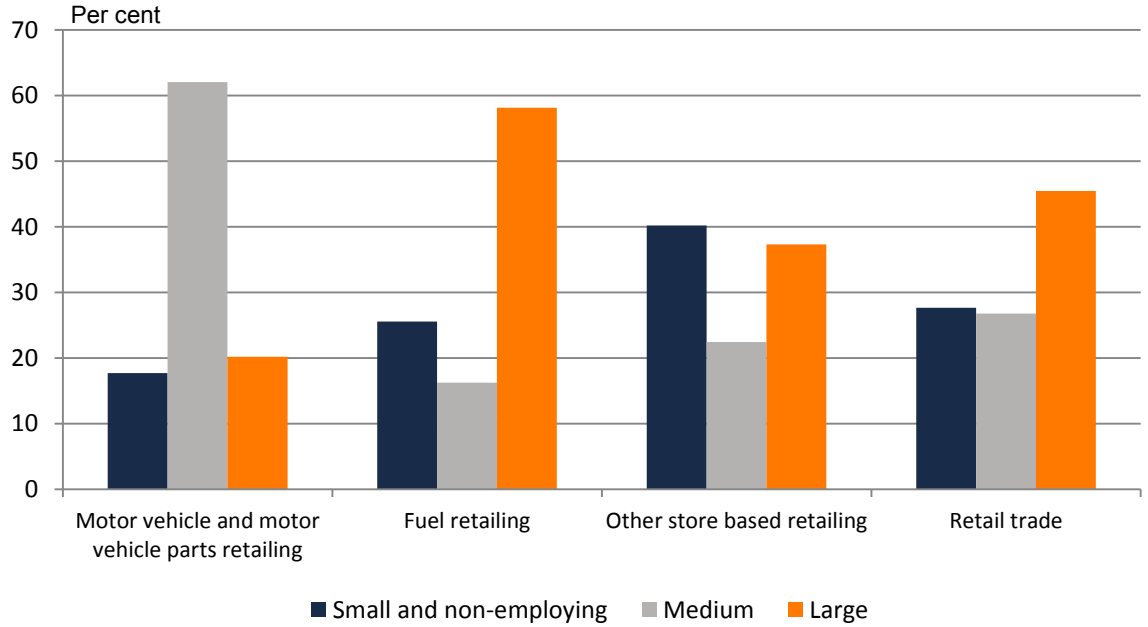
Figure 4.1: Wages and salaries by business size and subdivision, 2012–13



Note: Small businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. Total selected industries exclude Financial and insurance services as businesses in this industry were not in the scope of the survey. Small and non-employing businesses cannot be disaggregated.

Source: ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

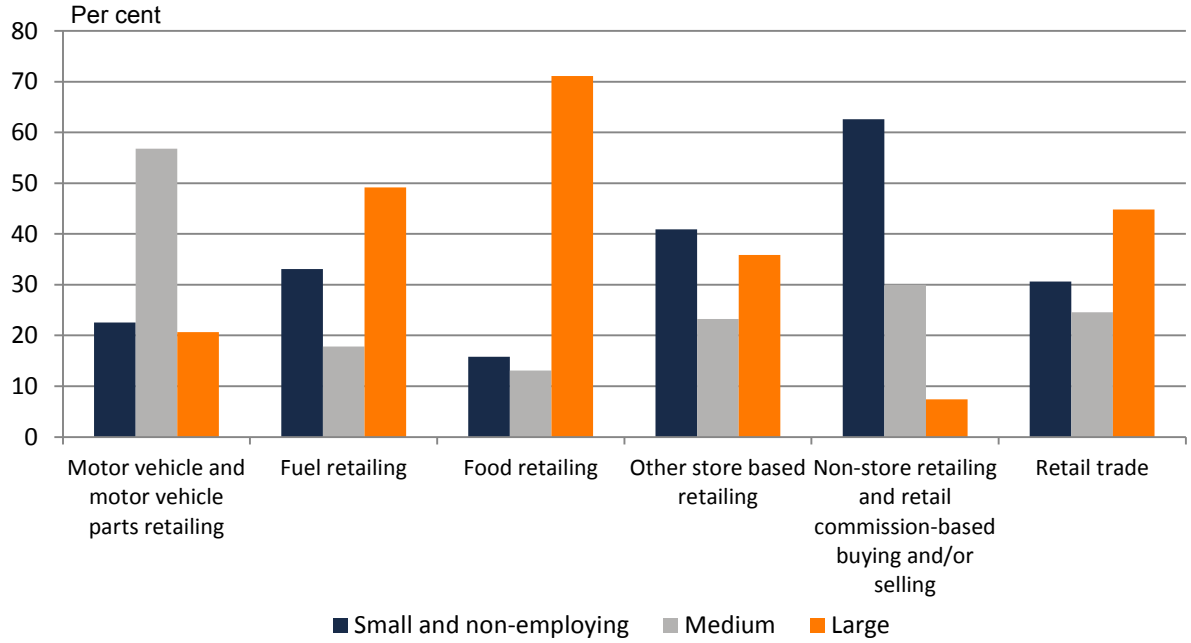
Figure 4.2: Sales and service income by business size and subdivision, 2012–13



Note: Small businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. Total selected industries exclude Financial and insurance services as businesses in this industry were not in the scope of the survey. Estimates for Food retailing and Non-store retailing and commission-based buying and/or selling are not published but are included in the total. Small and non-employing businesses cannot be disaggregated.

Source: ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

Figure 4.3: Industry value added by business size and subdivision, 2012–13



Note: Small businesses employ less than 20 persons, medium businesses employ 20 to 199 persons and large businesses employ 200 or more persons. Total selected industries excludes Financial and insurance services as businesses in this industry were not in the scope of the survey. Estimates for Food retailing and Non-store retailing and commission-based buying and/or selling are not published but are included in the total. Small and non-employing businesses cannot be disaggregated.

Source: ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

4.1.4 Enterprise characteristics

This section uses data from the AWRS to provide additional information on the characteristics of enterprises that operate within Retail trade compared with all industries.

In 2014, most enterprises in Retail trade operated from only one worksite. Enterprises in Retail trade were more likely to be located in regional/rural areas compared with all industries (Table 4.4).

The highest proportion of enterprises in Retail trade operated seven days a week, followed by weekdays and Saturday, while across all industries, the highest proportion of enterprises operated weekdays only. Both enterprises in Retail trade and across all industries had been operating for around 19 years under current ownership.

Table 4.4: Structure and operations, 2014

	Retail trade (%)	All industries (%)
Number of worksites		
1	72.0	73.2
2–5	22.1	22.4
6–10	3.4	2.5
11–20	0.9	0.8
21–50	1.4	0.8
Over 50	0.2	0.3
	100.0	100.0
Location		
Regional/rural	43.6	37.0
Metropolitan	56.4	63.0
	100.0	100.0
Operating days		
Weekdays only	18.9	48.8
Weekdays and Saturday	37.1	17.5
Some weekdays and weekend	2.8	2.3
Operating 7 days	40.6	31.1
Other	np	0.4
	100.0	100.0
Average number of operating days per week	6.2	5.8
Average years of operation under current ownership	18.9	18.5

Note: np = not published due to estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

Table 4.5 shows the prevalence and types of shift work arrangements used in enterprises in Retail trade and across all industries in 2014. A lower proportion of enterprises in Retail trade used shift work arrangements compared with all industries. The most common shift work arrangements used in both enterprises in Retail trade and across all industries were set rosters and eight-hour shifts

Table 4.5: Prevalence and types of shift work arrangements, 2014

	Retail trade (%)	All industries (%)
Uses shift work arrangements	17.9	23.8
Types of shift work arrangements		
Rotating rosters	56.2	57.1
Set rosters	86.2	77.6
Early morning shifts	45.8	62.2
Afternoon shifts	72.7	71.9
Evening and night shifts	61.7	70.8
Standard business hours	78.2	69.7
Split/broken shifts	15.5	36.1
Standby/on call	35.8	39.8
8-hour shifts	86.2	80.3
12-hour shifts	20.7	27.8
Short shifts of 4 hours or less	59.5	53.7
Other	–	3.6

Source: Fair Work Commission, *Australian Workplace Relations Study,* 2014.

Table 4.6 provides information on market and competition for enterprises in Retail trade and across all industries in 2014. Subjective measures of market and competition include the number of direct competitors faced and the degree of competition observed for their major products and/or services during the last financial year.

Most enterprises in Retail trade and across all industries operated within the domestic market only. A higher proportion of enterprises in Retail trade focused on the immediate local area only compared with enterprises across all industries, which were more likely to focus Australia wide.

While most enterprises reported five to nine direct competitors, enterprises in Retail trade were less likely to report 50 or more direct competitors compared with all industries. Most enterprises reported strong competition, with enterprises in Retail trade less likely to report limited competition compared with all industries.

Table 4.6: Market and competition, 2014

	Retail trade (%)	All industries (%)
Nature of market		
Domestic only	88.2	83.6
Domestic with some export	10.5	14.6
Export with some domestic	np	1.4
Export only	–	0.5
	100.0	100.0
Market focus		
Immediate local area only	58.3	44.0
Intrastate	19.4	19.5
Interstate	2.5	9.1
Australia wide	19.8	27.4
Other	–	np
	100.0	100.0
Number of direct competitors		
1–4	21.2	21.7
5–9	27.3	23.6
10–19	22.2	18.9
20–49	14.0	12.8
50 or more	13.5	16.4
None/captive market/no effective competition	np	6.6
	100.0	100.0
Degree of competition		
Intense competition	31.5	29.6
Strong competition	45.8	42.3
Moderate competition	20.3	21.6
Limited competition	2.5	6.5
	100.0	100.0

Note: np = not published due to estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

4.2 Income and cost structure

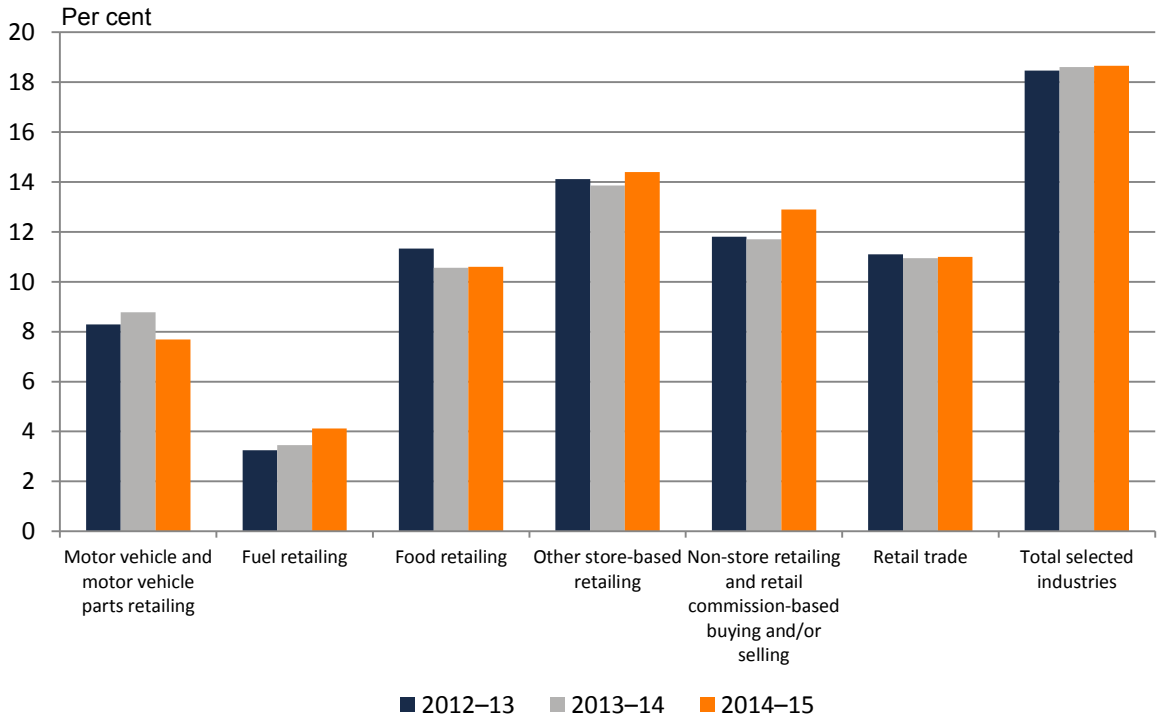
4.2.1 Wages and salaries

Wages and salaries as a percentage of total expenses for the Retail trade subdivisions for the years 2012–13 to 2014–15 is presented in Figure 4.4.

Wages and salaries comprised a lower proportion of total expenses across each subdivision compared with total selected industries. The lowest proportion was for Fuel retailing and the highest proportion was for Other store-based retailing.

Between 2012–13 and 2014–15, the largest increase in the proportion of wages and salaries to total expenses was in Non-store retailing and retail commission-based buying and/or selling, although this proportion decreased slightly between 2012–13 and 2013–14.

Figure 4.4: Wages and salaries as a percentage of total expenses by subdivision, 2012–13 to 2014–15

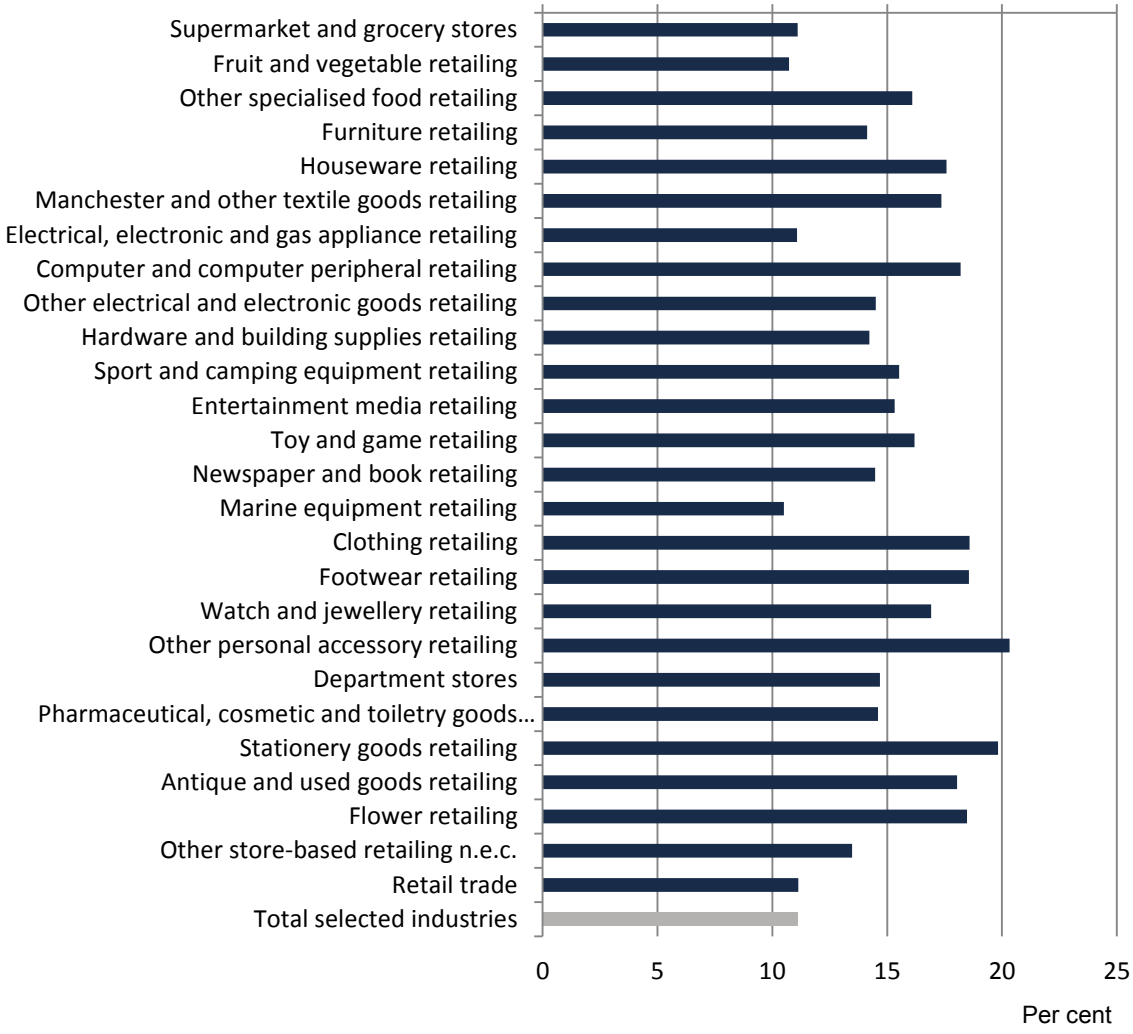


Note: Total selected industries exclude Financial and insurance services as businesses in this industry were not in the scope of the survey.

Source: ABS, *Australian Industry, 2014–15*, Catalogue No. 8155.0.

Wages and salaries as a percentage of total expenses for the Retail trade classes relevant to the Retail group of modern awards are presented in Figure 4.5. For most of these industry classes, wages and salaries as a percentage of total expenses was higher than for both Retail trade and across all industries.

Figure 4.5: Wages and salaries as a percentage of total expenses by selected industry classes, 2012–13

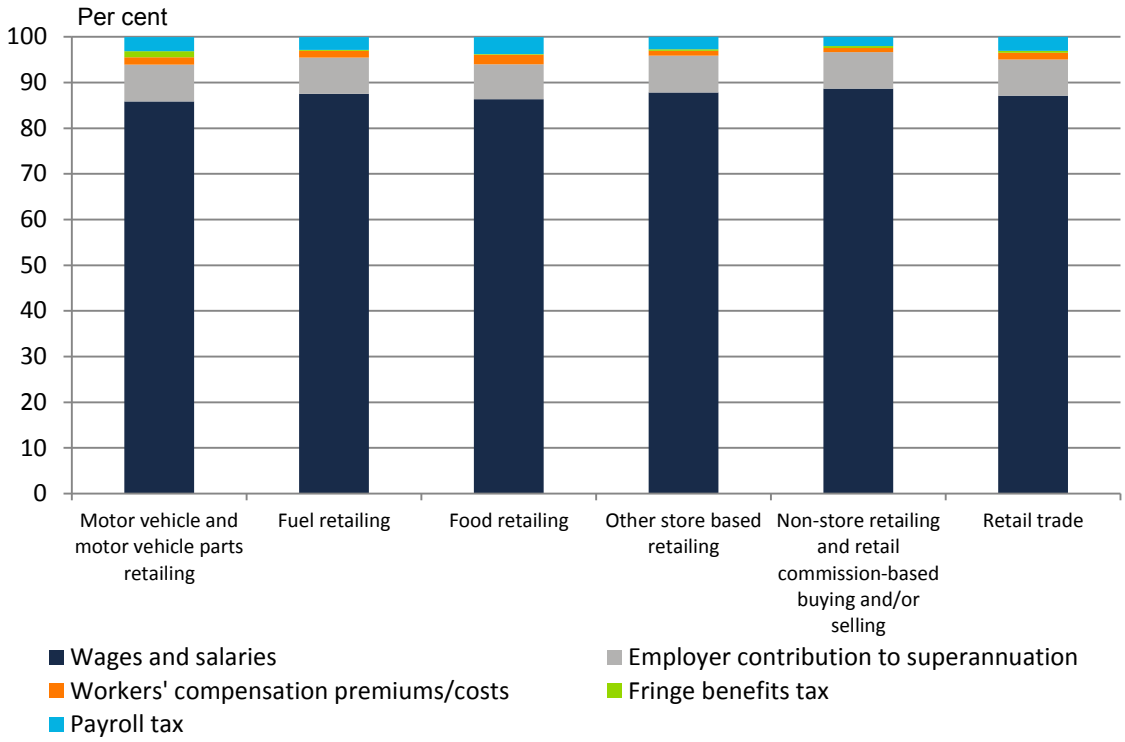


Note: Data for total selected industries is taken from the *Australian Industry* publication.

Source: ABS, *Australian Industry, 2013–14*, Catalogue No. 8155.0; ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

The components of labour costs for the subdivisions of Retail trade are presented in Figure 4.6. Wages and salaries accounted for the majority of labour costs across each subdivision (almost 90 per cent). Employer contributions to superannuation comprised the next highest proportion (around 8 per cent) followed by payroll tax (around 2 per cent to 4 per cent).

Figure 4.6: Wages and other labour costs as a proportion of total labour costs by subdivision, June 2015



Source: ABS, *Australian Industry, 2014–15*, Catalogue No. 8155.0.

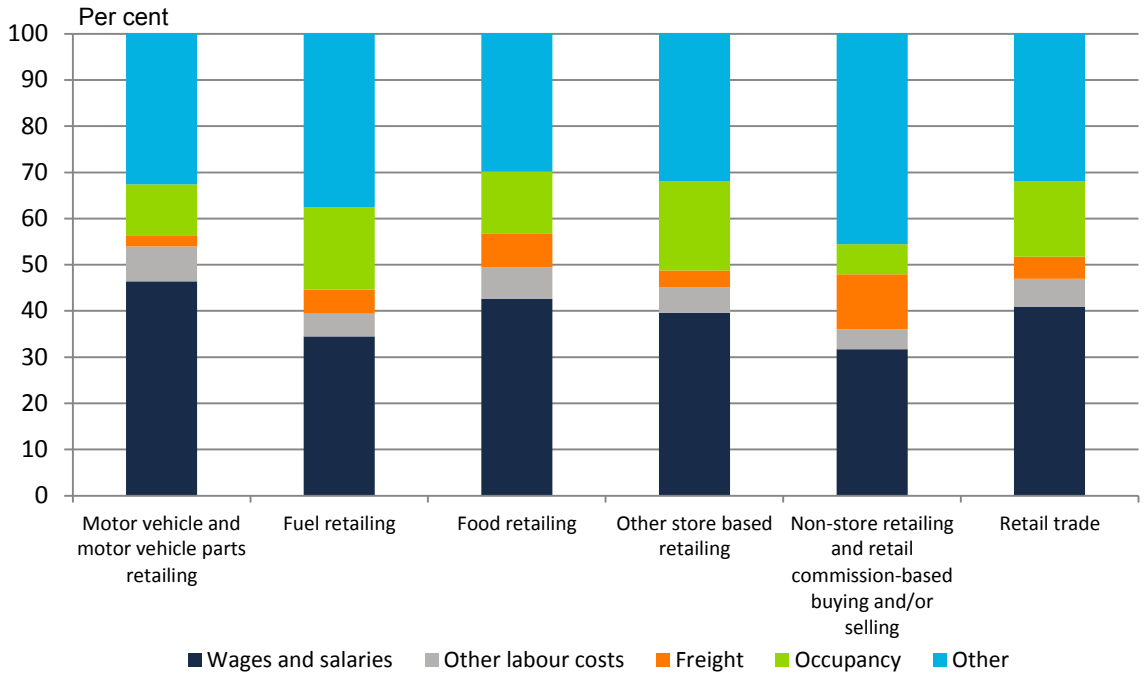
4.2.2 Cost structure

A breakdown of total expenses (excluding purchase costs) for the Retail trade subdivisions is presented in Figure 4.7. Purchase costs are excluded to provide an overview of other significant costs, as purchases account for around three-quarters of total expenses.

Overall, wages and salaries and other costs[6] comprised the highest proportion of total expenses. The proportion of wages and salaries to total expenses was higher in Motor vehicle and motor vehicle parts retailing, Food retailing and Other store based retailing. Other costs comprised a high proportion of total expenses in Fuel retailing and Non-store retailing and retail commission-based buying and/or selling.

[6] 'Other' costs includes all expenditure items not separately itemised, such as bad and doubtful debts, natural resource royalty expenses, land tax and land rates, computer software expenses, freight, other royalties expenses, payments to employment agencies for staff and other operating expenses.

Figure 4.7: Breakdown of expenses as a proportion of total expenses by subdivision, June 2013



Note: Breakdown of expenses include all expenses except for purchase costs. Occupancy includes rent and lease expenses related to land, buildings and other structures. 'Other' includes all expenditure items not separately itemised, such as bad and doubtful debts, natural resource royalty expenses, land tax and land rates, computer software expenses, freight, other royalties expenses, payments to employment agencies for staff and other operating expenses.

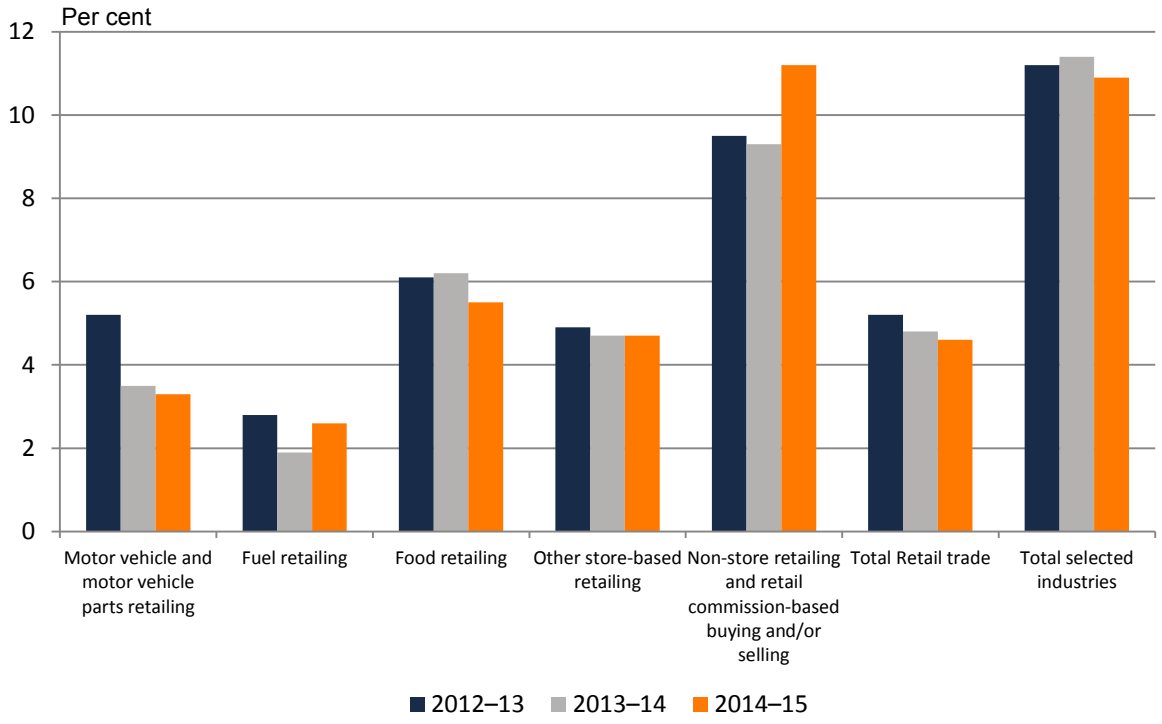
Source: ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

4.2.3 Profit margins

Profit margins are operating profits before tax as a percentage of income received, and can be used to compare profitability levels by industry. It may indicate the level of competition within an industry and may also demonstrate its level of capital intensity, since capital intensive industries are likely to show higher profit margins.

The profit margins for the Retail trade subdivisions compared with total selected industries are presented for the period 2012–13 to 2014–15 (Figure 4.8). Profit margins in Retail trade were lower relative to total selected industries across each subdivision except for Non-store retailing and retail commission-based buying and/or selling, where it was higher in 2014–15. The lowest profit margins were in Fuel retailing and the highest in Non-store retailing and retail commission-based buying and/or selling. Between 2012–13 and 2014–15, profit margins fell in Retail trade more than across total selected industries.

Figure 4.8: Profit margins by subdivision, 2012–13 to 2014–15

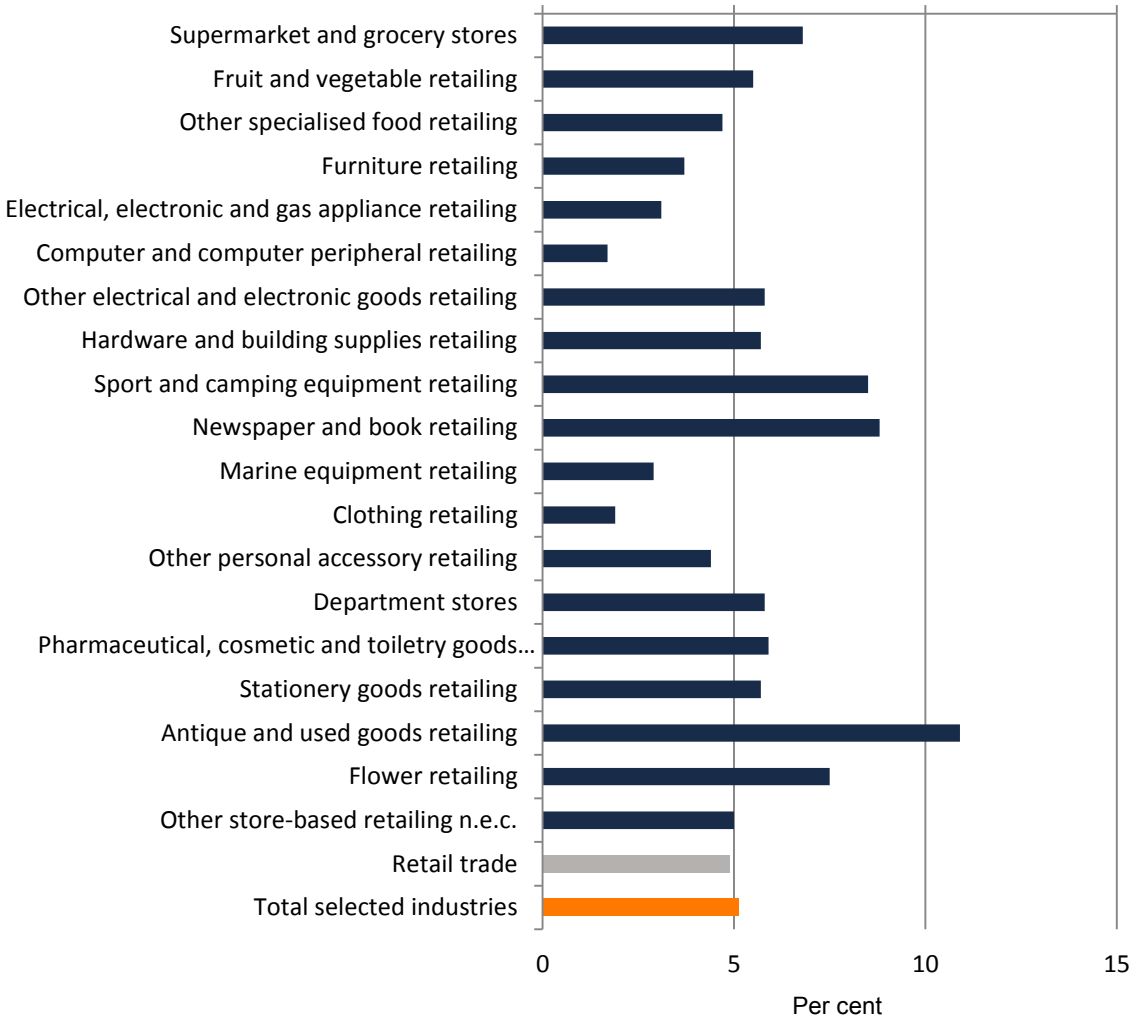


Note: Profit margins are calculated as the percentage of sales and service income available as operating profit before tax. Total selected industries excludes Financial and insurance services.

Source: ABS, *Australian Industry, 2014–15*, Catalogue No. 8155.0.

Figure 4.9 shows profit margins by industry classes relevant to the Retail trade group of modern awards in 2012–13. Profit margins varied widely across the industry classes selected, with Antique and used goods retailing, Newspaper and book retailing and Sport and camping equipment retailing having significantly higher profit margins compared with Retail trade and all industries. In contrast, Computer and computer peripheral retailing and Clothing retailing recorded the lowest profit margins.

Figure 4.9: Profit margins by selected industry classes, 2012–13



Note: Data for total selected industries is taken from the *Australian Industry* publication. Total selected industries excludes Financial and insurance services.

Source: ABS, *Australian Industry, 2013–14*, Catalogue No. 8155.0; ABS, *Retail and Wholesale Industries, Australia, 2012–13*, Catalogue No. 8622.0.

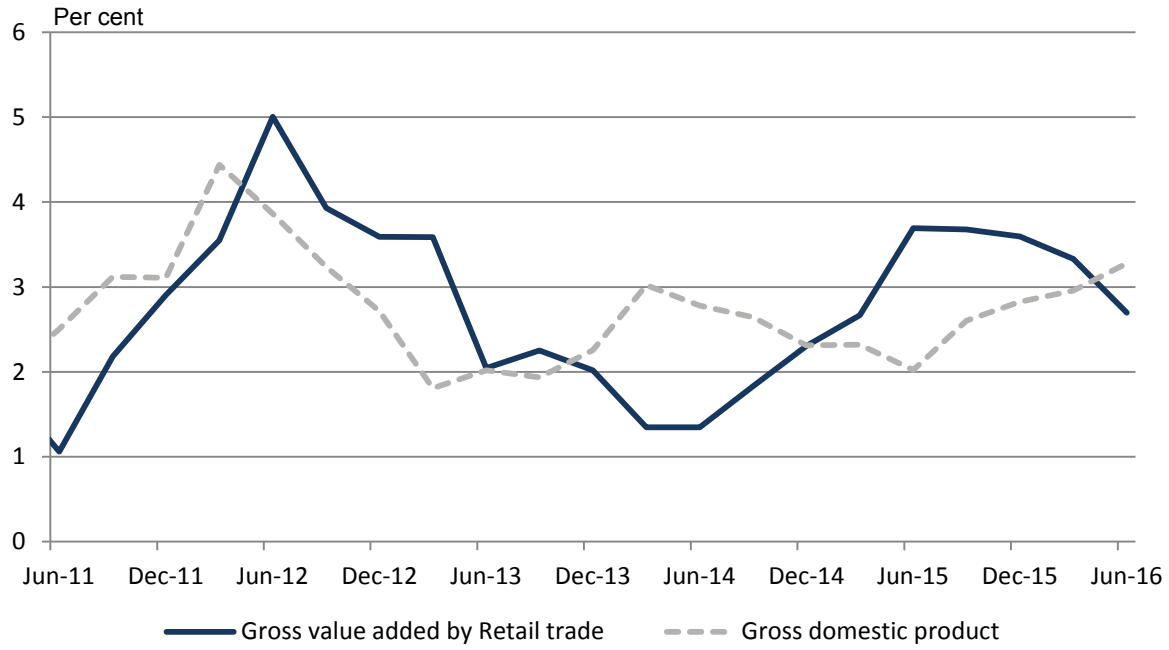
4.3 Industry performance

4.3.1 Output growth

Figure 4.10 compares annual output growth in Retail trade (as measured by gross value added) with gross domestic product (GDP) over the five years to the June quarter 2016.

Over the period, output growth in Retail trade ranged from 1.1 per cent over the year to the June quarter 2011 to 5 per cent over the year to the June quarter 2012. Output growth in Retail trade was higher than GDP growth between the June quarter 2012 and the March quarter 2013 and again between the March quarter 2015 and the March quarter 2016. However, in the June quarter 2016, output growth fell in Retail trade to be lower than growth in GDP.

Figure 4.10: Growth in real output, annual percentage change, June quarter 2016 to June quarter 2016



Note: All data are seasonally adjusted and expressed in real terms from chain volume estimates.

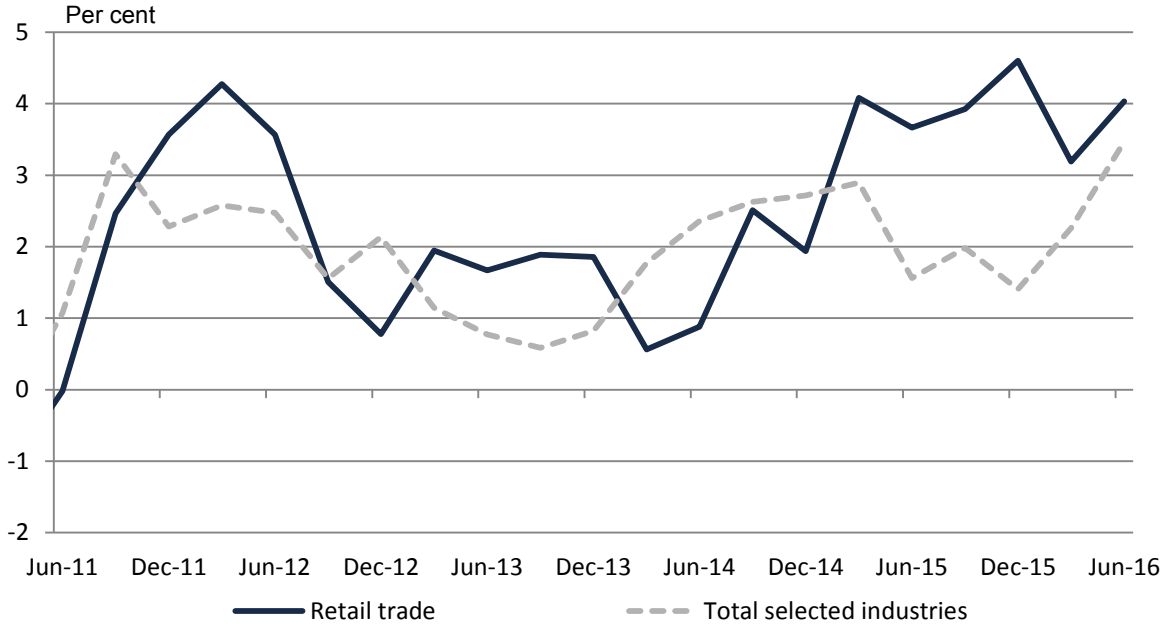
Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Jun 2016*, Catalogue No. 5206.0.

4.3.2 Sales growth

Figure 4.11 compares annual growth in sales of goods and services in Retail trade with total selected industries between the June quarter 2011 and the June quarter 2016.

Annual growth of sales of goods and services in Retail trade followed a similar trend to annual growth in total selected industries for most of the period and peaked at 4.6 per cent in the December quarter 2015. Annual sales growth in Retail trade was above sales growth in total selected industries from the March quarter 2015 to the June quarter 2016.

Figure 4.11: Sales of goods and services, annual percentage change, June quarter 2011 to June quarter 2016



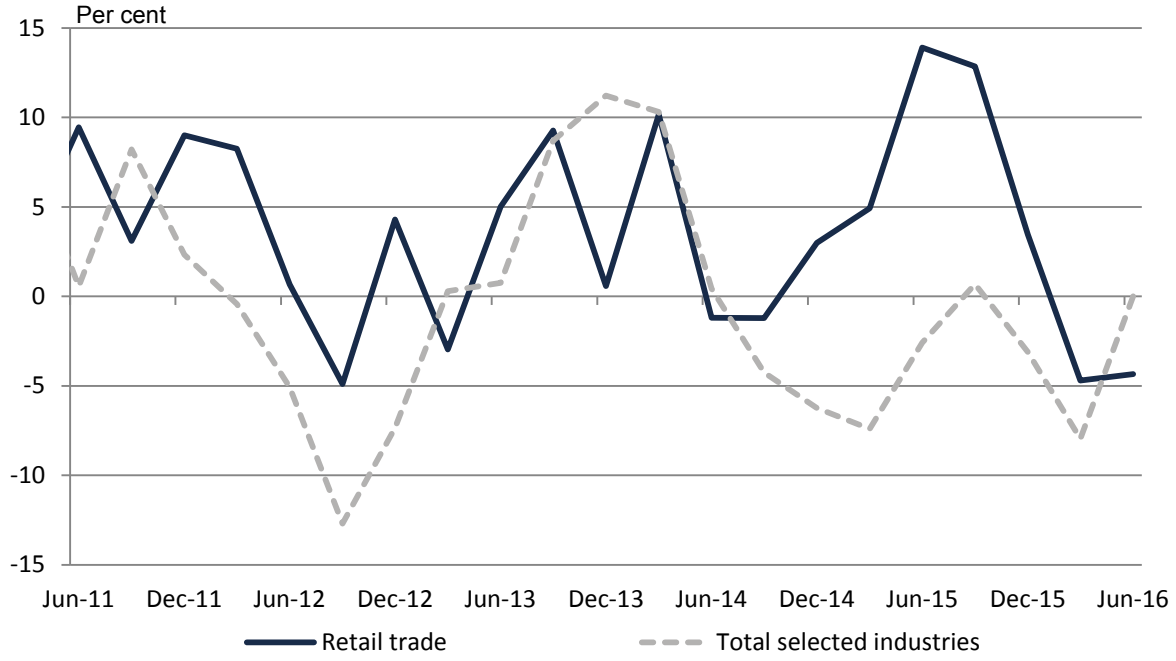
Note: Sales is seasonally adjusted and expressed in real terms, from chain volume estimates. Sales of goods and services and gross operating profit estimates are not available for Education and training and Health care and social services, as well as Depository financial intermediation and Insurance superannuation funds subdivisions from Finance and insurance services.

Source: ABS, *Business Indicators, Australia, Jun 2016*, Catalogue No. 5676.0.

4.3.3 Profit growth

Over the five years to the June quarter 2016, annual growth in company gross operating profits in Retail trade ranged from –4.9 per cent in the September quarter 2012 to 13.9 per cent in the June quarter 2015 (Figure 4.12). Annual growth in company gross operating profits in Retail trade exceeded total selected industries across the seven quarters to the March quarter 2016; however, growth in company gross operating profits in Retail trade then declined to be below growth in total selected industries over the year to the June quarter 2016.

Figure 4.12: Company gross operating profits in Retail trade, annual percentage change, June quarter 2011 to June quarter 2016



Note: Gross operating profits are seasonally adjusted and expressed in nominal terms from current price estimates.

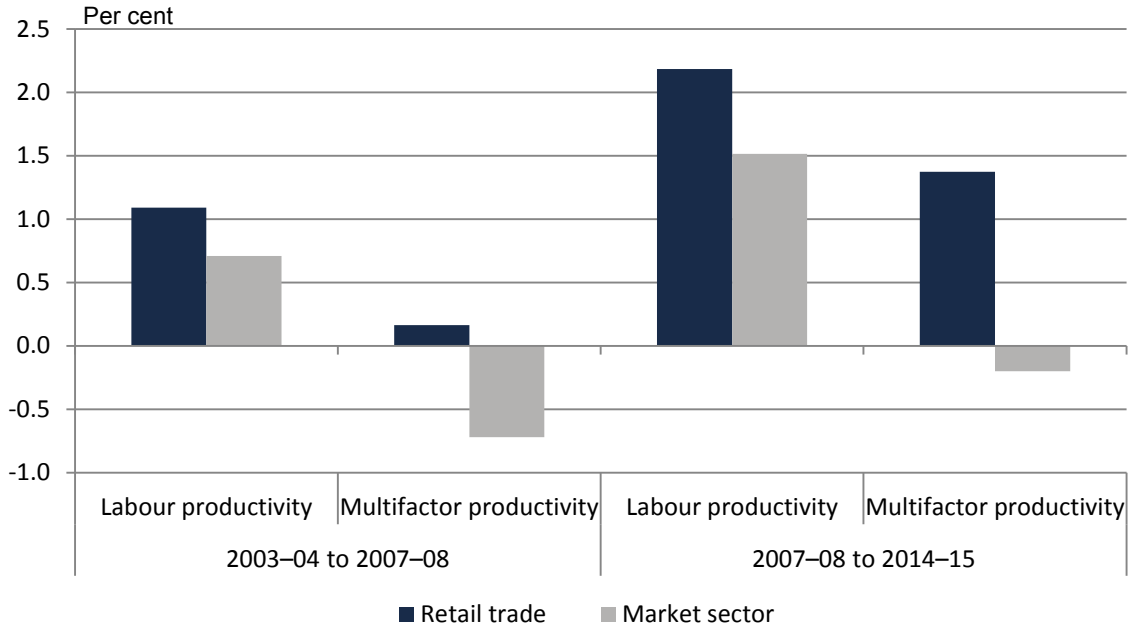
Source: ABS, *Business Indicators, Australia, Jun 2016*, Catalogue No. 5676.0.

4.3.4 Productivity

Average annual growth in productivity is presented for both labour and multifactor productivity over the two most recent productivity cycles, 2003–04 to 2007–08 and 2007–08 to 2014–15 (Figure 4.13). The common approach to measuring productivity is to compare average annual rates of growth in the market sector between peaks in the productivity cycle (as identified by the ABS) rather than focusing on short-run (quarterly and annual) trends.

The data show that average annual growth of both labour and multifactor productivity were higher in Retail trade compared with the market sector across both productivity cycles. While multifactor productivity declined in the market sector across both cycles, it increased in Retail trade. Average annual growth in both labour and multifactor productivity in Retail trade was higher from 2007–08 to 2014–15 than the previous cycle.

Figure 4.13: Average annual growth rates of labour and multifactor productivity, 2003–04 to 2014–15



Note: The 2007–08 to 2014–15 growth cycle is incomplete. Labour productivity measures the amount of output per unit of labour which is measured in terms of gross value added per hour worked on a quality adjusted hours basis. Multifactor productivity measures the ratio of growth in output to growth in two or more factor inputs and represents that part of the change in output that cannot be explained by changes in the inputs. Multifactor productivity, in this case, is based on the gross value added of capital and labour in production and is measured on a quality adjusted hours basis. The total market sector comprises all industries except for Public administration and safety, Education and training and Health care and social assistance.

Source: ABS, *Estimates of Industry Multifactor Productivity, 2014–15*, Catalogue No. 5260.0.55.002.

4.3.5 Business entries, exits and survival rates

There were over 130 000 businesses in Retail trade in June 2015, comprising 6.2 per cent of businesses across all industries. Among the industry classes mapped to the Retail group of modern awards, Other store-based retailing n.e.c, Clothing retailing, Supermarket and grocery stores and Pharmaceutical, cosmetic and toiletry goods retailing had the most number of businesses.

Exit and entry rates[7] measure the ease with which businesses enter and exit an industry. Industries with low (high) rates of business entries tend to also have low (high) rates of business exits.

Over the year to June 2015, entry and exit rates varied for industry classes in the Retail group of modern awards, with the highest rates in Other specialised food retailing, Clothing retailing and Toy and game retailing (Table 4.7).

[7] Entry rates are business entries in the financial year as a proportion of total businesses operating at the start of the financial year, while exit rates are total business exits in the financial year as a proportion of total businesses operating at the start of the financial year.

Table 4.7: Business entry and exit rates in Retail trade, by industry class, 2014–15

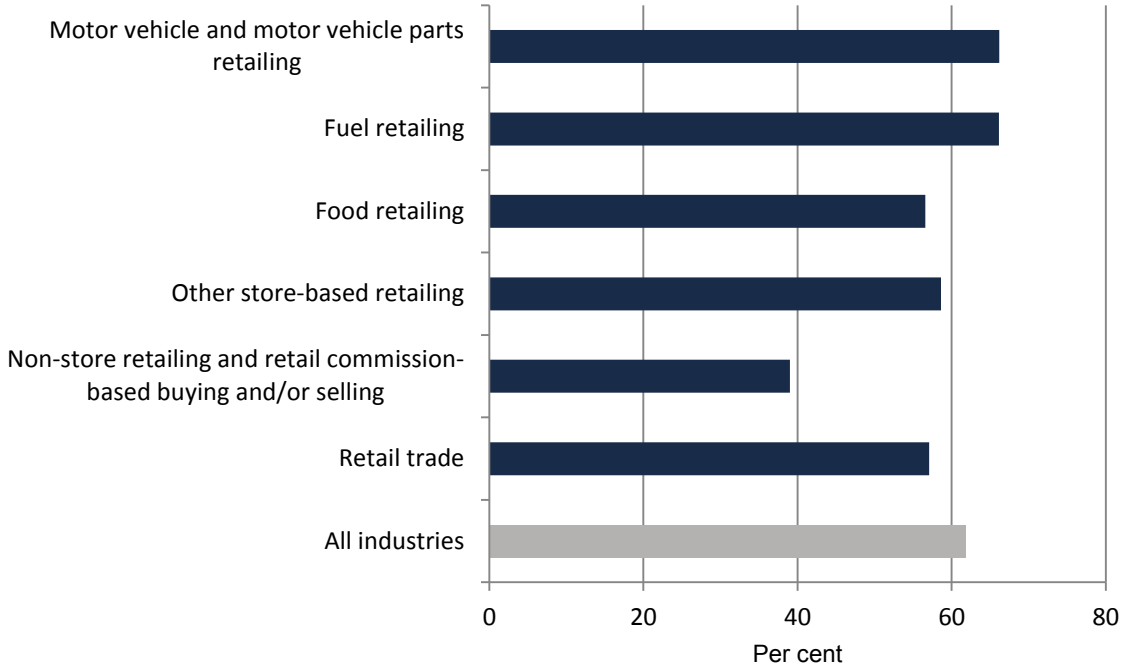
	Number of businesses as at June 2015	Proportion of Retail trade at June 2015 (%)	Entry rate (%)	Exit rate (%)
Industries mapped to Retail group of modern awards				
Supermarket and grocery stores	9742	7.4	13.5	14.2
Fruit and vegetable retailing	2693	2.0	11.7	13.7
Other specialised food retailing	5771	4.4	18.4	16.3
Furniture retailing	3803	2.9	7.3	13.5
Houseware retailing	1686	1.3	11.2	16.4
Manchester and other textile goods retailing	1478	1.1	9.5	12.9
Electrical, electronic and gas appliance retailing	4631	3.5	10.3	15.2
Computer and computer peripheral retailing	3230	2.4	8.3	14.1
Other electrical and electronic goods retailing	1245	0.9	14.0	15.1
Hardware and building supplies retailing	5512	4.2	8.1	10.3
Garden supplies retailing	2435	1.8	6.4	9.8
Sport and camping equipment retailing	3684	2.8	11.7	11.4
Entertainment media retailing	716	0.5	9.1	14.0
Toy and game retailing	1142	0.9	15.6	15.7
Newspaper and book retailing	4880	3.7	7.0	12.0
Marine equipment retailing	869	0.7	8.6	10.2
Clothing retailing	11 119	8.4	15.9	17.7
Footwear retailing	1301	1.0	8.6	14.5
Watch and jewellery retailing	2679	2.0	8.8	11.4
Other personal accessory retailing	571	0.4	10.0	18.2
Department stores	141	0.1	6.5	4.3
Pharmaceutical, cosmetic and toiletry goods retailing	7896	6.0	8.5	10.1
Stationery goods retailing	764	0.6	8.6	12.6
Antique and used goods retailing	2448	1.8	9.1	13.3
Flower retailing	2241	1.7	13.4	14.7
Other store-based retailing n.e.c.	12 514	9.5	11.5	13.0
Industries mapped to Hospitality group of modern awards				
Liquor retailing*	2312	1.7	11.1	9.0
Retail trade	**132 367**	**100.0**	**12.2**	**14.0**
All industries	**2 121 235**		**13.4**	**12.4**

Note: *Liquor retailing is categorised under ANZSIC as part of Retail trade; however, it has been 'mapped' to the Hospitality group of modern awards. Entry rates are business entries in the financial year as a proportion of total businesses operating at the start of the financial year. Exit rates are total business exits in the financial year as a proportion of total businesses operating at the start of the financial year. 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, June 2011 to June 2015*, Catalogue No. 8165.0.

The survival rates of businesses that were operating in June 2011 and June 2015 are presented by subdivision in Figure 4.14.[8].The survival rates of businesses in Motor vehicle and motor vehicle parts retailing and Fuel retailing were higher compared with all industries; however, the survival rates were lower for the remaining subdivisions, particularly Non-store retailing and retail commission-based buying and/or selling.

Figure 4.14: Business survival rates by subdivision, June 2011 to June 2015



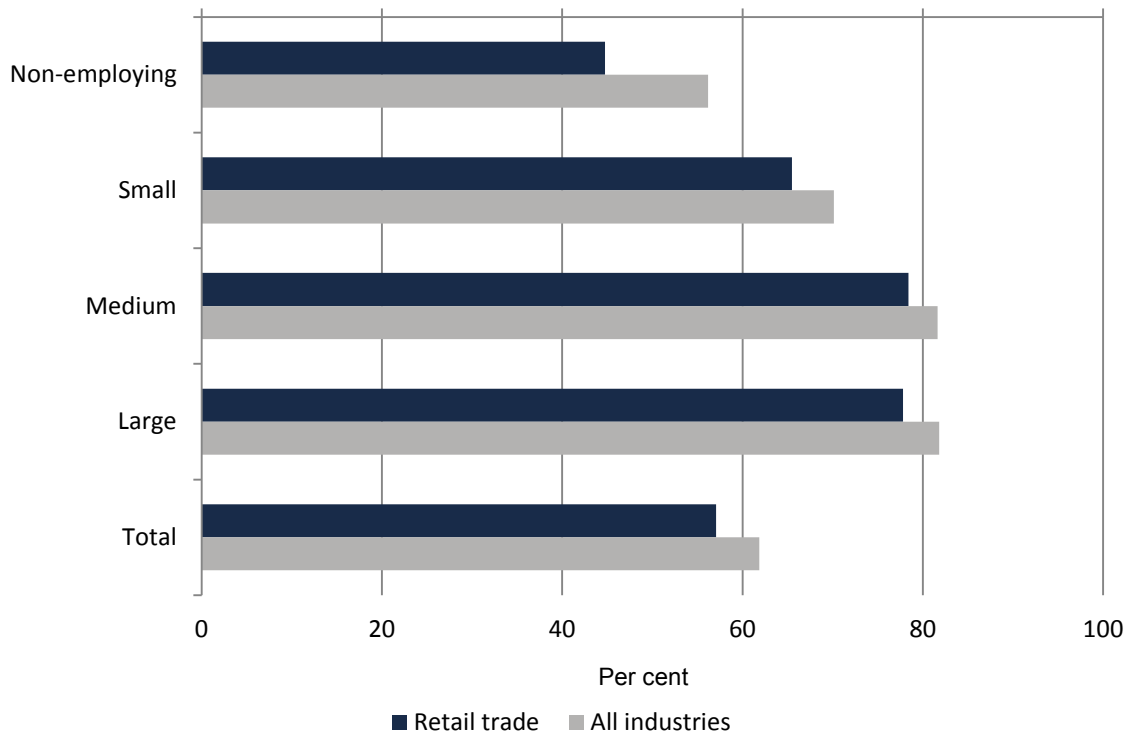
Note: Survival rates in June 2015 of businesses that were operating in June 2011. The publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015*, Catalogue No. 8165.0.

Figure 4.15 shows the survival rates in June 2015 of businesses that were operating in June 2011 by business size. It shows that while business survival rates increased with business size in Retail trade and for all industries, the survival rates of businesses in Retail trade were lower than all industries across all business sizes.

[8] A surviving business is defined in this case as a business which was actively trading in June 2011 and continues to be trading in June 2015.

Figure 4.15: Business survival rates, by employment size, June 2011 to June 2015

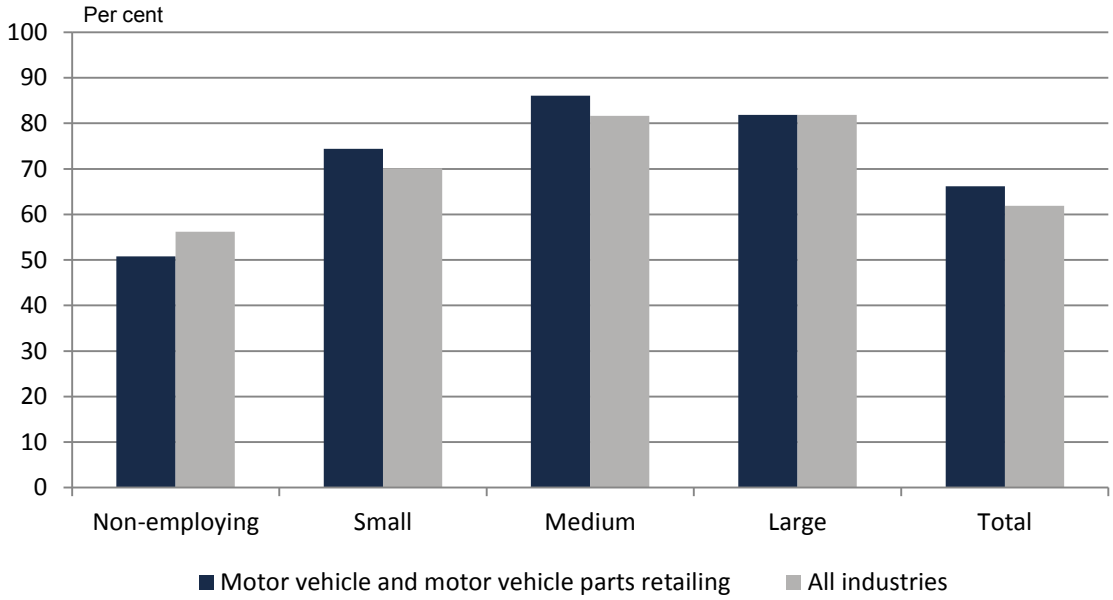


Note: Survival rates in June 2015 of businesses that were operating in June 2011. The publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015*, Catalogue No. 8165.0.

Figures 4.16 to 4.20 show the survival rates in June 2015 of businesses that were operating in June 2011 for the Retail trade subdivisions. The figures show that Motor vehicle and motor vehicle parts retailing and Fuel retailing were the only subdivisions that had higher survival rates than across all industries. By business size, large businesses had the highest survival rates in most subdivisions (Fuel retailing, Food retailing, Non-store based retailing and retail commission-based buying and/or selling), while medium businesses in the remaining subdivisions (Motor vehicle and motor vehicle parts retailing and Other store-based retailing) had higher survival rates compared with other businesses.

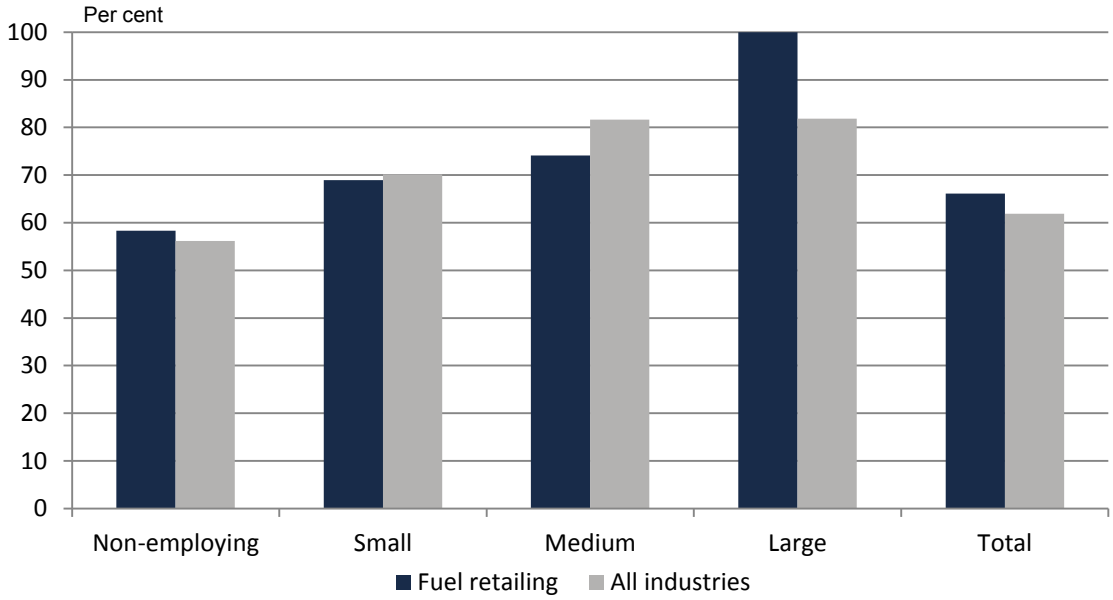
Figure 4.16: Business survival rates in Motor vehicle and motor vehicle parts retailing by employment size, June 2011 to June 2015



Note: Survival rates in June 2015 of businesses that were operating in June 2011. 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 2011 to Jun 2015*, Catalogue No. 8165.0.

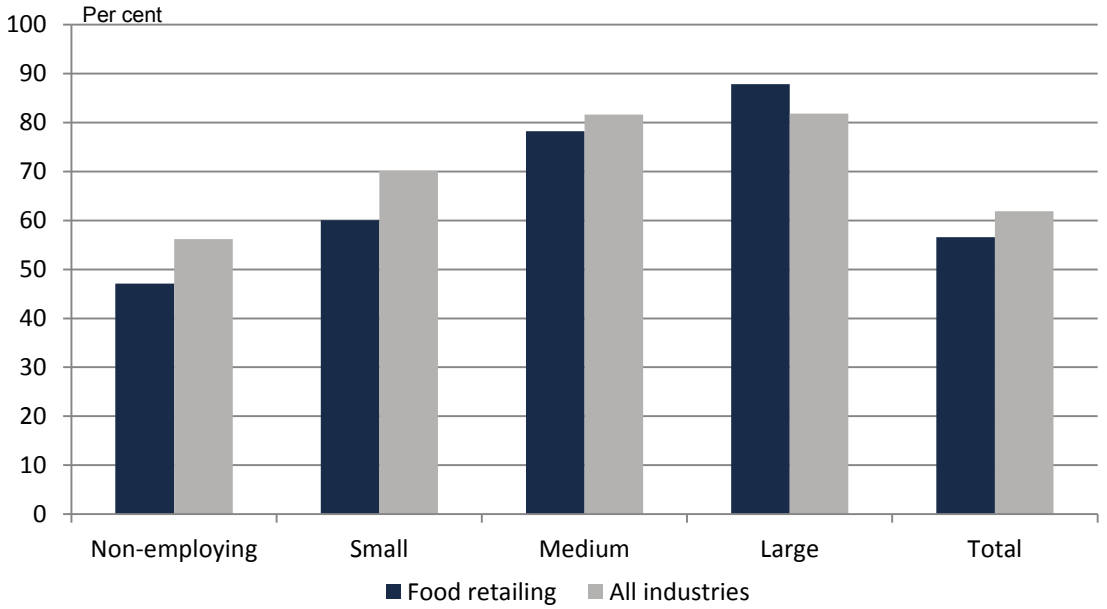
Figure 4.17: Business survival rates in Fuel retailing by employment size, June 2011 to June 2015



Note: Survival rates in June 2015 of businesses that were operating in June 2011. 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 2011 to Jun 2015*, Catalogue No. 8165.0.

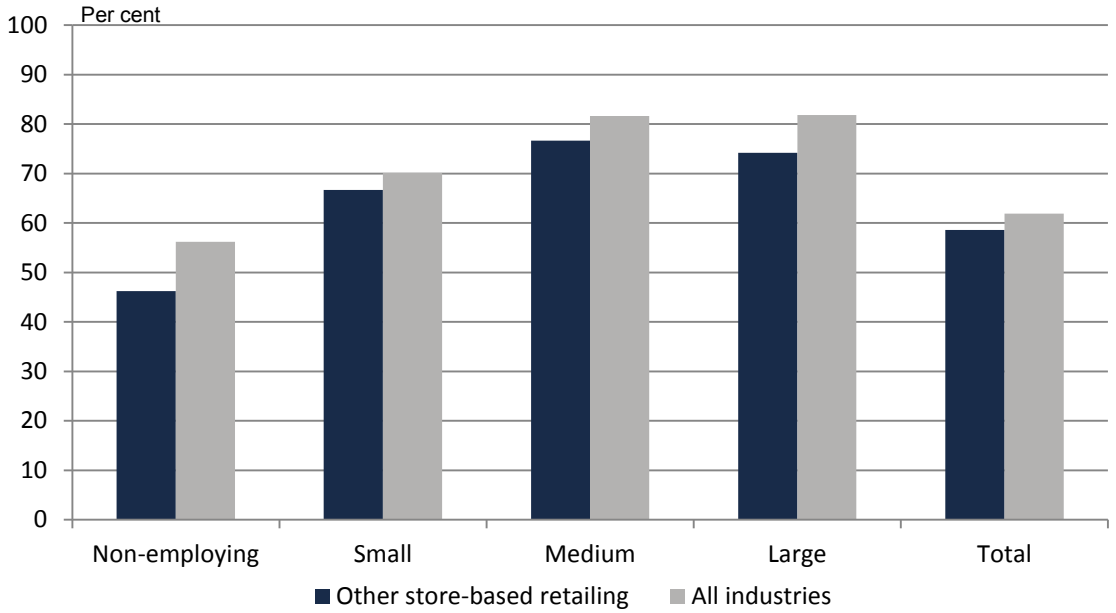
Figure 4.18: Business survival rates in Food retailing by employment size, June 2011 to June 2015



Note: Survival rates in June 2015 of businesses that were operating in June 2011. 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 2011 to Jun 2015*, Catalogue No. 8165.0.

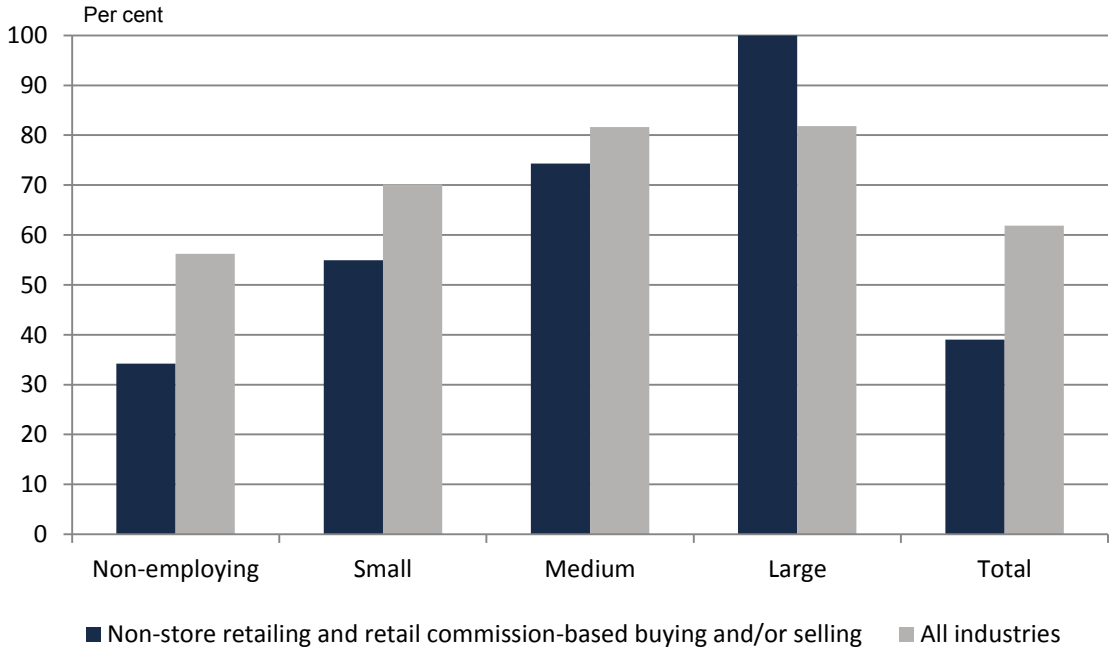
Figure 4.19: Business survival rates in Other store-based retailing by employment size, June 2011 to June 2015



Note: Survival rates in June 2015 of businesses that were operating in June 2011. 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 2011 to Jun 2015*, Catalogue No. 8165.0.

Figure 4.20: Business survival rates in Non-store retailing and retail commission-based buying and/or selling by employment size, June 2011 to June 2015



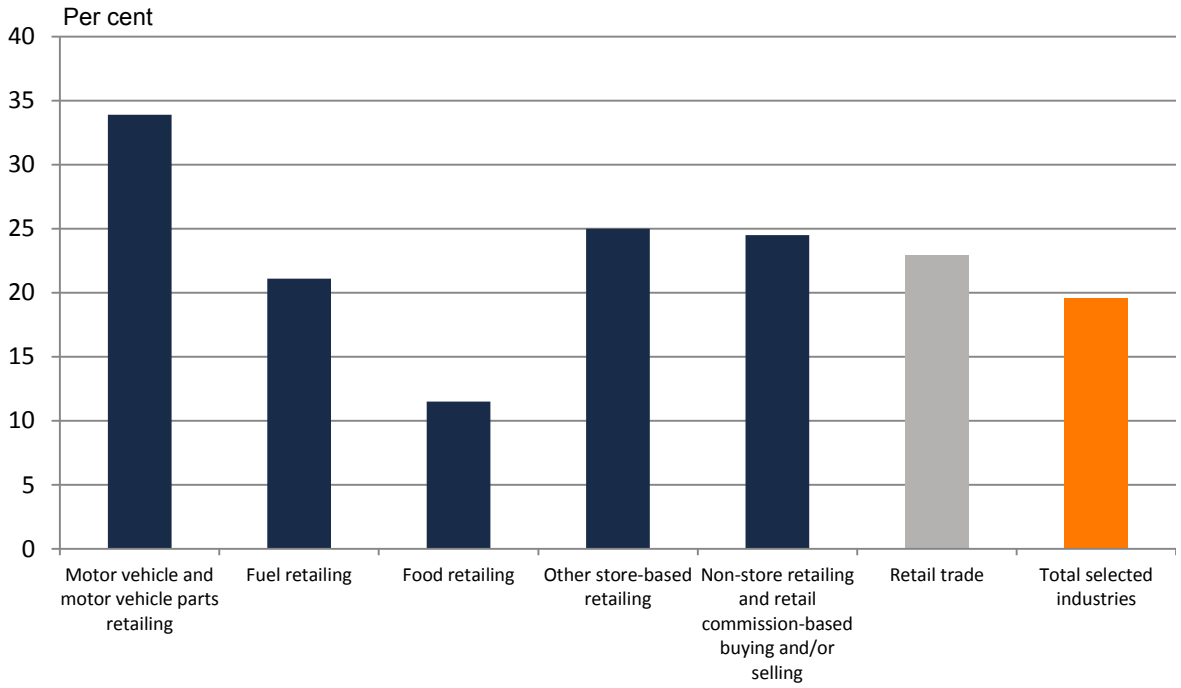
Note: Survival rates in June 2015 of businesses that were operating in June 2011. The publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015*, Catalogue No. 8165.0.

4.3.6 Profit and loss

The proportion of businesses that made a loss during 2014–15 was higher among businesses in each Retail trade subdivision, except for Food retailing, than total selected industries (Figure 4.21).

Figure 4.21: Proportion of businesses that made a loss by subdivision, June 2015



Note: Total selected industries excludes Financial and insurance services.

Source: ABS, *Australian Industry, 2014–15,* Catalogue No. 8155.0.

Among the subdivisions in Retail trade, the average operating profit before tax per business was highest in Food retailing, Motor vehicle and motor vehicle parts retailing and Fuel retailing, each above the average for total selected industries (Table 4.7)

Table 4.7: Average operating profit before tax, 2014–15

	Number of businesses as at June 2014	Operating profit before tax ($m)	Average operating profit before tax ($'000)
Motor vehicle and motor vehicle parts retailing	10 060	2346	233.2
Fuel retailing	4120	916	222.3
Food retailing	25 177	6577	261.2
Other store-based retailing	78 605	7160	91.1
Non-store retailing and retail commission-based buying and/or selling	14 405	952	66.1
Retail trade	**132 367**	**17 952**	**135.6**
Total selected industries	**1 936 871**	**321 438**	**166.0**

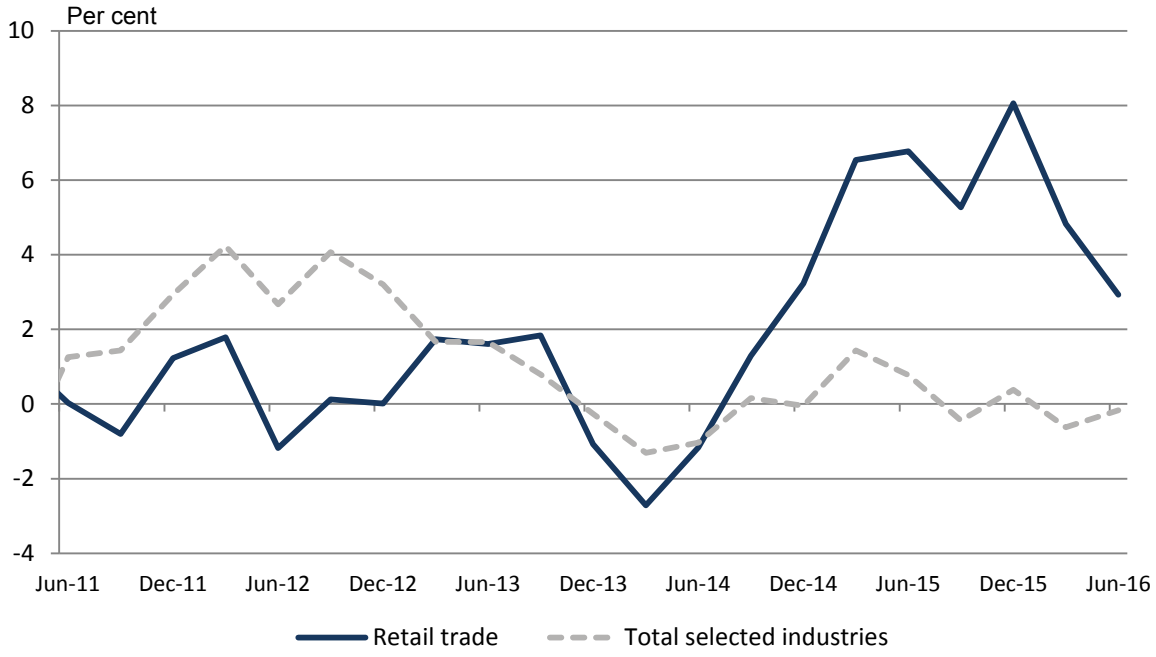
Note: Total selected industries excludes Financial and insurance services. Operating profit before tax for Motor vehicle and motor vehicle parts retailing has a relative standard error between 25 and 50 per cent and should be used with caution. The ABS Counts of Australian Businesses, including Entries and Exits publication only includes actively trading businesses in the market sector and hence excludes entities that are in the public sector.

Source: ABS, *Australian Industry, 2014–15,* Catalogue No. 8155.0; ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015*, Catalogue No. 8165.0.

Inventories refer to all materials, work in progress and finished goods owned by the business.[9] Annual growth rates in Retail trade inventories declined between the December quarter 2013 and the June quarter 2014 before reaching a peak of 8.1 per cent in the December quarter 2015, higher than for total selected industries (Figure 4.22).

[9] Recorded at book value at the end of each quarter.

Figure 4.22: Retail trade inventories, annual percentage change, June quarter 2011 to June quarter 2016



Note: All data are seasonally adjusted and expressed in real terms from chain volume estimates. Total selected industries includes Mining, Manufacturing, Wholesale trade, Retail trade, Accommodation and food services and some subdivisions of Electricity, gas, water and waste services.

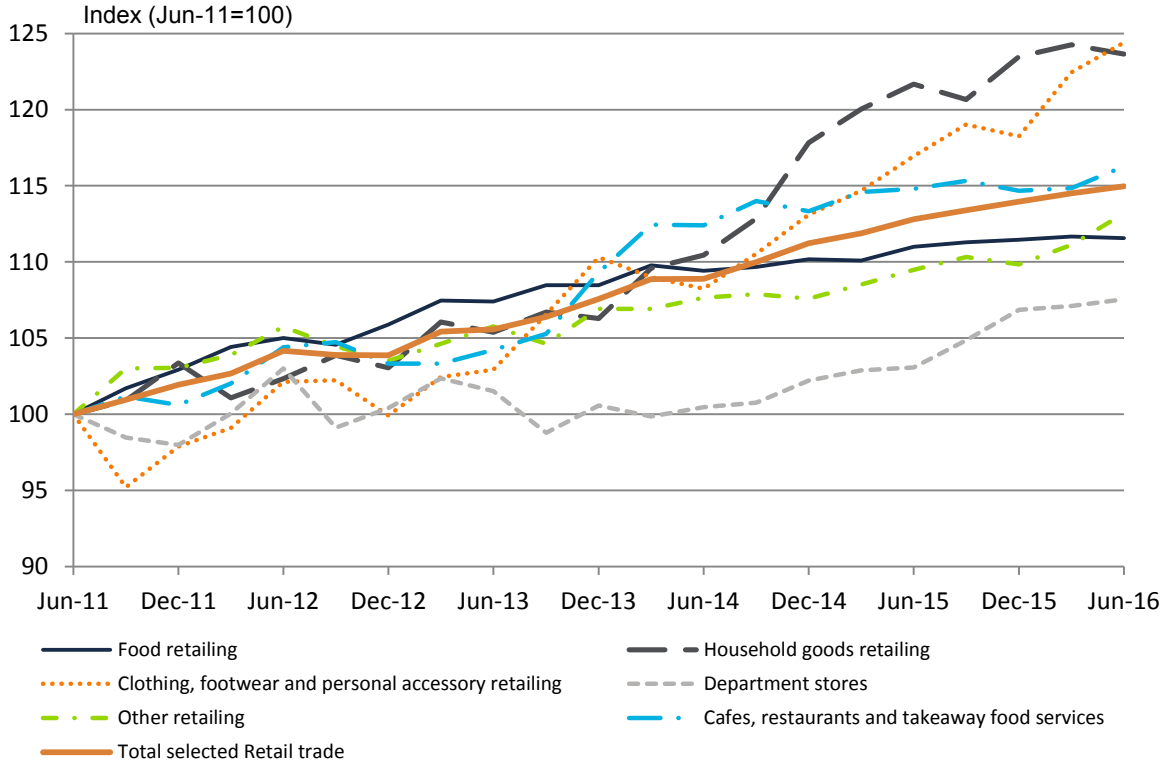
Source: ABS, *Business Indicators, Australia, Jun 2016*, Catalogue No. 5676.0.

Turnover refers to sales; takings from repairs, meals and hiring of goods (except for rent, leasing and hiring of land and buildings); commission from agency activity; and the goods and services tax. Figure 4.23 provides an index of retail turnover between the June quarter 2011 and the June quarter 2016.

Over the period, turnover grew largest in Clothing, footwear and personal accessory retailing and Household goods retailing (both 24 per cent) and smallest in Department stores (8 per cent). Retail trade turnover increased by 15 per cent over the period.[10]

[10] The Retail trade industry groups comprise of a selection of 2-digit and 3-digit industries.

Figure 4.23: Retail turnover, indexes, by industry group, June quarter 2011 to June quarter 2016



Note: All data are expressed in real terms from chain volume estimates.

Source: ABS, *Retail Trade, Australia, Jul 2016*, Catalogue No. 8501.0.

5 Labour market structure and trends

This chapter presents a description of the Retail trade workforce.

5.1 Composition of employment

The total workforce in Retail trade comprised around 10 per cent of total employment in August 2016 (Table 5.1). More than half of the workforce in Retail trade is female. While the proportion of full-time and part-time employment within Retail trade is relatively even, the proportion that is employed part-time is greater than for all industries.

At the industry group level, Supermarket and grocery stores, Pharmaceutical and other store-based retailing, and Clothing, footwear, and personal accessory retailing accounted for the highest proportions of employment, together comprising around half of employment within Retail trade.

Female workers were more likely to be employed in Clothing, footwear, and personal accessory retailing, Pharmaceutical and other store-based retailing, Non-store retailing, Department stores, and Other Retail trade. Part-time workers were more likely to be employed in Department stores and Supermarket and grocery stores. Both male and full-time workers were more likely to be employed in Motor vehicle parts and tyre retailing, Motor vehicle retailing, Electrical and electronic goods retailing and Hardware, building and garden supplies retailing.

Table 5.1: Composition of employed persons by industry group, August 2016

Group	Total employment		Percentage of total subdivision employment							
			Male		Female		Total		Total	
			Full time	Part time	Full time	Part time	Male	Female	Full time	Part time
	No. ('000s)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Motor vehicle retailing	71.6	6.0	74.0	2.9	17.2	5.9	77.0	23.0	91.2	8.8
Motor vehicle parts and tyre retailing	25.8	2.2	72.5	2.7	12.8	12.0	75.2	24.8	85.7	14.7
Fuel retailing	42.0	3.5	32.6	22.9	21.9	22.6	55.5	44.5	54.5	45.5
Supermarket and grocery stores	296.2	24.8	21.1	25.5	15.7	37.7	46.6	53.4	36.8	63.2
Specialised food retailing	96.1	8.0	36.0	16.5	16.0	31.4	52.4	47.5	52.0	48.0
Furniture, floor coverings, houseware and textile goods retailing	42.9	3.6	36.8	9.6	22.4	31.2	46.4	53.6	59.2	40.8
Electrical and electronic goods retailing	58.3	4.9	52.0	7.9	23.7	16.3	60.0	40.0	75.8	24.2
Hardware, building and garden supplies retailing	75.9	6.4	42.4	20.9	18.2	18.6	63.4	36.8	60.6	39.4
Recreational goods retailing	51.4	4.3	33.5	19.5	15.2	31.9	52.9	47.1	48.6	51.4
Clothing, footwear and personal accessory retailing	147.1	12.3	10.2	9.0	30.7	50.1	19.2	80.8	40.9	59.1
Department stores	69.5	5.8	14.5	18.7	16.4	50.4	33.2	66.8	30.9	69.1
Pharmaceutical and other store-based retailing	162.2	13.6	17.2	9.3	27.3	46.2	26.5	73.5	44.5	55.5
Non-store retailing	9.0	0.8	27.8	3.3	44.4	24.4	32.2	68.9	72.2	28.9
Other Retail trade	46.5	3.9	26.0	11.8	28.4	33.8	37.8	62.6	54.6	45.4
Total Retail trade	**1194.7**	**100.0**	**28.9**	**15.5**	**20.9**	**34.6**	**44.5**	**55.5**	**49.9**	**50.1**
All industries	**11 869.1**		**43.5**	**10.1**	**24.6**	**21.8**	**53.6**	**46.4**	**68.1**	**31.9**

Note: Data may not sum to 100 due to rounding. All data are expressed in original terms. Other Retail trade comprises of persons employed in the Retail trade industry division but could not be classified further to an industry group. Estimates of employed persons in Retail commission-based buying and/or selling are small and subject to high sampling variability and, as a result, are not included.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

Young people aged between 15 and 24 years were more likely to be employed in Retail trade, comprising almost one in three employed persons 24 years or under compared with less than one in six employed persons across all industries (Table 5.2). Fewer employed persons aged 25 years and over were employed in Retail trade than across all industries.

Table 5.2: Employed persons by age, August 2016

Age	Retail trade		All industries
(Years)	No. ('000s)	Percentage of employment	Percentage of employment
15–19	174.7	14.6	5.3
20–24	211.1	17.7	9.7
25–34	255.8	21.4	23.5
35–44	190.7	16.0	21.8
45–54	192.7	16.1	21.2
55–59	76.5	6.4	8.7
60–64	53.1	4.4	5.9
65 and over	40.1	3.4	3.8
Total	**1194.7**	**100.0**	**100.0**

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

5.2 Average hours worked

Table 5.3 shows that the average hours actually worked per week in all jobs in August 2016 were lower for Retail trade than across all industries. The lowest average hours actually worked in all jobs were for Department stores and the highest were for Motor vehicle retailing.

Average hours actually worked per week in all jobs were lower for both full-time and part-time workers in Retail trade compared with all industries.

Table 5.3: Average hours actually worked per week in all jobs, by industry group of main job and full/part-time status, August 2016

Industry group	Average hours actually worked in all jobs		
	Full-time	Part-time	Total
Motor vehicle retailing	42.7	20.1	40.7
Motor vehicle parts and tyre retailing	41.4	23.1	38.8
Fuel retailing	42.5	19.9	32.2
Supermarket and grocery stores	37.9	16.5	24.4
Specialised food retailing	42.8	16.1	30.0
Furniture, floor coverings, houseware and textile goods retailing	40.5	17.7	31.2
Electrical and electronic goods retailing	38.8	16.6	33.4
Hardware, building and garden supplies retailing	40.5	16.6	31.1
Recreational goods retailing	45.2	16.6	30.5
Clothing, footwear and personal accessory retailing	38.7	16.8	25.8
Department stores	34.4	13.2	19.8
Pharmaceutical and other store-based retailing	38.7	14.7	25.4
Non-store retailing	40.6	12.4	32.5
Other Retail trade	41.2	14.4	29.0
Retail trade	**40.1**	**16.1**	**28.1**
All industries	**40.6**	**17.4**	**33.2**

Note: Actual hours of work refers to the hours actually worked during normal periods of work (including overtime) over a specified reference week. It excludes meal breaks, paid/unpaid time 'on call', commuting time and time off during work hours to attend educational activities not connected to the job. The actual hours of work over a specified period may be affected if the person took personal/annual leave, went on strike, changed job, or similar reasons. Other Retail trade comprises of persons employed in the Retail trade industry division but could not be classified further to an industry group. Estimates of employed persons in Retail commission-based buying and/or selling are small and subject to high sampling variability and, as a result, are not included.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

5.3 Occupation

Over half of employed persons in Retail trade were Sales workers and around 15 per cent were Managers. These proportions were greater than across all industries (Table 5.4).

Table 5.4: Employed persons by occupation, August 2016

	Retail trade		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
Managers	182.1	15.2	12.6
Professionals	66.9	5.6	23.5
Technicians and trade workers	67.3	5.6	14.0
Community and personal service workers	4.2	0.4	10.7
Clerical and administrative workers	82.2	6.9	14.2
Sales workers	634.8	53.1	8.8
Machinery operators and drivers	44.9	3.8	6.4
Labourers	112.4	9.4	9.9
Total	**1194.8**	**100.0**	**100.0**

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

5.4 Forms and conditions of employment

This section analyses data on workers by their employment type and whether they have access to paid leave entitlements. The majority of workers in Retail trade were employees with paid leave entitlements, although the proportion of employees without paid leave entitlements was higher relative to employment across all industries (Table 5.5). There were fewer owner managers of enterprises without employees than across all industries.

Table 5.5: Employed persons by status of employment in main job, August 2016

	Retail trade		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
Employee	1068.50	89.5	82.7
With paid leave entitlements	*682.4*	*57.1*	*62.0*
Without paid leave entitlements	*386.2*	*32.3*	*20.8*
Owner manager of enterprise with employees	65.9	5.5	6.2
Owner manager of enterprise without employees	59.8	5.0	10.9
Contributing family worker	0.3	0.0	0.2
Total	**1194.5**	**100.0**	**100.0**

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

Table 5.6 shows the proportion of employees with and without paid leave entitlements in Retail trade in August 2016. Full-time employees in Retail trade were more likely to be employed with paid leave entitlements while part-time employees were more likely to be employed without paid leave entitlements. Part-time employees in Retail trade were more likely to be employed without paid leave entitlements compared with all employees.

Table 5.6: Employees with and without paid leave, August 2016

	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	89.3	10.7	40.8	59.2	63.9	36.1
All industries	**88.3**	**11.7**	**46.1**	**53.9**	**74.9**	**25.1**

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

Table 5.7 presents employment status by gender and shows that a higher proportion of male and female employees in Retail trade were without paid leave entitlements compared with all industries.

Table 5.7: Status of employment by gender, August 2015

	Retail trade			All industries		
	Males	Females	Persons	Males	Females	Persons
	(%)	(%)	(%)	(%)	(%)	(%)
Employees with paid leave entitlements	56.9	52.4	54.3	61.2	63.5	62.2
Employees without paid leave entitlements	25.9	38.0	32.5	16.9	23.6	20.0
Owner-manager of incorporated enterprise	9.0	4.1	6.4	9.0	4.5	6.9
Owner-manager of unincorporated enterprise	8.2	5.5	6.8	12.9	8.5	10.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

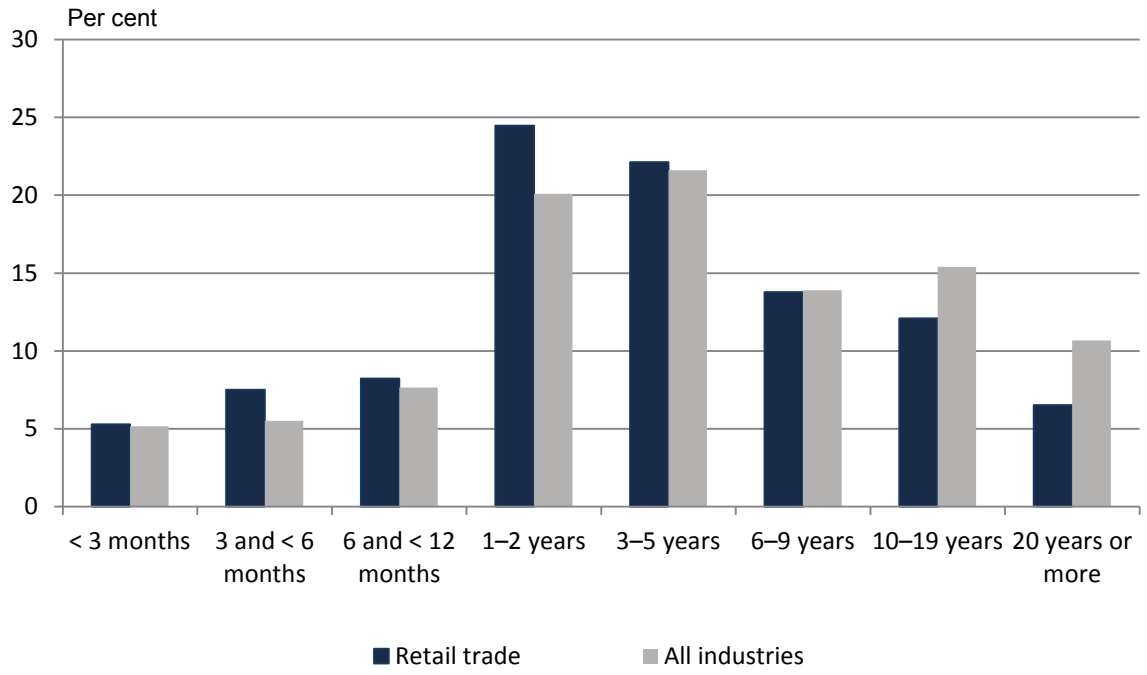
Note: All data are expressed in original terms.

Source: ABS, *Characteristics of Employment, Australia, August 2015*, Catalogue No. 6333.0.

5.5 Employment tenure

Workers in Retail trade were more likely to have shorter duration of employment with an employer/business than workers across all industries. Figure 5.1 shows that almost one-quarter of workers in Retail trade had been with their current employer/business for '1–2 years', while around one in five workers had been with their employer/business for less than 12 months.

Figure 5.1: Duration of employment with current employer/business in Retail trade, February 2015



Note: The duration categories have changed since the last version for the new ABS publication.

Source: ABS, *Participation, Job Search and Mobility, Australia, February 2015*, Catalogue No. 6226.0.

5.6 Work schedule

Using the HILDA survey, Table 5.8 shows the current work schedule for employed persons in their main job in 2015. The most common schedule for employees in Retail trade was a regular daytime schedule, although this proportion was less than for employed persons across all industries. Employed persons in Retail trade were more likely to work a regular evening shift than employees across all industries.

Table 5.8: Current work schedule in main job, employees, 2015

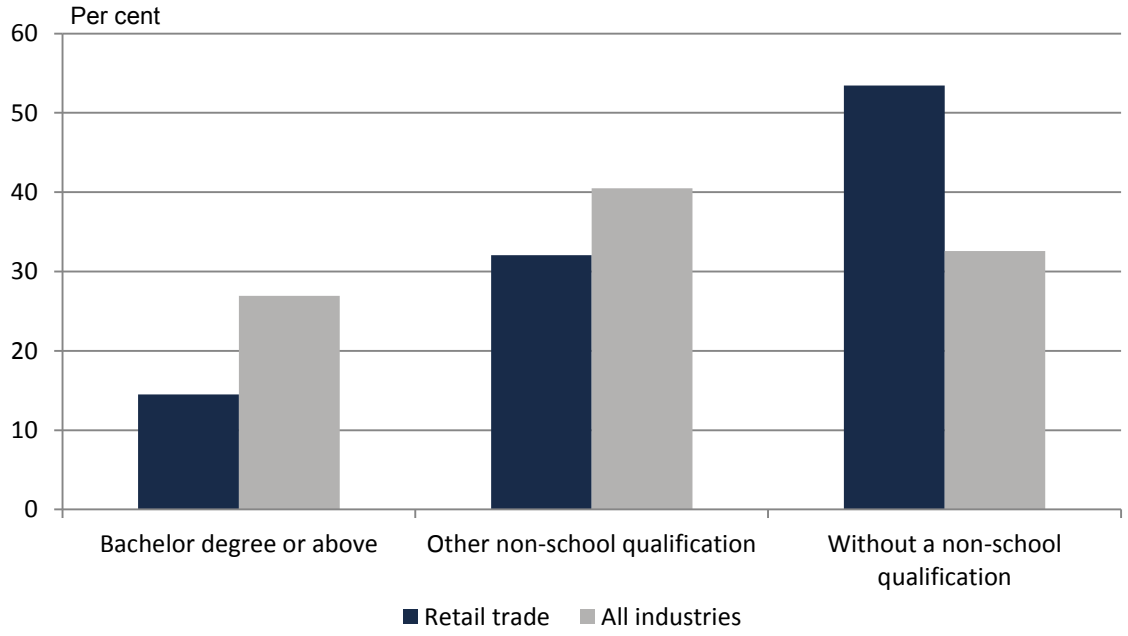
	Retail trade (%)	All industries (%)
A regular daytime schedule	69.8	75.5
A regular evening shift	6.3	3.7
A regular night shift	3.4	1.7
A rotating shift (changes from days to evenings to nights)	10.1	9.4
Split shift (two distinct periods each day)	1.2	1.4
On call	0.4	1.1
Irregular schedule	8.8	6.9
Other	0.1	0.2
Total	**100.0**	**100.0**

Source: HILDA survey Wave 15, 2015.

5.7 Educational attainment

Workers in Retail trade were less likely to have a non-school qualification than workers across all industries (Figure 5.2). Most workers in Retail trade did not have a non-school qualification, with a relatively smaller proportion having obtained a bachelor degree or above.

Figure 5.2: Employed persons by level of educational attainment, August 2015



Note: Non-school qualifications include Postgraduate Degree, Master Degree, Graduate Diploma and Graduate Certificate, Bachelor Degree, Advanced Diploma and Diploma, Certificates I, II, III and IV, and non-school qualifications where the level is not determined.

Source: ABS, *Characteristics of Employment, Australia, August 2015*, Catalogue No. 6333.0.

5.8 Labour market trends

Table 5.9 shows how employment in the Retail trade groups changed between August 2011 and August 2016. Over the period, growth in full-time, part-time and total employment in Retail trade was lower than growth across all industries. Among the Retail trade groups, growth was highest in Other Retail trade and Supermarket and grocery stores. Employment fell the most in Recreational goods retailing, Electrical and electronic goods retailing and Non-store retailing.

Table 5.9: Average annual growth rate of employed persons, by full/part-time status and industry group of main job, August 2011 to August 2016

Industry group	Full-time (%)	Part-time (%)	Total (%)
Motor vehicle retailing	0.7	–13.2	–1.2
Motor vehicle parts and tyre retailing	3.6	–6.1	1.7
Fuel retailing	1.8	2.0	1.9
Supermarket and grocery stores	–0.1	5.3	3.1
Specialised food retailing	–4.3	–3.7	–4.0
Furniture, floor coverings, houseware and textile goods retailing	–1.6	0.6	–0.7
Electrical and electronic goods retailing	–5.5	–0.7	–4.5
Hardware, building and garden supplies retailing	–3.5	7.0	–0.1
Recreational goods retailing	–7.7	–4.9	–6.3
Clothing, footwear and personal accessory retailing	0.0	2.2	1.2
Department stores	–0.4	–4.4	–3.3
Pharmaceutical and other store-based retailing	0.9	2.3	1.7
Non-store retailing	0.6	–12.6	–4.4
Other Retail trade	6.1	5.2	5.7
Total Retail trade	**–1.1**	**1.3**	**0.0**
All industries	**0.7**	**2.7**	**1.3**

Note: Estimates of employed persons in Retail commission-based buying and/or selling are small and subject to high sampling variability and, as a result, are not included.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

6 Earnings, wage instruments and bargaining

This chapter presents information on the earnings and industrial arrangements of both employees and enterprises, as well as information on enterprise bargaining in Retail trade.

6.1 Earnings

In May 2016, most employees in Retail trade received the adult rate of pay; however, the proportion was less than for all industries (Table 6.1). The proportion of employees that received a junior rate of pay was over three times the proportion across all industries.

Table 6.1: Employees by rate of pay, May 2016

	Retail trade (%)	All industries (%)
Adult rate of pay	85.4	94.0
Junior rate of pay	13.7	4.1
Apprentice or trainee	0.9*	1.9
Disability rate	0.04*	0.1
All rates of pay	**100.0**	**100.0**

Note: * Estimate has a relative standard error between 25 and 50 per cent and should be used with caution. Data may not sum to 100 due to rounding.

Source: ABS, *Employee Earnings and Hours, Australia,* May 2016, Catalogue No. 6306.0.

Average weekly earnings in Retail trade were lower than for all industries across each measure in May 2016 (Table 6.2). Average weekly earnings for full-time employees in Retail trade were around three quarters of average weekly earnings for full-time employees in all industries.

Table 6.2: Average weekly earnings, May 2016

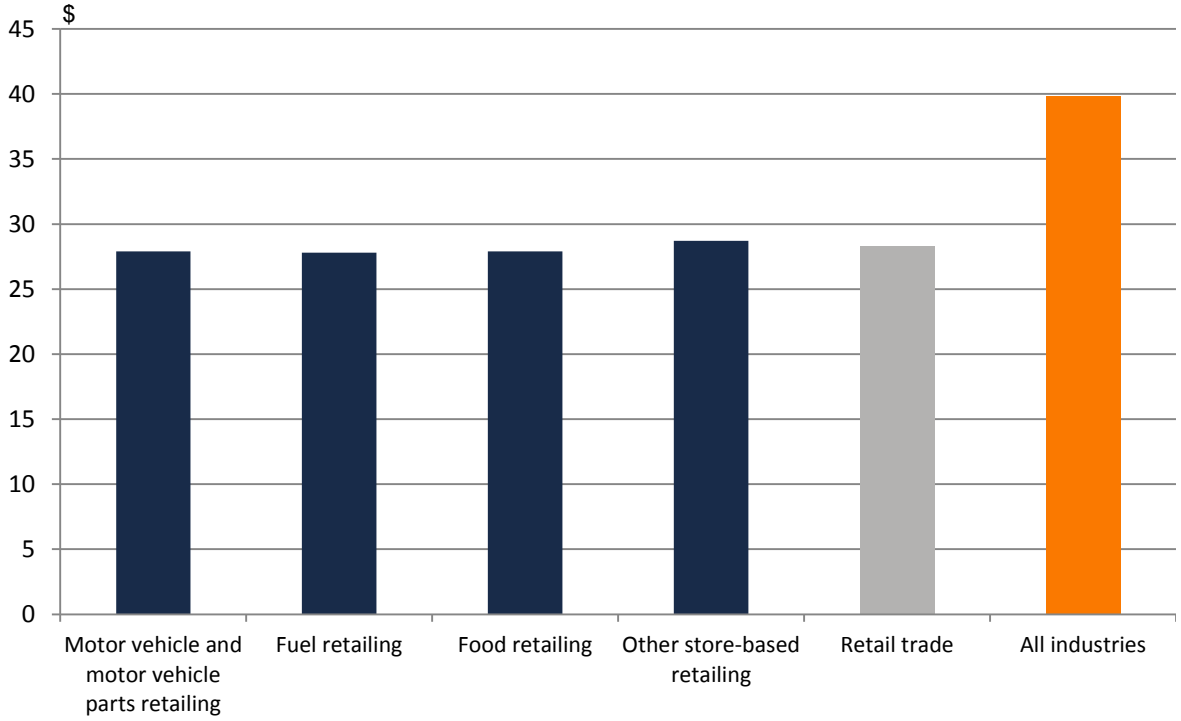
	Retail trade ($)	All industries ($)	Ratio of Retail trade relative to all industries (%)
Average weekly earnings, all employees	692.60	1160.90	59.7
Average weekly earnings, full-time adult employees	1133.50	1573.30	72.0
Average weekly ordinary time earnings, full-time adult employees	1114.90	1516.00	73.5
Average weekly ordinary time earnings, full-time adult male employees	1163.40	1613.50	72.1
Average weekly ordinary time earnings, full-time adult female employees	1048.60	1352.10	77.6

Note: All data are expressed in original terms.

Source: ABS, *Average Weekly Earnings, Australia, May 2016*, Catalogue No. 6302.0.

Average hourly total cash earnings of full-time non-managerial adult employees in the Retail trade subdivisions were lower than for all industries in May 2016. The highest average hourly total cash earnings were for Other store-based retailing.

Figure 6.1: Average hourly total cash earnings of full-time non-managerial adult employees in Retail trade industry, by subdivision, May 2016

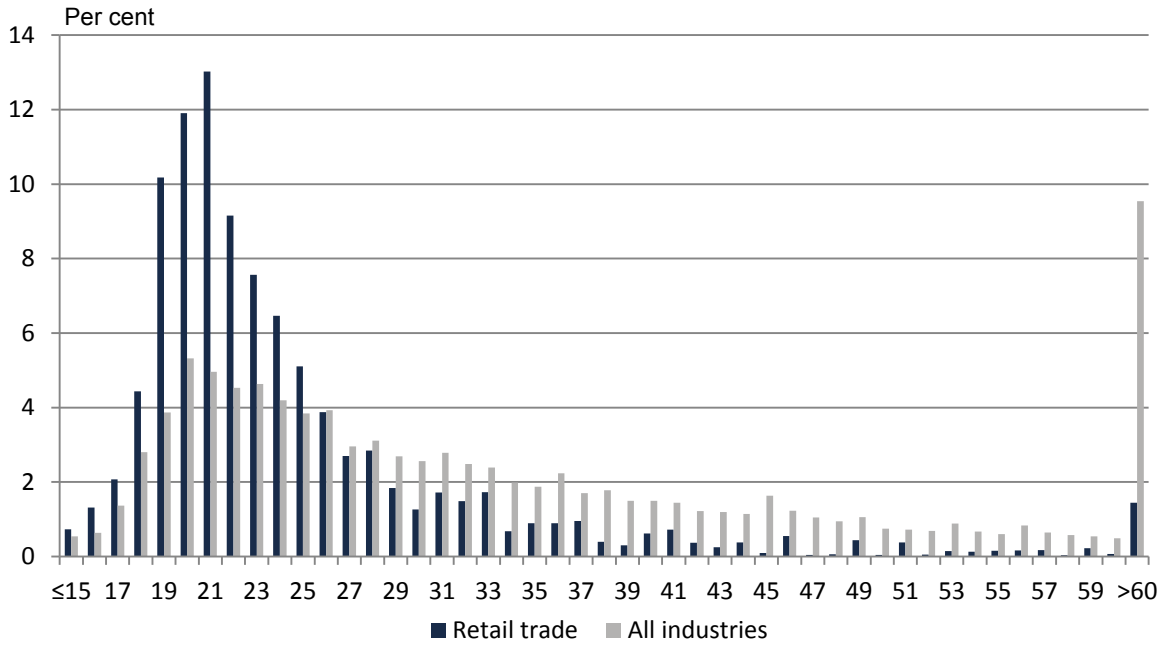


Note: Includes ordinary and overtime earnings. Data on average hourly total cash earnings of full-time non-managerial adult employees in Non-store retailing and retail commission-based buying and/or selling were not available.

Source: ABS, *Employee Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0.

In May 2014, lower average hourly total cash earnings for adult employees in Retail trade is evident by the distribution shown in Figure 6.2. The distribution of hourly total cash earnings for adult employees in Retail trade were relatively more concentrated toward the lower end of the wage distribution than the earnings of adult employees across all industries. Relative to all industries, Retail trade had a higher concentration of employees earning up to $25 per hour.

Figure 6.2: Distribution of hourly total cash earnings, adult employees, May 2014

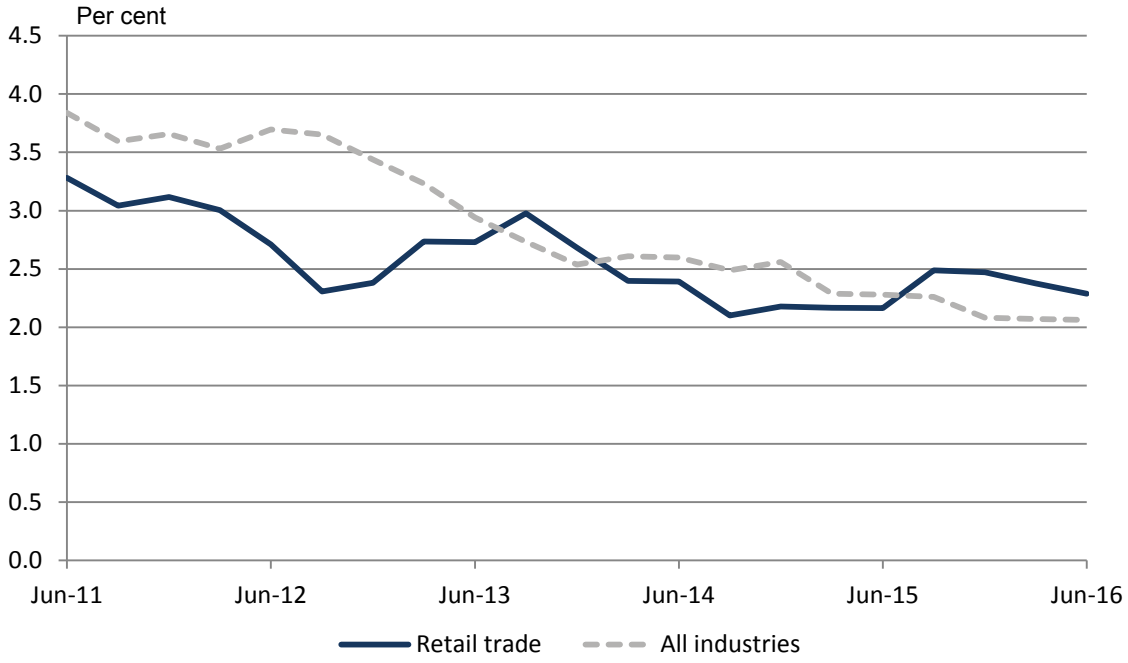


Note: Earnings are calculated at $1 intervals up to and including the amount presented (e.g. $17 includes amounts over $16 per hour and up to and including $17 per hour) for adult employees in the federal jurisdiction. Earnings of employees who receive a casual loading are discounted by 25 per cent.

Source: ABS, *Microdata: Employee Earnings and Hours, Australia, May 2014*, Catalogue No. 6306.0.55.001.

Wages growth in Retail trade was lower than wages growth across all industries for most of the period between the June quarter 2011 and the June quarter 2015. However, between the September quarter 2015 and the June quarter 2016, wages growth in Retail trade was higher than wages growth across all industries (Figure 6.3).

Figure 6.3: Annual growth in Wage Price Index, June quarter 2011 to June quarter 2016



Note: All data are expressed in original terms.

Source: ABS, *Wage Price Index, Australia, Jun 2016*, Catalogue No. 6345.0.

6.2 Wage instruments

In May 2016, the most common method of setting pay in Retail trade were collective agreements, at a slightly lower proportion compared with all industries. However, a higher proportion of employees in Retail trade were reliant on award rates of pay relative to all industries (Table 6.3).

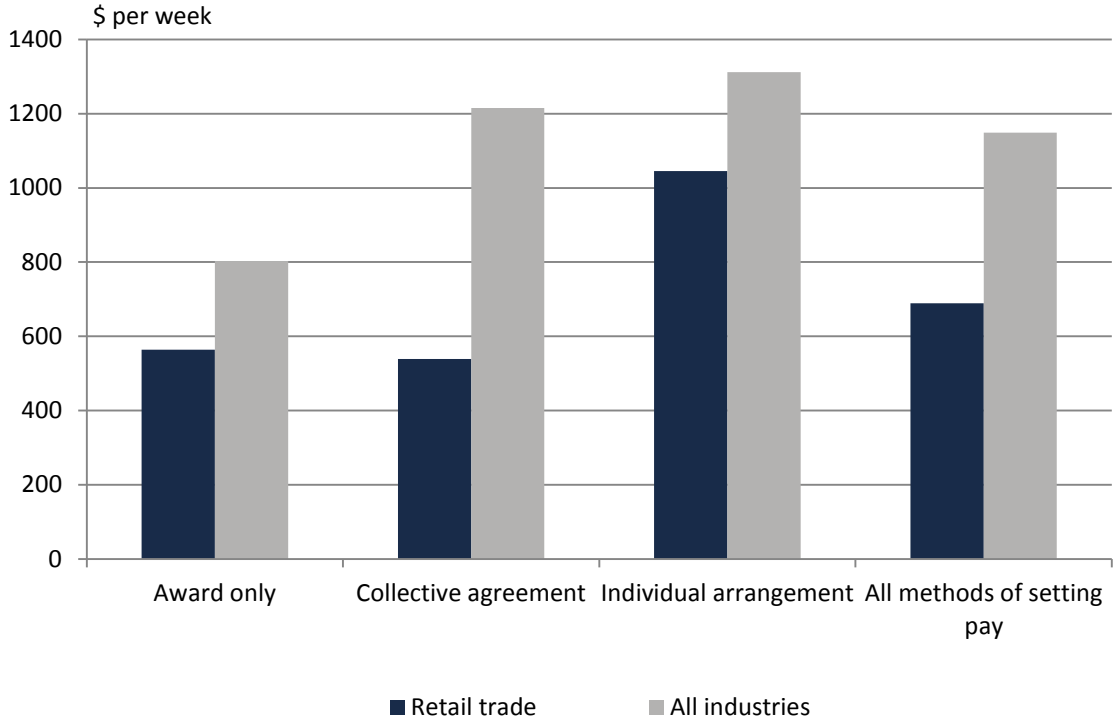
Table 6.3: Methods of setting pay, May 2016

	Retail trade (%)	All industries (%)
Award only	34.5	24.5
Collective agreement	37.6	38.9
Individual arrangement	27.9	36.6
All methods of setting pay	**100.0**	**100.0**

Source: ABS, *Employee Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0.

Data on average weekly total cash earnings for non-managerial employees by method of setting pay in May 2016 show that, regardless of the wage instrument used, average weekly total cash earnings was lower in Retail trade than across all industries (Figure 6.4).

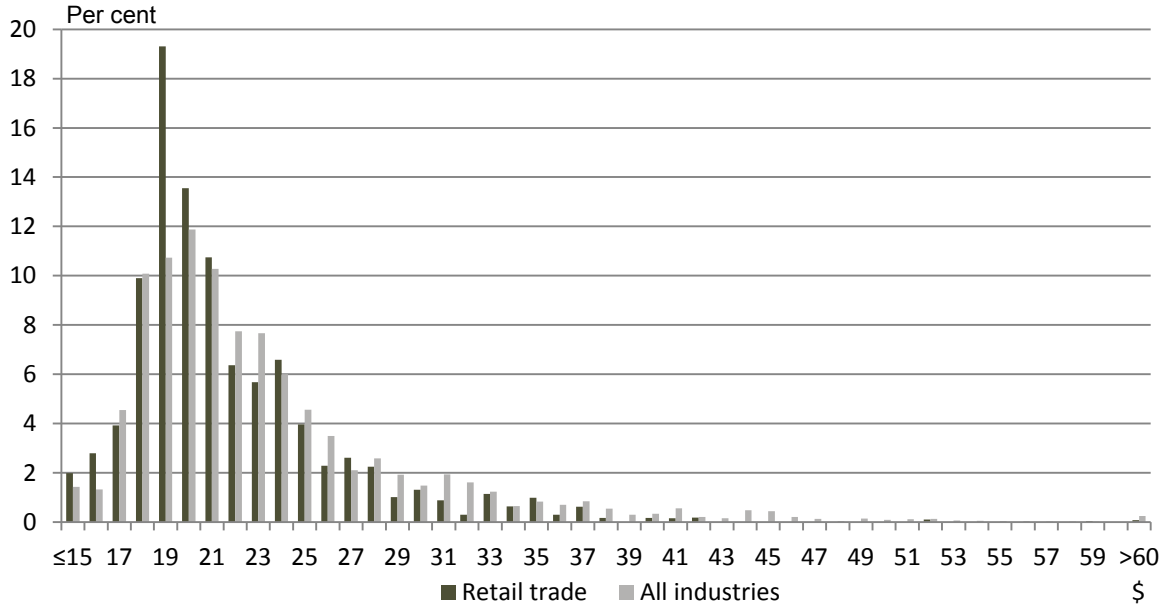
Figure 6.4: Average weekly total cash earnings for non-managerial employees by method of setting pay, May 2016



Source: ABS, *Employee Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0.

Restricting the sample to only award-reliant adult employees, Figure 6.5 shows that hourly total cash earnings for award-reliant adult employees are concentrated towards the lower end of the wage distribution in May 2014. Relative to all industries, Retail trade had a higher concentration of award-reliant adult employees earning at or below $21 per hour.

Figure 6.5: Distribution of hourly total cash earnings for award-reliant adult employees, May 2014



Note: Earnings are calculated at $1 intervals up to and including the amount presented (e.g. $17 includes amounts over $16 per hour and up to and including $17 per hour) for adult award-reliant employees in the federal jurisdiction. Earnings of employees who receive a casual loading are discounted by 25 per cent.

Source: ABS, *Microdata: Employee Earnings and Hours, Australia, May 2014*, Catalogue No. 6306.0.55.001.

Using the Award Reliance Survey (2013), information on the number of modern awards used by award-reliant organisations is provided. The data show that award-reliant organisations in Retail trade were more likely to use one modern award compared with all industries (Table 6.4). However, as business size increases, the proportion of award-reliant organisations using multiple modern awards increases. Large and medium businesses in Retail trade were more likely to used two modern awards compared with all industries.

Table 6.4: Number of modern awards used in Retail trade by business size, per cent of award-reliant organisations, 2013

	One	Two	Three	More than three	Total
	(%)	(%)	(%)	(%)	(%)
Retail trade					
Micro (1–4 employees)	95.3	3.8	np	–	100.0
Small (5–19 employees)	89.8	8.8	np	np	100.0
Medium (20–99 employees)	72.5	23.4	3.2	np	100.0
Large (100 or more employees)	52.3	32.6	8.0	7.1	100.0
Total	**88.0**	**9.9**	**1.5**	**0.6**	**100.0**
All industries					
Micro (1–4 employees)	93.5	6.3	np	–	100.0
Small (5–19 employees)	83.3	14.7	1.8	0.3	100.0
Medium (20–99 employees)	74.2	19.0	4.7	2.1	100.0
Large (100 or more employees)	58.1	18.9	8.2	14.7	100.0
Total	**85.7**	**11.7**	**1.7**	**0.9**	**100.0**

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

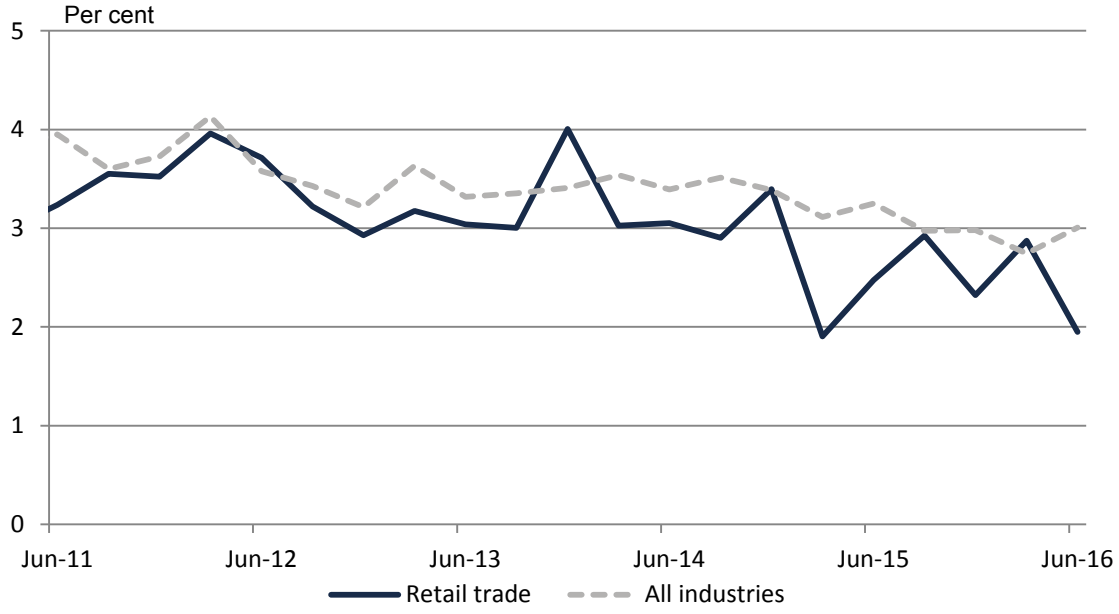
Source: Fair Work Commission, *Award Reliance Survey*, 2013.

6.3 Bargaining

This section presents information on bargaining outcomes from the Department of Employment's Workplace Agreement Database (WAD). The WAD contains information on the average annualised wage increases (AAWIs) negotiated under enterprise agreements in each quarter. Some of this data is also published in the *Trends in Federal Enterprise Bargaining* quarterly report.

AAWIs negotiated under enterprise agreements and approved in each quarter for Retail trade between the June quarter 2011 and the June quarter 2016 were generally lower than across all industries (Figure 6.6).

Figure 6.6: Average annualised wage increases for federal enterprise agreements approved in the quarter, June quarter 2011 to June quarter 2016

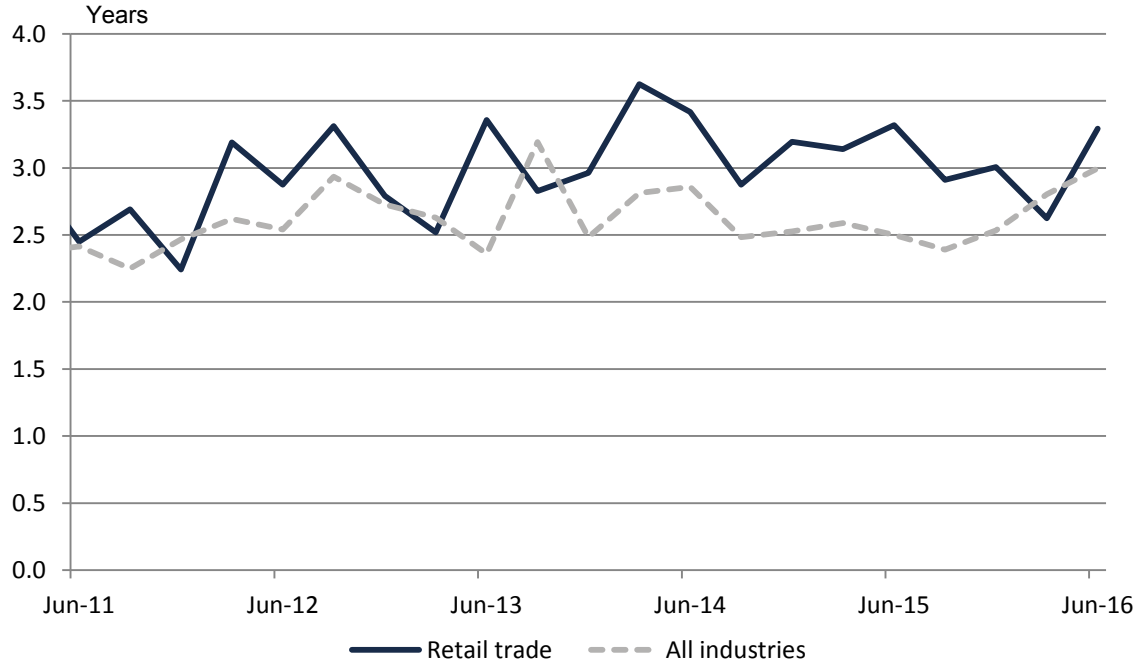


Source: Department of Employment, *Trends in Federal Enterprise Bargaining*, June quarter 2016, https://www.employment.gov.au/trends-federal-enterprise-bargaining.

The average duration[11] of enterprise agreements in Retail trade was above the average for all industries for most of the five years to the June quarter 2016 (Figure 6.7). Over the period, the average duration of enterprise agreements approved in the quarter in Retail trade ranged from 2.2 to 3.6 years.

[11] Average formal duration per employee for the quarter.

Figure 6.7: Average duration of agreements approved in quarter, June quarter 2011 to June quarter 2016



Source: Department of Employment, *Trends in Federal Enterprise Bargaining*, June quarter 2016, https://www.employment.gov.au/trends-federal-enterprise-bargaining.

The WAD also provides information on the proportion of federal enterprise agreements that contain Saturday or Sunday penalty rate clauses and the proportion of employees covered by these agreements (Table 6.5). The data show that around one quarter of federal enterprise agreements in both Retail trade and across all industries contained penalty rates for Saturday or Sunday. Similarly, around one quarter of employees covered by these agreements were covered by these penalty rate clauses in Retail trade and across all industries.

Table 6.5: Percentage of federal enterprise agreements and employees covered by these agreements in Retail trade that contain Saturday or Sunday penalty rates, 2013

	Retail trade		All industries	
	Agreements (%)	Employees (%)	Agreements (%)	Employees (%)
Saturday only	1.7	0.2	0.7	0.3
Sunday only	0.0	0.0	0.4	0.4
Saturday and Sunday	24.8	23.3	16.1	18.7
Total	**24.8**	**23.3**	**26.5**	**23.5**

Note: Data on penalty rate clauses are only available for agreements approved in 2013. These data only show the proportion of federal enterprise agreements (and the employees covered by these agreements) that contain clauses for Saturday or Sunday penalty rates as coded by the Department of Employment. Hence, the number of employees covered by these agreements does not represent the actual number of employees paid penalty rates, as employees not paid penalty rates may also be covered by these agreements.

Source: Department of Employment, *Workplace Agreements Database*, June 2016.

6.4 Comparison of wage rates in selected awards with two-thirds of median earnings

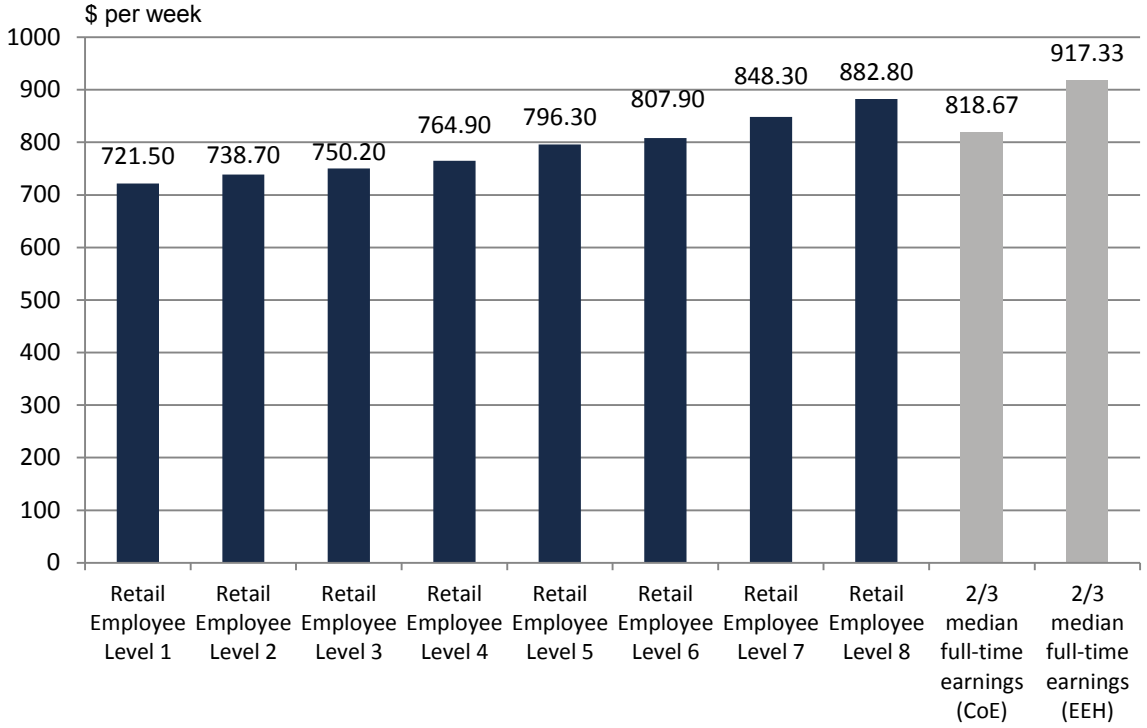
The following charts present the minimum weekly wages of each classification in the *General Retail Industry Award 2010*, and *Pharmacy Industry Award 2010*, and compare them with two-thirds of full-time median earnings, commonly used to define low pay.[12]

The most recent data for median earnings is for May 2016 from the Australian Bureau of Statistics' Survey of Employee Earnings and Hours (EEH). Data on median earnings are also available from the Characteristics of Employment (CoE) survey in August 2015. As such, the minimum weekly wages presented from these awards are those determined from the *Annual Wage Review 2014–15* on 2 June 2015.

Figure 6.8 shows that the full-time weekly wage for each classification in the *General Retail Industry Award 2010* was below the EEH measure of two-thirds of median full-time earnings. However, the full-time weekly wage for Retail Employee Level 7 and 8 classifications was above the CoE measure of two-thirds of median full-time earnings.

[12] See [2016] FWCFB 3500 at para. 369.

Figure 6.8: Comparison of minimum weekly wages in the *General Retail Industry Award 2010* and two-thirds of median full-time earnings

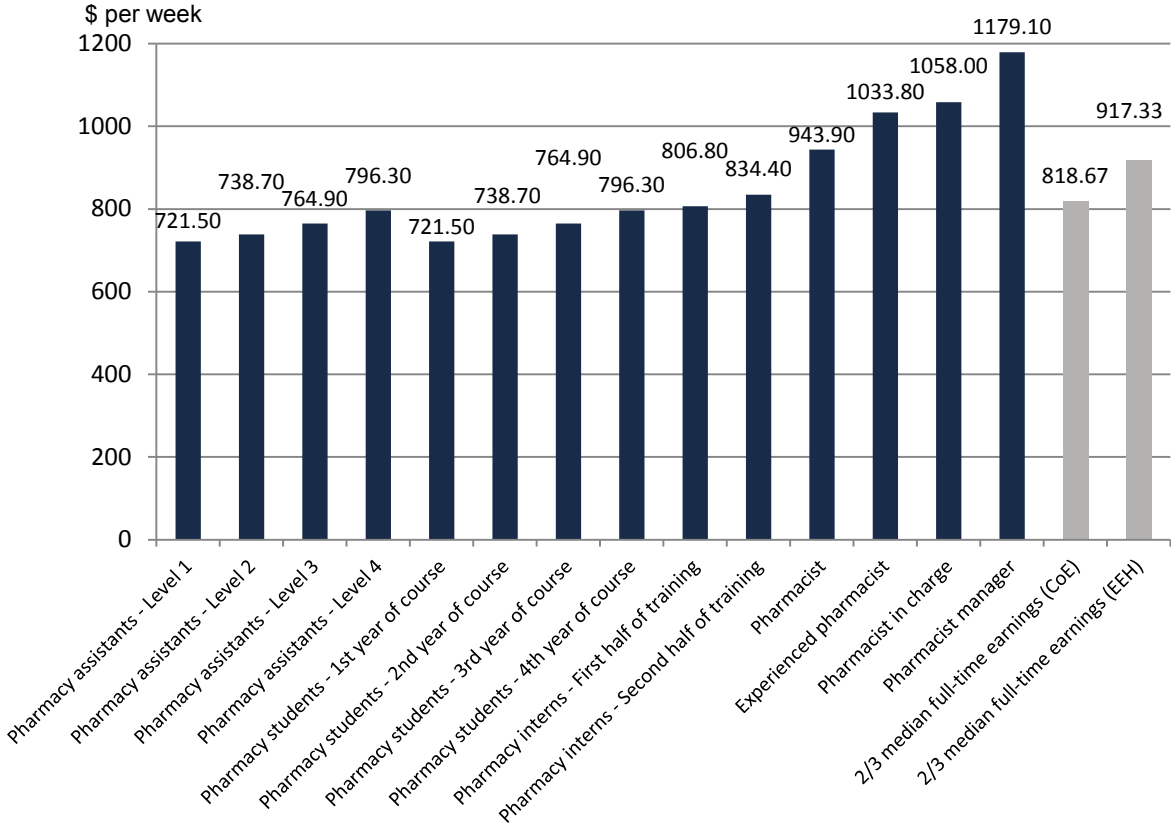


Note: Weekly earnings from the Characteristics of Employment Survey are earnings in the main job for full-time employees. Weekly earnings from the Survey of Employee Earnings and Hours are weekly total cash earnings for full-time adult non-managerial employees.

Source: MA000004; ABS, *Characteristics of Employment, Australia, August 2015*, Catalogue No. 6333.0 ABS, *Survey of Employee, Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0.

Figure 6.9 shows that the full-time weekly wage for most classifications in the *Pharmacy Industry Award 2010* was below both measures of two-thirds of median full-time earnings. The Pharmacist, Experienced Pharmacist, Pharmacist in charge, and Pharmacist manager classifications were above both measures of two-thirds of median full-time earnings, while the 'Pharmacy Interns – Second half of training' classification was only above the CoE measure.

Figure 6.9: Comparison of minimum weekly wages in the *Pharmacy Industry Award 2010* and two-thirds of median full-time earnings



Note: Weekly earnings from the Characteristics of Employment Survey are earnings in the main job for full-time employees. Weekly earnings from the Survey of Employee Earnings and Hours are weekly total cash earnings for full-time adult non-managerial employees.

Source: MA000012; ABS, *Characteristics of Employment, Australia, August 2015*, Catalogue No. 6333.0 ABS, *Survey of Employee, Earnings and Hours, Australia, May 2016*, Catalogue No. 6306.0.

7 Award reliance

This section uses data from the AWRS to present information on Retail trade by comparing award-reliant enterprises/employees and other types of enterprises/employees covered by either enterprise bargaining agreements or individual arrangements. Following Wright and Buchanan (2013), an award-reliant enterprise is defined as an enterprise that has at least one employee paid at the exact rate of pay as specified in the relevant award.[13] An award-reliant employee is defined as an employee that is paid exactly the award rate.

7.1 Enterprises in Retail trade

7.1.1 Structure and operations

Most enterprises, award reliant or other, operated from only one worksite, while award-reliant enterprises were more likely to be located in metropolitan areas than other enterprises (Table 7.1).

Around half of award-reliant enterprises operated seven days per week and almost four in ten operated on weekdays and Saturday. A higher proportion of other enterprises operated on weekdays only compared with award-reliant enterprises. The average number of operating days per week and number of years of operation with the current ownership was higher for award-reliant enterprises than other enterprises.

[13] This is consistent with the approach in other Fair Work Commission research such as Maltman K and Dunn A (2012), *Higher classification/professional employee award reliance qualitative research: Interim report*, Research Report 4/2012, Fair Work Australia; Farmakis-Gamboni S, Rozenbes D and Yuen K (2012), *Award-reliant small businesses*, Research Report 1/2012, Fair Work Australia; and Wright S and Buchanan J (2013), *Award reliance*, Research Report 6/2013, Fair Work Commission.

Table 7.1: Structure and operations, Retail trade, 2014

	Award-reliant enterprises (%)	Other enterprises (%)
Number of worksites		
1	71.9	72.1
2–5	21.8	23.7
6–10	3.7	1.7
11–20	1.6	np
21–50	1.0	1.8
50 or more	np	0.4
	100.0	100.0
Location		
Regional/rural	41.1	49.2
Metropolitan	58.9	50.8
	100	100
Operating days		
Weekdays only	6.1	28.8
Weekdays and Saturday	39.0	36.1
Some weekdays and weekend	3.1	np
Operating 7 days	50.5	32.4
Other	np	–
	100	100
Average number of operating days per week	6.4	6.0
Years of operation with current ownership	21.3	16.1

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

A higher proportion of award-reliant enterprises used shift work arrangements compared with other enterprises (Table 7.2).

The most common shift work arrangements used by both award-reliant and other enterprises were set rosters, eight-hour shifts and standard business hours. Award-reliant enterprises were relatively more likely to use short shifts of four hours or less, evening and night shifts, set rosters and rotating rosters while other enterprises were relatively more likely to use standby/on call and split/broken shifts.

Table 7.2: Prevalence and types of shift work arrangements, Retail trade, 2014

	Award-reliant enterprises (%)	Other enterprises (%)
Has shift work arrangements	20.0	17.2
Types of shift work arrangements		
Rotating rosters	60.1	51.4
Set rosters	91.2	80.5
Early morning shifts	47.1	44.1
Afternoon shifts	74.4	70.7
Evening and night shifts	68.0	54.5
Standard business hours	78.1	78.3
Split/broken shifts	8.3	23.9
Standby/on call	26.0	46.8
8-hour shifts	86.1	86.2
12-hour shifts	np	28.8
Short shifts of 4 hours or less	75.9	40.7
Other	–	–

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

7.1.2 Market and competition

This section provides a number of subjective measures of market and competition reported by enterprises. Table 7.3 shows the nature of the market and measures of competition for award-reliant and other enterprises.

Most enterprises operated in a domestic market only. While the market focus of most enterprises was the immediate local area only, other enterprises were relatively more likely to focus Australia wide.

Award-reliant enterprises were more likely to report they had 10–19 direct competitors while other enterprises were more likely to report five to nine direct competitors. While the highest proportion of enterprises reported strong competition, other enterprises were relatively more likely to report moderate competition than award-reliant enterprises.

Table 7.3: Market and competition, Retail trade, 2014

	Award-reliant enterprises (%)	Other enterprises (%)
Nature of market		
Domestic only	88.5	88.4
Domestic with some export	10.2	10.2
Export with some domestic	np	np
Export only	–	–
	100	100
Market focus		
Immediate local area only	67.8	51.9
Intrastate	18.7	21.2
Interstate	3.9	1.4
Australia wide	9.7	25.5
	100	100
Number of direct competitors		
1–4	21.1	23.1
5–9	24.7	30.6
10–19	24.8	18.2
20–49	13.7	13.9
50 or more	12.5	13.8
None/captive market/no effective competition	np	np
	100.0	100.0
Degree of competition		
Intense competition	33.0	31.0
Strong competition	47.8	42.8
Moderate competition	16.3	23.9
Limited competition	2.9	2.3
	100.0	100.0

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

7.1.3 Costs

Enterprises were asked a range of hypothetical questions in relation to changes in labour costs in the short and long term. Enterprises were first asked how they would respond to a substantial increase in labour costs if demand for their major products and/or services had not changed (Table 7.4).

The most common potential short-term response to a substantial increase in labour costs reported by both award-reliant and other enterprises was "implement strategies to manage or reduce wage bill", while a relatively high proportion of other enterprises reported they would "increase revenue".

Table 7.4: Potential short-term responses to a substantial increase in labour costs, Retail trade, 2014

	Award-reliant enterprises	Other enterprises
	(%)	(%)
Absorb entire increase in labour costs as reduced profit without taking any mitigating action	30.2	41.1
Increase efficiency of work techniques and processes, including via new equipment	64.6	61.4
Source cheaper supplies, services, utilities etc.	53.2	62.3
Run down inventories	56.2	56.9
Seek debt or equity finance	19.2	32.7
Increase revenue (e.g. adjust prices, seek additional customers etc.)	61.4	74.8
Cease unprofitable operations or close facilities	49.3	49.3
Reduce number of contractors or labour hire staff	45.5	47.7
Outsource operations and tasks	16.1	20.4
Implement strategies to manage or reduce wage bill	72.7	76.1
Other	np	4.3

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

Enterprises that responded that they would 'implement strategies to manage or reduce wage bill' as a short-term response to a substantial increase in labour costs, were also asked to describe their potential short-term wage bill strategies.

The most common potential short-term wage bill management strategies reported by both award-reliant and other enterprises were to "reduce hours of casual staff", "more hours worked by proprietors/owners" and "reduce number of employees via attrition" (Table 7.5).

Table 7.5: Potential short-term wage bill management strategies, Retail trade, 2014

	Award-reliant enterprises (%)	Other enterprises (%)
Reduce number of employees via attrition	67.4	73.7
Reduce number of employees through redundancies	40.7	51.7
Reduce overtime	58.2	56.5
Reduce number or length of shifts	59.8	48.4
Reduce hours of casual staff	76.4	65.2
More hours worked by salaried staff	44.8	52.9
More hours worked by proprietors/owners	68.2	76.1
More hours worked by family members or volunteers	38.2	37.6
Other	5.0	5.9

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

Enterprises also reported their potential long-term strategy or response to a substantial increase in labour costs, if demand for their major products and/or services had not changed (Table 7.6). Over the long term, the most common responses by both award-reliant and other enterprises were to "reduce workforce/hours" or "increase profitability/efficiencies".

Table 7.6: Potential long-term responses to a substantial increase in labour costs, Retail trade, 2014

	Award-reliant enterprises (%)	Other enterprises (%)
Adjust pricing	13.6	12.6
Cease operations	8.9	13.9
Increase profitability/efficiencies	32.6	31.4
Lower pay rates/benefits/change employment status	3.1	3.0
Outsource	np	np
Reduce workforce/hours	39.4	28.5
Hire/only retain cheaper/younger/less experienced staff	6.5	np
Streamline/rationalise technology/automation	1.5	5.1
Other	8.1	11.5
None	np	–

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study*, 2014.

7.2 Employees in Retail trade

This section provides an analysis of the characteristics of employees using data from the ABS and information obtained from the AWRS.

Around two-thirds of award-reliant employees in Retail trade were female, compared with around 60 per cent of other employees (Table 7.7). Award-reliant employees were more likely to be employed on a casual basis compared with other employees, while similar proportions of employees for hours worked and rate of pay were reported for both award-reliant and other employees.

Table 7.7: Personal characteristics, Retail trade, 2014

	Award-reliant employees (%)	Other employees (%)
Gender		
Male	33.9	40.3
Female	66.1	59.7
	100.0	100.0
Hours worked		
Full time	39.3	39.6
Part time	60.7	60.5
	100.0	100.0
Employment type		
Permanent	48.5	70.5
Casual	51.5	29.5
	100.0	100.0
Rate of pay		
Adult	81.6	82.1
Junior	16.4	17.1
Apprentice/trainee	2.0	0.7
Disability	0.0	0.2
	100.0	100.0

Source: ABS, *Microdata: Employee Earnings and Hours, Australia, May 2014*, Catalogue No. 6306.0.55.001.

Award-reliant employees were more likely to have multiple jobs, to have spent less than five years in employment and be the secondary household income earner relative to employees on other pay-setting methods (Table 7.8). Taking into account their overall income, award-reliant employees were more likely to prefer to work more hours per week.

Table7.8: Employment and household characteristics, Retail trade, 2014

	Award-reliant employees (%)	Other employees (%)
Multiple job holders	10.0	8.8
Years in employment		
Less than five years	19.1	5.2
Five to less than 10 years	12.4	13.7
10 to less than 15 years	15.3	17.8
15 to less than 20 years	13.4	16.3
20 years or more	39.8	47.0
	100.0	100.0
Working hours preference		
More hours per week	41.0	25.7
About the same	58.1	68.6
Less hours per week	np	5.7
	100.0	100.0
Household income earner		
Sole income earner	17.8	34.5
Main income earner	28.8	28.9
Secondary income earner	50.1	32.5
Other	3.4	4.1
	100.0	100.0

Note: np = not published due to the estimate having a relative standard error of greater than 50 per cent.

Source: Fair Work Commission, *Australian Workplace Relations Study,* 2014.

While both award-reliant and other employees were more likely to have secondary school as their highest level of education, this was the case for almost half of award-reliant employees.. Relative to other employees, award-reliant employees were less likely to use their highest qualification in their current role, and more likely to be currently studying full time.

Table 7.9: Education characteristics, Retail trade, 2014

	Award-reliant employees (%)	Other employees (%)
Highest level of education		
Postgraduate degree	2.2	4.2
Graduate diploma/graduate certificate	1.8	5.1
Bachelor degree	9.1	18.0
Advanced diploma/diploma	6.5	10.0
Certificate level	28.3	27.8
Secondary school	48.5	33.7
Other	3.7	1.3
	100.0	100.0
*Use of highest qualification**		
A past role	24.4	26.1
Current role	19.0	36.5
A future role with the same employer	2.7	5.0
A future role with another employer	2.5	4.4
A future role in a different industry	8.3	4.9
Other	1.8	np
Unrelated to any roles	35.6	32.5
Currently studying		
No	83.3	89.0
Yes, full time	10.7	1.9
Yes, part time	6.0	9.1
	100.0	100.0

Note: *Employees could provide multiple responses.

Source: Fair Work Commission, *Australian Workplace Relations Study,* 2014.

8 References

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