

LOUIS VUITTON  
MALLETIER A PARIS

MAISON FONDÉE EN 1854



22<sup>nd</sup> March, 2019

NSW Fair Trading, Customer Experience  
Locked Bag 2096  
Lisarow NSW 2252

By email: [ftlicensing@finance.nsw.gov.au](mailto:ftlicensing@finance.nsw.gov.au)

Attention: Customer Experience team

Dear Sir/Madam,

**Application for Exemption regarding Retail Trading on Easter Sunday - Sydney 2019, 2020, 2021**

## 1. Introduction

Louis Vuitton Australia Pty Ltd (ACN 005 918 678) (**Louis Vuitton**) wishes to apply to the NSW Department of Trading (**Department**) for an exemption for its Louis Vuitton Sydney Central Business District (CBD) store (**Louis Vuitton Sydney**) to trade on Easter Sunday for the next three years (being Easter Sunday 2019, Easter Sunday 2020 and Easter Sunday 2021) (**the Application**).

Louis Vuitton is conscious of its obligations under the *Retail Trading Act 2008* (NSW) (**the Act**). As such, Louis Vuitton wishes to obtain an exemption to enable it to trade lawfully from Louis Vuitton Sydney without the potential risk of contravening the Act. As set out in the Application, Louis Vuitton wishes to obtain this exemption for a three year period, being Easter Sunday 2019, Easter Sunday 2020 and Easter Sunday 2021.

Given timing, (namely the fact that Easter Sunday 2019 falls on 21 April 2019, some 4 weeks away), we note that there is some urgency to the Application. For completeness, and in the event that the Department is unable to deliver a decision on the Application prior to Easter Sunday 2019, we respectfully request that any granting of an exemption for Louis Vuitton Sydney to trade on Easter Sunday apply from Easter Sunday 2020 through to Easter Sunday 2022.

**Enclosed** with the Application are a number of materials upon which Louis Vuitton seeks to rely in support of the Application. These materials outline relevant matters, including the significant nature of tourism in Sydney and the unique nature of the goods sold by Louis Vuitton. It is Louis Vuitton's submission that such matters are



key matters in demonstrating that it is in the public interest for Louis Vuitton to be allowed to trade from Louis Vuitton Sydney on Easter Sunday (the **Restricted Day**). The proposed trading hours for the Restricted Day are 10 am to 5 pm (the **Proposed Trading Hours**).

We set out below relevant information to the Department in its consideration of the Application.

## **2. Exceptional circumstances in support of the Application**

1. For the Department to grant the Application, the Department must be satisfied that 'exceptional circumstances' (not merely special circumstances) exist, (*Dwyer v Department of Services, Technology and Administration and Kmart Australia Limited* [2010] NSWADT 312); so as to allow Louis Vuitton Sydney to trade on the Restricted Day.
2. In addition, the Application must be consistent with public interest and the exemption, if granted, must not have a negative impact on those who will work on the Restricted Day who must freely elect to work.

### **Overview of Louis Vuitton's business**

3. Louis Vuitton is a luxury retail company and French fashion house founded in 1854. Whilst originally known for luxury luggage, the brand has since evolved to have a major influence in the fashion landscape and is now similarly recognisable for luxury apparel, jewellery and accessories.
4. Louis Vuitton has eleven retail stores in Australia. These stores are positioned in areas of street appeal, positioned amongst luxury retail and central business districts. These stores include Sydney's Bondi Junction, and a store in Melbourne's premier fashion shopping centre, Chadstone. Louis Vuitton's Australian flagship store, and the relevant store for the purpose of the Application, is Louis Vuitton Sydney.
5. Further information about Louis Vuitton can be found at <https://au.louisvuitton.com/eng-au/homepage>.

### **Location of Louis Vuitton Sydney in Key Tourist Area**

6. Louis Vuitton Sydney is located in the Sydney CBD, being a key tourist area particularly over public holiday periods such as the Easter long weekend. This factor, coupled with the unique nature of Louis Vuitton's business and the unique demographic of its key customer base, are, in Louis Vuitton's submission, significant factors in favour of the Application being approved. These factors are discussed further below.
7. Louis Vuitton has one stand-alone store in the Sydney CBD, being Louis Vuitton Sydney. Louis Vuitton Sydney first opened in December 1986. From December 2011 to October 2018, Louis Vuitton Sydney has been located at 365 George Street, Sydney, NSW 2000 (the **Permanent Store**).
8. Due to light rail construction work along George Street and renovations occurring at the Permanent Store, Louis Vuitton Sydney was temporarily relocated to Shop 3, 345 George Street, Sydney NSW 2000 where Louis Vuitton Sydney currently trades (the **Temporary Store**). The distance between the Temporary Store and the Permanent Store is approximately 75 metres, or approximately 1 minute by foot.
9. On completion of the renovations at the Permanent Store, (which is anticipated to be November 2019), Louis Vuitton Sydney will relocate back to the Permanent Store and its original location, being 265 George Street, Sydney NSW 2000. In order to take advantage of the expected increase in foot traffic in George Street following completion of the light rail construction work (which is anticipated to be completed by March 2020), part of these renovations will involve the opening of display windows outlining upcoming collections.



10. Both the Temporary Store and the Permanent Store (collectively, **Louis Vuitton Sydney**) are located within 4 minutes walking distance from the Sydney CBD's leading retail hub, the Pitt Street Mall. Louis Vuitton Sydney is also close to all Sydney CBD rail transport hubs including Town Hall, Wynyard, Museum and St James train stations as well as Circular Quay, Darling Harbour (including the Overseas Passenger Terminal), and the light rail network, (which, as set out above, is anticipated to be completed by March 2020).
11. Louis Vuitton Sydney is also located in close proximity (i.e. between 15 to 20 minutes walking distance, and less by public transport) to other key tourist destinations such as the Sydney Harbour Bridge, the Opera House, Sea Life Sydney Aquarium, Sydney Tower, the Art Gallery of New South Wales, King Street Wharf, the Royal Botanic Gardens, Hyde Park, The Rocks and Mrs Macquarie's Chair. It is also situated close to a number of premier accommodation spots such as The Westin Sydney, the InterContinental, the Sofitel Sydney Wentworth and the Shangri-La Hotel.
12. The Temporary Store currently occupies two levels, broken up into the following departments:
  - (a) **Ground Floor** - Women's Department including leather goods, accessories, Ready To Wear collections, shoes, fragrances, watches and jewellery and travel goods;
  - (b) **Level 1** - Men's Department including leather goods and accessories, shoes and Ready To Wear collections.
13. The current trading hours of the Temporary Store (save for public holidays which may impact on these trading hours) are below:

Monday:	10 am - 8 pm;
Tuesday:	10 am - 8 pm;
Wednesday:	10 am - 8 pm;
Thursday:	10 am - 9 pm;
Friday:	10 am - 8 pm;
Saturday:	10 am - 8 pm;
Sunday:	10 am - 7 pm.
14. Upon the re-opening of the Permanent Store, (anticipated to occur in December 2019), the above hours are anticipated to remain the same.
15. Due to the significant size of the Temporary Store, roughly:
  - (a) 45 to 55 staff are required to be rostered on during weekday trading; and
  - (b) 55 to 65 staff are required to be rostered on during weekend trading.

### 3. **Public Interest**

16. Louis Vuitton is of the view that it is in the public interest for Louis Vuitton Sydney to open on the Restricted Day for the reasons set out below.

#### **Nature of the business and kinds of goods sold**

17. Latest figures provided by Destination NSW (for the travel year ending September 2018), indicated that Sydney received 4.1 million international overnight visitors (a figure up by 3.3.% from the previous year). The number one country of origin for these visitors to Sydney is Mainland China. Sydney is also a



popular tourist destination for those from Japan (ranked 6th most likely country of origin), Hong Kong (ranked 8th most likely country of origin) and Singapore (ranked 10th most likely country of origin) (see **Attachment A** to the Application).

18. International overnight visitors alone spent \$9.6 billion in Sydney between October 2017 and September 2018 (up by 3.1% on the previous year). The main purpose of this trip was for a holiday (43.9%). When these tourists were surveyed on what they considered to be the top activities in Sydney, 15.8% stated "go shopping for pleasure" (see **Attachment A** to the Application). This is in contrast to interstate and domestic visitors who do not list "shopping" as a top Sydney activity. China now accounts for 27% of total spend by international visitors on trips to Australia (see **Attachment B** to the Application).
19. It is forecasted that the number of nights international visitors will spend in Sydney will increase in the short term future. Specifically, international visitor figures from 2016/2017 were 76.3 million. This is anticipated to increase to 137.3 million in 2026/2027 (which is an anticipated annual growth rate of 6.1%). In contrast in the same period, travel to Sydney from domestic visitors is only anticipated to have an annual growth rate of 2.2% (see **Attachment A** to the Application).
20. Sydney is also Australia's premier cruise port. International travellers docking in Sydney at the Overseas Passenger Terminal (also known as the Sydney Cove Passenger Terminal) at Circular Quay, are more likely than not to spend the majority of their time in Sydney (and do not travel to other New South Wales locations) (see **Attachment C** to the Application).
21. The most popular activities undertaken by cruise passengers when in Sydney were visiting attractions (81%) followed by shopping at 46%. This is significant and, (combined with the fact international cruise passengers are more likely to be female (54%) and luxury cruise liners are more likely to have international passengers (see **Attachment C**)), has a flow on effect on luxury retail in Australia.
22. As set out above, Louis Vuitton generally, and particularly Louis Vuitton Sydney specialises in luxury goods for both men and women. Specifically, the Louis Vuitton Sydney store offers:
  - (a) fragrance fountains providing a unique and eye catching display of a variety of scents;
  - (b) engraving and hot-stamping to personalise purchases (such as fragrance bottles);
  - (c) ready to wear clothing such as t-shirts, jackets, trousers and dresses;
  - (d) accessories such as belts, silk scarves, key holders and sunglasses; and
  - (e) other luxury items such as homewares, music boxes, note books, watches and jewellery and ornaments.
23. For further details, please see: <https://au.louisvuitton.com/eng-au/articles/louis-vuitton-to-unveil-new-george-street-concept-store-in-sydney>
24. A select range of Louis Vuitton products are stocked in select Australian department stores, (for instance, the David Jones Sydney store located at Level 7, Elizabeth Street, Sydney NSW 2000), however these stores do not offer the range of products that are stocked at Louis Vuitton Sydney. Nor do department stores provide the eye-catching window displays and exhibits one would see displayed at the flagship store, Louis Vuitton Sydney.
25. Whilst it may be well documented that the Australian retail sector is stagnating, luxury retail is still expected to grow 6-8% annually through to 2024. This is twice as fast as the annual growth predicted in the broader retail sector. On 3 September 2018, Inside Retail stated (relevantly):

*"In Australia, the luxury market will continue to be defined by two key segments - tourists from Asia, and local domestic consumers"...*



*"Our close proximity to Asia and, in particular China, has seen significant growth in purchases from high spending tourists visiting and shopping in Australia"...*

*"Chinese tourists make up 30% of Australia's luxury market sales, with domestic consumers contributing to the forecasted growth trajectory" ...*

*"Fifty seven of the top 100 [luxury] businesses increased sales year on year and 22 achieved double digit growth ..."*

(see **Attachment D** to the Application)

26. It is Louis Vuitton's submission that the growth of luxury retail can be linked to China, the number one home of origin for international tourists visiting Australia. Demographer, Bernard Salt stated (relevantly):

*"No doubt there is an element of Crazy Rich Asians to it... there are about 1000 Asian students, mostly Chinese who have an annual income of more than \$150,000 a year - that's full time students - and another 1500 part-time students who have that income - 2500 Asian students that have that sort of money to spend, even though they are students"....*

*"Every wealth-generating region needs a lifestyle area nearby. Australia has emerged as the lifestyle region for China" ...*

*"Successful middle-class Chinese showcase their wealth and prosperity not so much in China, but in Australian cities. The symbols of middle-class prosperity include travel, education and luxury goods. You put all those together and they are in the Australian experience" ...* (see **Attachment E** to the Application).

27. In a 2017 study conducted by Deloitte, it was found that almost half of luxury purchases are made by consumers when travelling. This proportion rises to 60% among consumers from emerging markets (such as China) who typically do not have access to the same range of products in their country of origin (see **Attachment F** to the Application).
28. Louis Vuitton's success can be, in part, attributed to its commitment to keep pace with consumer expectations for luxury retail. In particular, consumers are demanding more personalisation from both their products and services (see **Attachment F** to the Application). Louis Vuitton Sydney offers these personalised services.

**What is the need for the shop to be open on the restricted trading day?**

29. Louis Vuitton Sydney has historically observed a significant spike in customer numbers and expenditure over the Easter long weekend period. Specifically:
- (a) trading figures on Easter Saturday generally are approximately 35% above trading figures on a usual Saturday; and
  - (b) trading figures on Easter Monday generally are approximately 60% above trading figures on a usual Monday.
30. In previous 3 years, this spike in customer numbers and expenditure over the Easter long weekend period has continued to increase, with:
- (a) trading figures over Easter 2016 being approximately 9% higher than trading figures over a normal weekend period; and
  - (b) trading figures over Easter 2017 being approximately 25% higher than trading figures over a normal weekend period.



31. Anecdotally, it has also been observed that patronage of the Louis Vuitton Sydney store over the Easter long weekend period is 20 to 40% above a usual weekend period. This is unsurprising given nearby iconic tourist attractions (as set out in **paragraph 11** above), including the Sydney Opera House, the Art Gallery of NSW, Taronga Zoo and the Sea Life Sydney Aquarium, all of which are confirmed to be open over the Easter 2019 Long Weekend: <https://www.sydney.com/travel-information/public-holidays/easter>.
32. As Louis Vuitton Sydney is the flagship Louis Vuitton store in the Sydney CBD, it is anticipated that this would be a significant draw card for tourists (especially international tourists) in the area on Easter Sunday, as it traditionally has been over the remainder of the Easter long weekend period. In the event Louis Vuitton Sydney was permitted to open on Easter Sunday, this would also likely have a positive impact on other local businesses including restaurants and cafes, who are located in close proximity to Louis Vuitton Sydney, who are able to trade on the Restricted Day.
33. It is Louis Vuitton's submission that being able to trade on the Restricted Day would have a positive impact on the local economy. If Louis Vuitton Sydney were to remain closed it is anticipated the store (and other surrounding businesses who may be permitted to open) would lose a significant amount of potential revenue from tourists who are drawn to the area and the specific offerings of Louis Vuitton Sydney. As discussed further below, these tourists are generally international, as opposed to local tourists and are predominantly of Chinese (whether from Mainland China or Hong Kong) or Japanese heritage. In addition to its strong Chinese and Japanese tourist customer base, Louis Vuitton Sydney also experiences strong patronage from international tourists of Vietnamese, American, Indonesian, Thai and South Korean heritage.

**What is the likely effect on the local economy, tourism, small businesses and other businesses in the area if the exemption is granted?**

34. Whilst Easter Sunday may be a day of cultural significance for part of the Christian community, we note others of the Christian faith such as Russian, Greek or Serbian Orthodox do not consider the Restricted Day to be of cultural significance and may choose to celebrate this at a different time. We also consider it is unlikely to have the same significance for the majority of tourists whom, in our experience, are attracted to Louis Vuitton generally, and in particular, Louis Vuitton Sydney.
35. As indicated in the "*China Family Panel Studies' survey of 2012*", a major portion of Louis Vuitton Sydney's clientele, being those attracted to luxury goods from Mainland China, are unlikely to view Easter Sunday as a significant cultural day. Specifically, only 2.3% of China's population are Christian.<sup>1</sup>
36. It is submitted that Easter Sunday is unlikely to be a day of cultural significance for many of the tourists in the area and will not have a detrimental impact upon the positive effect on tourism and other businesses in the area if the exemption is granted.

**What is the likely effect on employees or persons working in the shop if the exemption is granted?**

37. As set out above, on a usual weekend, Louis Vuitton would employ approximately 55 staff to work at Louis Vuitton Sydney. To cope with additional demand over previous Easter long weekends, Louis Vuitton rostered:
  - (c) 45 staff to work at its George Street store on Easter Saturday in 2018 (up from 37 staff in 2017); and
  - (d) 32 staff to work at its George Street store on Easter Monday in 2018 (the same number of staff who worked on Easter Monday in 2017).

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<sup>1</sup> China Family Panel Studies' Survey of 2012. Published on: The World Religious Cultures Issue 2014



38. To cope with additional demand anticipated over the Easter 2019 long weekend, and given the size of the Temporary Store as described above, it is anticipated that Louis Vuitton will roster:
- (a) 45 staff to work at the Temporary Store on Easter Saturday 2019 (20 April 2019);
  - (b) (should Louis Vuitton be permitted to trade on Easter Sunday) 40 to 45 employees to work at the Temporary Store on Easter Sunday 2019 (21 April 2019); and
  - (c) 35 staff to work at the Temporary Store on Easter Monday 2019 (22 April 2019).
39. For completeness, because Louis Vuitton proposes to trade shorter hours on Easter Sunday than a usual Sunday (being 10 am to 5 pm as opposed to 10 am to 7 pm), we anticipate rostering only 40 to 45 staff on Easter Sunday, as opposed to the 55 staff generally rostered on for usual Sunday trading.
40. In respect of Easter Sunday specifically, and as set out above, it is proposed that 40 to 45 employees would be rostered to work, if Louis Vuitton is permitted to trade on this Restricted Day. With the proposed opening hours of 10 am to 5 pm on Easter Sunday, this would require only one shift for the permanent staff with casual staff either working half shift (being 12 pm to 5 pm) or full shift (10 am to 5 pm with lunch breaks). All staff would receive appropriate lunch and break periods throughout the day in accordance with legal requirements.
41. Should the Application be approved by the Department, for employees who voluntarily elect to work, they will receive rates of pay ranging between approximately \$54 per hour to \$95 per hour, depending on the particular duties and seniority of the position. These rates are well in excess of what an employee would receive on a usual Sunday roster.
42. Employees would also be engaged on the basis they have "freely elected to work", as per the Act. When it comes to the voluntary staffing of team members, Louis Vuitton proposes the following approach for engaging staff to work on Easter Sunday, (where permitted):
- (a) Prior to the Easter long weekend, managers will advised team members of Louis Vuitton Sydney's opening hours over the Easter long weekend period and ask whether any team member would like to work during this period, including specifically on Easter Sunday;
  - (b) As per standard practice, full-time and part-time employees of Louis Vuitton would be prioritised over casual employees;
  - (c) After all relevant employees of Louis Vuitton Sydney have been consulted, rosters for shifts will be developed and shared with the relevant employees; and
  - (d) Between employees opting to work over the Easter long weekend, (and specifically Easter Sunday), and prior to the shift occurring, all employees will have the ability to opt out of working Easter Sunday without being penalised.
43. Similarly to other public holidays when Louis Vuitton Sydney can trade, (such as Boxing Day, Australia Day and the Queen's Birthday), it is anticipated that a number of employees would be happy to work Easter Sunday due to the financial incentives involved.
44. We also note employees of Louis Vuitton Sydney are of diverse cultural and religious backgrounds and may not celebrate Easter around the time of the Restricted Day, if they celebrate Easter at all.

#### **Annexures to Application**

45. Provided with this Application are the following supporting materials:







- **Attachment A** - *"Travel to Sydney Year ended September 2018"* produced by NSW Government, Destination NSW;
- **Attachment B** - *"International Visitors in Australia"* produced by Austrade (Australian Government) Tourism Research Australia;
- **Attachment C** - *"Sydney Cruise Ship Passenger Survey 2013-14"* produced by Destination NSW;
- **Attachment D** - *"Luxury to grow twice as fast as broader retail sector"* published in Inside Retail;
- **Attachment E** - *"Luxury retail fuelled by 'Crazy Rich Asians'"* published on [realcommercial.com.au](http://realcommercial.com.au); and
- **Attachment F** - *"Global Power of Luxury Goods 2017"* produced by Deloitte.

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Please contact [REDACTED] and [REDACTED] if you have any questions regarding this Application or require further information.

We look forward to hearing from you.

Yours Sincerely,

[REDACTED]

