

## The employment crisis that's about to hit Australia: How nearly 30,000 retail workers have lost their jobs in just three months 'because of the rise of online shopping' - and the worst cuts are yet to come

- More than 29,000 retail workers lost their jobs between February and May 2018
- Australia's 1.284 million shop assistants are 10 per cent of the national workforce
- National Australia Bank retail measure showed a dramatic jump in online trade
- Report released as telco firm Optus announced it would retrench 440 staff
- Economists fear online commerce will see even more traditional retail jobs go

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More than 1.2 million retail workers, or one-tenth of the Australian labour force, is under threat from the online shopping revolution.

In just three months, more than 29,000 shop assistants lost their jobs across Australia, with department store Myer and telco Optus cutting retail staff.

A new report released today by National Australia Bank showed a dramatic surge in electronic spending, mainly in online retail, and economists fear more low-paid retail employees will lose their jobs to technology.

The bank's Cashless Retail Index showed sales activity surged by 10.3 per cent in the year to July.



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While it measured more than just online trade, and included cashless spending on debit and credit cards, it also monitored BPAY, where consumers don't have to physically be in a shop to buy goods.

Between February and May this year, the number of workers employed in Australia's retail sector dived by more than 29,000, plummeting from 1.313 million to 1.284 million in just three months, Australian Bureau of Statistics figures showed.

Retail employees, who are mainly young, casual workers, make up one-tenth of Australia's 12.575 million workers.

AMP Capital chief economist Shane Oliver said with on line trade making up less than seven per cent of Australia's retail sector, internet commerce was likely to threaten even more jobs in bricks-and-mortar shops as technology improved.

'The growth of online is a huge challenge to traditional retail,' he told Daily Mail Australia today. 'It can still supplant a lot more of traditional retail sales from here. 'As it takes a greater share, traditional retailing will shed jobs.'

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In the United States, online sales make up more than 12 per cent of the retail sector.

Australia is predicted to also lose traditional sales jobs as robots in warehouses increasingly dispatched home-delivered items.

'If you go back a decade ago, people were starting to buy their books and CDs online,' Dr Oliver said.

'Now retailing's gone from those obvious items to clothing, electronic goods, furnishings, all sorts of things, and of course the technology's continuing to advance.'

NAB economist Phin Ziebell said while flat wages and high debt levels were major impediments to retail trade, on line shopping was hurting traditional retail trade.

'There's no doubt that online is having an impact and will continue to have an impact on the retail sector,' he told Daily Mail Australia today.

Mr Ziebell employment in the retail sector had been flat for the past five years.

'We haven't seen huge growth in total employment in retail trade,' he said.

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NAB's most recent monthly business survey has also showed particular weakness in retail trade.

Telecommunications company Optus announced today it would cut 440 jobs during the next two months, just two years after opening 126 new stores.

An Optus spokeswoman told Daily Mail Australia they would be speaking to affected employees first, and 'discussing redeployment opportunities where available'.

Myer announced in January 50 jobs would be cut and in March announced a half-year loss of \$476.2 million.

Millionaire businessman Dick Smith yesterday predicted Chinese online

retailer Alibaba could wipe out stores such as Bunnings in Australia after becoming Speaking to Daily Mail Australia, Smith said the phenomenon of customers browsing one of the fastest growing retailers in the country.

in stores but then ordering what they want from Alibaba would spell big trouble for traditional outlets such as Bunnings.

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**Alibaba could wipe out Australia's Bunnings as it becomes the world's fastest-growing retailer**

'How do they get around it? They virtually don't employ anyone, they automate everything. That's where they are brilliant in their endless greed,' he said.

The founder of the now-defunct Dick Smith Electronics retail chain predicted Alibaba's rise would be bad news for Australian-owned retailers, including the 'Unless Bunnings very quickly moves into hardly having any staff, I can't see how they popular hardware chain owned by Wesfarmers. can compete.'

Australia's retail sector already offers some of the lowest full-time salaries, with the remuneration of \$60,388 well below the average salary across all sectors of \$82,435.

## Optus job cuts timeline

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**2017: Optus slashes 320 jobs from the company over the year**

**May 2018: 400 staff are made redundant**

**In the same month, Virgin Mobile is closed down, resulting in 200 job losses**

**August 2018: 440 jobs are cut as the business restructures**