



14<sup>th</sup> November 2016

The Chair  
Queensland Trading Hours Review  
Office of Industrial Relations  
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Dear Sir

Dear Sir/Madam

## Re Queensland Trading Hours Review - Motor Trades Association of Queensland Submission

### 1. Introduction

1.1 The Motor Trades Association – Queensland (MTA Queensland) (the Association) responds to the Chair of the Queensland Trading Hours Review Reference Group’s invitation for submissions to its *Queensland Trading Hours Review Issues Paper* (the Paper). The MTA Queensland’s comments are on behalf of its new and used car, motorcycle, farm machinery and caravan dealers (motor vehicle sector).

### 2 Context

2.1 Trading hours for the motor vehicle sector are regulated by the 1990 *Trading Hours – Non-Exempt Shops Selling Motor Vehicles State Order* (Vehicle Order) as set out in the October 27, 2016 iteration. The underpinning policy of this Order appears to have its derivation in the 1970s. The Paper states (p. 27): ‘it should be noted that these restrictions on motor vehicle and caravan sales were applied for and have consistently thereafter been supported by the relevant industry associations’.

2.2 The MTA Queensland’s long-standing policy and recently reaffirmed by the motor vehicle membership sector is for the current Order to apply unchanged.

2.3 The Association whilst aware of lobbying by large retailers and their associated industry organisations for the deregulation of trading hours across the State, was surprised that a Reference Group was established to review Queensland’s trading hours particularly as, (from memory), a specific mandate was not sought for such a review at the 2015 State Election by the now Queensland Government. The expectation was that there was certainty with the long held policy that delegates the determination of trading hours in this State to the jurisdiction of the Queensland Industrial Relation Commission.

2.4 Reinforcing this expectation of policy certainty was a 2010 statement by the then Attorney General the Hon Cameron Dick in response to concerted lobbying by large retailers and their associated industry organisations: “*our current system strikes the right balance between the interests of retailers and the interests of workers, with any decision being made by the independent umpire and without any interference from politicians*” (MTA Queensland submission to the Premier the Hon Anna Bligh, 13 September 2010).

## Motor Trades Association Queensland

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2.5 The Association supports the policy statement of the then Attorney General the Hon Cameron Dick that the 'current system strikes the right balance' particularly for the motor vehicle sector.

2.6 The Association is aware that the Commonwealth's March 2015 *Competition Policy Review* Final Report (p.1) stated that trading hours generally was one of top five issues raised in submissions to the Draft Report but it seems not in the context of a specific reference to the motor vehicle sector.

### **3. Trading Hours - an integral element of Industry Policy**

3.1 The MTA Queensland has considered carefully the terms of reference for the examination and report 'on the current framework of regulation of trading hours by the Reference Group which are:

- The impact of the current framework, and any alternative models, on employment and business growth in Queensland.
- The impact of the current framework, and any alternative models, on the Queensland economy overall or particular regions or sectors of the economy.
- The impact of the current framework, and any alternative models, on the market share of small and medium-sized businesses.
- The impact of the current framework and any alternative models, on workers and their families.
- The impact of the current framework, and any alternative models, in meeting the needs of the Queensland public and visitors to the state.
- The impact of the current framework, and any alternative models, in providing certainty and consistency in retail shop trading hours' arrangements between and within regions of Queensland, including in relation to public holidays and trading hours on those public holidays (The Paper, p.4).

A rider to the terms of reference states that 'matters concerning the structure and level of penalty rates...are not within the scope of the review' (The Paper, p. 4).

3.2 The MTA Queensland is of the view that a fundamental weakness and a significant limitation of the terms of reference is that the evaluation of trading hours is being undertaken in isolation of and separate from holistic industry policy which includes the industrial relations framework that is critical for employment policy.

3.3 Trading hours considered as a single industry policy pillar may meet the requirements of competition policy and big business but for small/medium enterprises (SMEs) that operate across the State in the motor vehicle sector it would be anathema putting at risk their businesses, livelihoods and employees. In a deregulated motor vehicle sector market, SME's may be compelled to compete or risk trade diversion to larger entities that over the medium to longer terms threaten the viability of their businesses.

3.4 The Association urges the Reference Group to evaluate trading hours in the context of a holistic industry policy which includes the industrial relations framework and employment policy to so that a robust evaluation of the trading hours as it pertains to the motor vehicle sector may occur. Failure to do so has the potential to put SMEs at risk of the loss of business opportunity leading to business failure and insolvencies.

### **4. The Vehicle Order**

4.1 The Association is unaware of any significant breaches of the Order by relevant dealerships or of any groundswell of public opinion seeking a change to the current provisions. Unlike the complex *Trading Hours – Non- Exempt Shops Trading by Retail – State Order*, the hours' provisions for the sale of motor

vehicles, motorcycles, farm machinery and caravans are straight forward and well understood by the industry.

4.2 Under the Vehicle Order, specific parts of the State are treated differently for the purpose of allowing trading on certain nominated Public Holidays. The areas from the Gold Coast to the near North Coast form a contiguous chain and can effectively be described broadly as the South-East Corner of the State. The degree of complexity with this arrangement is minimal and has not been the cause of any disputation or concern to the motor vehicle sector.

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

4.4 Member's comments to the survey indicated that under the existing regime it was difficult to get salespersons to work on a Saturday. This situation would be compounded if Sunday trading was introduced. In addition, anecdotal evidence suggests that many members of the public welcome accessing a vehicle sales yard without the presence of salespersons.

4.5 The Association notes that there is reported criticism of the process for special displays or exhibitions for the motor vehicle sector (The Paper, p. 28). The Association is of the view that the 'red tape' should be minimised and the process ameliorated to the extent it is not 'costly and time consuming' to submit an application for special displays or exhibitions.

## 5. **Motor Vehicle sector**

5.1 Competition in the motor vehicle sector is now regional, national and in some cases international due to online trading / internet trades. In addition, horizontal entry into the car market has occurred through salary packaging enterprises offering motor vehicles in cost-effective financial and taxation structures and companies using fleet purchases to provide vehicle fringe benefits for their employees - which seemingly do not operate on a Sunday.

5.2 Within the motor vehicle sector there is the likelihood that increasing economies of scales will be required to sustain profitability in the motor vehicle sector and this is likely to lead to further economic consolidation. Spatially, the value of real estate is changing significantly and dramatically in the capital cities and the opportunity costs of continuing to hold large vehicle inventories on valuable sites will be a difficult business decision to justify.

## 6 **Recommendations**

6.1 The MTA Queensland recommends:

- (a) The Reference Group evaluate trading hours in the context of a holistic industry policy which includes the industrial relations framework and employment policy to provide for a robust evaluation of the trading hours for the motor vehicle sector.
- (b) The Reference Group note that the Association is unaware of any significant breaches of the Order by relevant dealerships or of any groundswell of public opinion seeking a change to the current provisions.
- (c) The Reference Group note that an MTA Queensland survey of its motor vehicle sector membership indicated 90% supported the retention of the existing Vehicle Order.

- (d) The Reference Group note that the MTA Queensland trading hours' policy is for no change to the 1990 *Trading Hours – Non-Exempt Shops Selling Motor Vehicles State Order*.
- (e) That the process for special displays or exhibitions for the motor vehicle sector be subjected to reform with the aim of reducing the associated red tape and the process ameliorated to the extent it is not 'costly and time consuming.'

## **7 MTA Queensland background**

7.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State. There are some 13,000 automotive value chain businesses employing in excess of 90,000 persons generating in excess of \$14.5 billion annually. It is an industrial association of employers incorporated pursuant to the *Industrial Relations Act* of Queensland. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

7.2. The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute (MTAI) - a registered training organisation. It is the largest automotive apprentice trainer in Queensland employing in excess of 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTAI last financial year accredited courses to in excess of 1,600 apprentices and trainees.

## **8 Conclusion**

8.1 We would be please to provide further comment on any matters in our submission that may require further clarification or amplification.

Thank you for your consideration.

Yours sincerely



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Chief Executive Officer



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General Manager