



National Retail Association

MEDIA STATEMENT

June 3, 2011

Wage decision and award changes are a “double whammy” for retailers

Today’s annual wage review will represent a double whammy of more than eight per cent for some small retailers as a result of the award modernisation process, the National Retail Association said.

NRA Executive Director Gary Black said the today’s wage decision of 3.4 per cent comes on top of a separate award modernisation increase applicable from the same date (July 1, 2011).

“For most retailers the modernisation increase will be around two per cent, but for some fast food providers it will be as high as five percent, making the total increase for many retail and fast food employers between five per cent and eight per cent,” Mr Black said.

The NRA’s submission to the wage review called on Fair Work Australia to limit retailers’ exposure to just one of the two increases, rather than forcing them to pay both at once.

“It’s no secret that retail trade has been in the doldrums for 12 months, with aggressive cost-cutting going on across the sector in order to keep customers coming through the doors,” Mr Black said.

“In this environment, business owners will not be able either to absorb the cost of this double wage increase or pass it on to consumers.

“Their only option will be to cut down on staff number and reduce hours for casuals. It’s not a pleasant decision either way, and it runs counter to the goals of both the award modernisation process and the annual wage review.

“Both of these mechanisms are designed to improve life for workers, not lead to a reduction in their working hours. However, that is what will happen as a result of this double whammy, and we are disappointed that FWA ignored our concerns on this front.”

Gary Black is available for interviews. Contact Malcolm Cole on 0408 612 603