

28 April 2023

Fair Work Commission
Annual Wage Review 2022-23
GPO Box 1994
Melbourne VIC 3001

By email: awr@fwc.gov.au

Dear Members of the Expert Panel,

**Annual Wage Review 2022-23
Submissions of the National Retail Association Limited, Union of Employers**

The National Retail Association Limited, Union of Employers makes the **enclosed** Reply Submissions concerning the Annual Wage Review 2022-23.

Yours sincerely,



Lindsay Carroll
Deputy Chief Executive Officer
M| 0411 318 643
E| l.carroll@nra.net.au
National Retail Association



National Retail Association Limited
Union of Employers
Annual Wage Review 2022-23
Reply Submissions

April 2023

1. INTRODUCTION

- 1.1. The National Retail Association (**NRA**) welcomes the opportunity to be able to provide submissions on the questions on notice provided to all parties, and reply submissions to initial submissions of parties.

2. QUESTIONS ON NOTICE: GENDER EQUITY

- 2.1. The NRA supports and welcomes assessment and addressing of any identified gender pay gaps.
- 2.2. The NRA supports a wholistic approach in identifying and assessing pay gap assessments, and comparing 'apples to apples'. In order to achieve this, the NRA supports assessment measures which would take into account the gender proportions of workers in industries, gross wages, and gross hours worked.
- 2.3. The NRA notes other governing bodies, such as the Workplace Gender Equality Agency, primarily hold responsibility for promoting and improving gender equality. Such bodies generally take an organisation-based approach. The NRA views in line with this, gender equity may best be addressed, from the view of the Panel, on an industry specific basis via the 4 yearly review of each modern award.

3. PERFORMANCE OF RETAIL TRADE

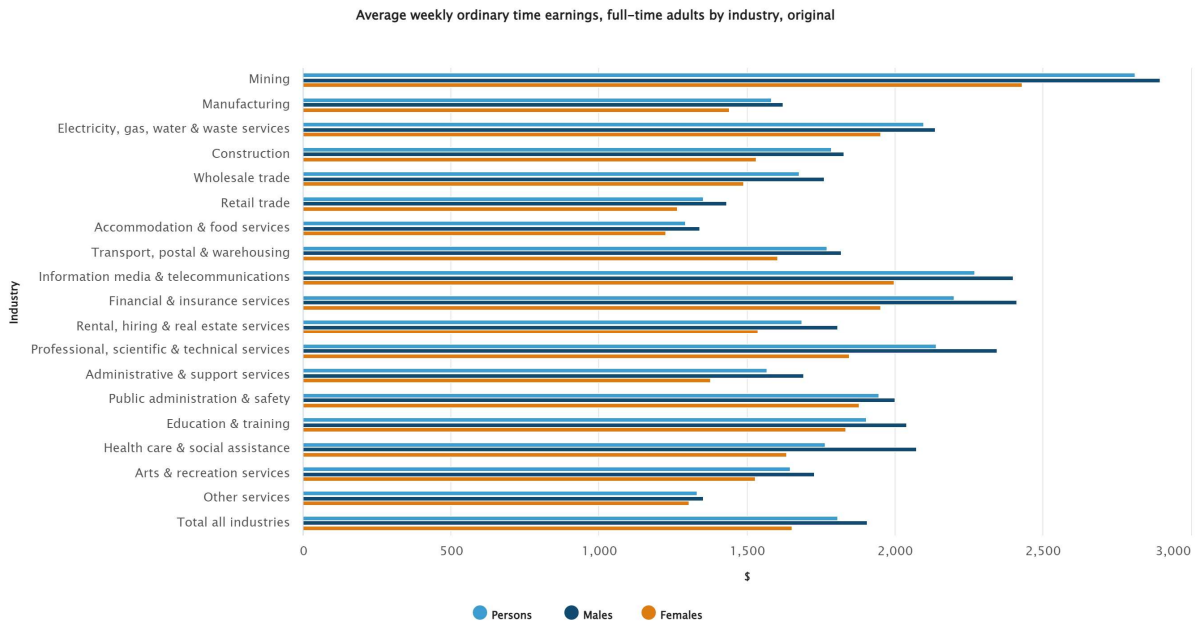
SDA submissions

- 3.1. The NRA notes the Shop Distributive and Allied Employees' Association's (**SDA**) initial submissions seek to assert:
 - (a) That retail employees earn 85% less than employees in other industries;¹ and
 - (b) By reference to 10 of the largest retailers in Australia only, that retail profitability grew in 2022.²
- 3.2. Simply, retail employees do not earn 85% less than other industries, and 10 out of the over one hundred thousand retailers in Australia are not representative of the industry as a whole.
- 3.3. In terms of earnings, apples need to be compared to apples. Wage data from the Australian Bureau of Statistics released in late February 2023, provides to November 2022, the average weekly earnings of persons in Australia are \$1,378.60, with average full-time ordinary earnings being \$1,805.90.³ Comparatively, average full-time weekly earnings of persons in the retail industry are \$1,353.80:

¹ Shop Distributive and Allied Employees' Association, *Annual Wage Review 2022-23 C 2023/1 SDA Submission*, 31 March 2023.

² Ibid.

³ Australian Bureau of Statistics, *Average Weekly Earnings, Australia*, 23 February 2023.



Source: Australian Bureau of Statistics, Average Weekly Earnings, Australia November 2022

- 3.4. It is clear that average earnings of retail employees are within range of average earnings of Australians.
- 3.5. Notwithstanding this, as set out in our initial submissions, it is the case that the retail industry provides a varying nature of work as sought by employees. Not all employees seek fixed full-time work, where it is invariably the case that our members engage school and university students, parents, carers, and others who desire flexible working hours. Where these people desire full-time hours, they indeed earn a wage comparable to the average weekly earnings of Australians. Where they desire flexible work, they work and are paid accordingly.
- 3.6. The NRA submits the SDA's statistic is not only incorrect, but it also erroneously frames the work desired and performed by retail workers to appear that they are not being paid comparatively to the average Australian.
- 3.7. The NRA submits in these circumstances, the Panel should not give significant weight to the SDA's submissions concerning alleged earning capacities of retail employees and its impacts.
- 3.8. As to retail profitability, sales growing for 8 retailers between 2020 and 2022 is not a reflection of the industry at present nor as a whole.
- 3.9. Our members are primarily small to medium enterprises, who make up the majority of retailers in Australia. The SDA's representation of the market through the lens of only the major retailers is again an erroneous framing of the industry.
- 3.10. While our major retailers saw some sales growth, it is the case that, as outlined in our initial submissions, that consumer spend, and as a result, retail turnover, has seen sharp declines in recent months. Further to data displayed in our initial submissions that turnover has continued to fall since August 2022, the ABS has further released data indicating retail turnover fell in February 2023.⁴

⁴ Australian Bureau of Statistics, *Retail Trade, Australia*, 28 March 2023.

- 3.11. The NRA submits in these circumstances, the Panel should not give significant weight to the SDA's submissions concerning retail profitability.

ACTU submissions

- 3.12. The NRA notes the Australian Council of Trade Unions (**ACTU**) seeks, similar to the SDA, to assert that retail trade is strong and high.⁵ These submissions look at year-on-year trends, but do not consider the current climate, recent downturns, and projected future downturns.
- 3.13. As explored above and in our initial submissions, recent times have seen the costs of doing business increase and consumer spending decrease. It is simply the case that, while some growth may have been achieved, recent months have resulted in losses and declines in consumer spending.
- 3.14. The NRA submits in the current economic climate, and projected future increases to costs and declines to consumer spending, that little weight should be given to the ACTU's assertions concerning retail profitability.

4. CONCLUSION

- 4.1. Overall, the NRA is supportive of measures which will see gender equity in pay and conditions within Australia. The NRA submits measures would need to be tailored to business and industry.
- 4.2. In terms of reply submissions, the NRA submits the Panel ought take the submissions of the SDA and ACTU cautiously, and look at more recent economic outlooks and to industry conditions moving forward, not back.
- 4.3. The NRA reiterates its submissions that increasing costs and decreasing consumer spending is significant, and ought be a primary consideration for any increase this review.

⁵ACTU, Submission to the Annual Wage Review 2022-23, 31 March 2023.