



Master Grocers Australia Limited

T/AS

MGA Independent Retailers

MGA Timber Merchants Australia

(MGA/TMA)

Submission to the Fair Work Commission Wage Panel

Fair Work Australia Annual Wage Review

2019- 2020

March 2020

Submission- Timetable Variation

Master Grocers Australia Submission in relation to Annual Wage Review

Timetable Variation

Introduction

Master Grocers Australia (MGA/TMA) notes the proposal to vary the annual wage review timetable dates. The proposal is that any decision relating to the Annual Wage Review be delayed until the Q12020 National Accounts statistics have been released by the ABS on 3rd June 2020, and that there be an opportunity for parties to then file further submissions afterwards, by 8th June 2020. It is noted that this proposal was made by the Australian Industry Group (Ai Group) and the Australian Retailers Association and the South Australian Wine Industry Association Incorporated.

MGA thanks the Fair Work Commission Annual Wage Review Panel for the opportunity to make a comment on this proposal.

About Master Grocers Australia

There are 2,700 branded independent grocery stores, trading under brand names such as: Drakes, Farmer Jacks, FoodWorks, Foodland, Friendly Grocers, IGA, IGA Xpress, Supa IGA and SPAR, with a further approximately 1,300 independent supermarkets trading under their own local brand names. In addition, there are numerous independent liquor stores operating throughout Australia and trading under names such as: Cellarbrations, The Bottle O, Duncans, and Local Liquor, which are either single or multi-store owners. Our members also own independent hardware stores trade under brand names including Mitre 10, Home Timber and Hardware, Thrifty Link and True Value Hardware. These stores which collectively employ more than 120,000 staff are comparatively much smaller when juxtaposed against the large supermarket and hardware chains of Coles, Woolworths and Bunnings, which combined represent approximately 80 per cent of the retail supermarket and liquor industries and 65% of hardware industry.

Proposed delay for final consultations

MGA/TMA appreciates that at the time submissions were prepared and submitted to the Commission there were indications of the rapidly declining economic problems facing Australia. These problems have been assessed in the various submissions made to the Commission. However, the current economic situation in Australia and world- wide is deteriorating further as the Coronavirus (COVID - 19) continues its devastation.

MGA/TMA in its submission to the Fair Work Commission in respect of the Annual Wage Review has already pointed out the impact of the recent natural disasters that have affected Australia. However, since the lodgement of the submission earlier this month the coronavirus (COVID-19) has risen to

pandemic proportions and submits that the seriousness of this issue has created exceptional circumstances which give rise to consideration being given to a delay in the operative date of a decision of the Annual Wage Review. Whilst COVID 19 is the most serious disaster to have affected this country in its history, its impact should be considered together with the previous disastrous effects of the bushfires earlier in the year.

The effect on the economy has been, and will continue to be, catastrophic. Thousands of employees have lost their jobs and they will continue to lose their jobs as the impact of the virus continues to grow. The new laws and strategic directions that have been provided by the Federal and State Governments have been welcomed but there is a long way to go before the situation improves and the economy returns to some semblance of normality. In fact the economic impact is expected to take its toll for years to come.

The coronavirus has impacted not only the retail industry, but all industries, and the economy has already seen the effects of COVID 19 on the share market dropping to unprecedented levels. The problems facing small businesses include whether they will be able to retain their staff numbers, whether they can protect their staff and their customers and the need to enforce the precautions that have been put in place. There is already evidence of panic amongst the public. There has been a rush on the supply of food and alcohol and although this will abate in time it has demonstrated the fear that exists in the community and the consequent upheaval of their lives.

Many retailers have expressed the fear of whole stores being forced to close should the virus continue to spread. There will always be a degree of hysteria surrounding any outbreak of this kind and although the best approach is to remain calm and follow the medical advice that is currently being provided this has not necessarily stopped the unease that continues to grow.

The economic impact of COVID 19 is expected to worsen. The Federal Government has already recognised the economic impact that the loss of jobs will have on the community. The provision of a \$130 billion package to small and medium businesses is indicative of the desperate situation that has imploded in this country and around the world. As the financial effects continue to grow and Australia strives to seek remedies of the effects of COVID 19, it is submitted that any decision relating to the Annual Wage Review be delayed until after Q12020 National Accounts statistics have been released by the ABS on 3rd June 2020, with an opportunity to file further written submissions by 8th June 2020. This would allow the Expert Panel to give considerations to the economic impacts that have taken place in Australia. However, MGA further submits that as the current economic situation, and its impact on working Australians, will continue to evolve and therefore at this time any proposed increases to wages are simply not viable.

CONCLUSION

Independent retailers have been continually challenged throughout the last financial year with higher wages and reduced margins, but mostly it is the fact that the economy has been severely tested to the extent that statistics will demonstrate the extent to which the economy is strained to its limits and maybe beyond. The dire effects of the current economic situation need to be carefully considered. All opportunities to assess the economy should be considered before any decision is made about increasing or freezing wages and therefore MGA/TMA supports a delay in the decision that will be made by the Expert Panel to the Fair Work Commission.

MGA/TMA sincerely thanks the Fair Work Commission for this opportunity to make a submission to the Minimum Wage Panel for the purposes of the Annual Wage Review 2019-20.

A handwritten signature in black ink, appearing to read 'Jos de Bruin', with a horizontal line underneath.

Jos de Bruin CEO
MGA Independent Retailers
MGA Timber Merchants Australia
Master Grocers Australia Limited
March 31st 2020