

To whom it may concern,

I wish to make a submission to your inquiry on the Australian Retail Industry. I have not worked in the industry myself but my wife and 2 daughters have with 1 daughter still working part time in the industry.

I refer to the recent demand from employers to reduce the pay and conditions of these workers and would submit that they should lead by example. I do not see them reducing their exorbitant pay packets and associated perks to justify this. This is pure class warfare by the rich and powerful of this society to ensure that they are the only benefactors of the wealth generated by their workers while displaying a total lack of vision and original ideas to improve the performance of their organisations. I am 53 years old and have worked for my employer all my career having completed 35 years service. I am fortunate to enjoy good pay and conditions however I am fearful that this attack on Retail workers, who are the lowest paid in the country, will eventually spread to other employers and erode my own benefits.

The many questions I would ask of the employers are as follows:

1. Why is their only idea to reduce costs based on lowering the workers standard of living. This philosophy is a self-perpetrating course for their own destruction as they will eventually reduce workers purchasing power to zero and thus be unable to sell their own product and therefore be out of business due to lack of demand. Simply, if our pay-packet is so low that we cannot survive then they will have no-one to sell to. What then will they do?
2. Retailers have for years routinely got away with product mark-ups of over 200% but have now had to face reality with the onset of on-line shopping and the parity of our currency to the USD. Why don't they face up to this and reduce these mark-ups to a realistic and competitive margin? It sounds like they want to persist with these markup levels at the workers expense just to maintain their own inflated salary packages.
3. I do not see any new and innovative ideas coming from these employers who want to reduce workers conditions. When was the last time they had original idea to improve the performance of their businesses. Their submission are cover-up for their own inability to perform as managers yet they continue to stick their hand out for payrises and bonuses delivered by the workers? When will they lead by example and reduce their own salary costs to the shareholders?
4. One factor not being mentioned in all of this is the Westfield factor. I know that any retailer in a Westfield complex has to pay exorbitant rents to be there and then is at the beck & call of Westfield in their tenancy agreement to spend lots of money refurbishing their stores just because Westfields say so. How any retailer can make money in a Westfield complex is quite an achievement and may explain why retailer turnover in these centres is so high. Its a catch 22 for the retailers as they need to be in these centres to get their sales. They could pull out of them and just go on-line then maybe Westfields will wake up. Its about time the ACCC looked into Westfields operating agreements as they would constitute monopolistic and unfair trade practices. However I doubt this will happen given the access, power and influence our corporations seem to have over our politicians.
5. Penalty rates were brought in to compensate workers for working non standard hours and for many lowly paid workers it is the only reason they can survive. Why should they be forced to give it up when the employers have not been forced to give up anything either, say they forgo their bonuses and share options. If Retailers want to open 24 hours a day why should a worker have to work a grave yard shift when they should be sleeping without compensation of some kind. You will not see the bosses working these hours I'm sure. Why anyone would want to shop at 3 or 4 am in the morning is beyond me and must be a Gen X or Y thing. Anyway why would they need to do this with a proper on-line presence operating 24 hrs a day?
6. It amazes me that the employers keep preaching "flexibility" when it comes to their employees and it has been my experience they this only works one way. When the employees suggest flexibility arrangements the employers always reject it because they only want to restrict this to lowering wages and conditions and not to overall productivity processes. Just another sign of their inept and blinkered management style.
7. Why does the productivity commission gleefully push one side of the argument. You are happy to listen to and push the wish list of the employers without even considering the other side of the case and the views of the workers affected. Just another example of the bias that exists in the Productivity Commission as shown by going outside their brief in suggesting these changes. As the Retail Industry is a Female dominated workforce it proves how discriminatory these ideas are and worsens the gender pay gap that still exists today.
8. As regard to incentive pay I know Gerry Harvey thinks it great but where does that leave the workers when the economy stalls and the whole population has to tighten their purse strings. As I stated previously this is a fallacy as all they will be doing is reducing the buying power of the

population and therefore reducing demand for their goods. They would sell more product if they ensured that their workers were paid enough so that they had more disposable income rather than reducing it.

9. I have a mate who worked in a major Borders book store who is now out of a job. He has told me countless instances of management decisions that were not only flawed but were utterly stupid. Their lack of management prowess, ideas, ability or knowledge was the reason they failed not the workers pay & conditions. On numerous occasions they showed their lack of ability and knowledge in areas such as payroll, IR, product management and customer demand in the examples he told me about. They really had no idea how to run their stores and the staff turnover was very high proving it. I think he only met one manager who actually knew what he was doing and had any competence in all the time he was there. Their corporate buyers were even worse and obviously were fiddling the numbers in order to maintain their bonuses to point where they would order more stock on products that only sold when marked down to below cost prices. He just made his ten year service mark and was lucky to get his conditions paid out.

I trust that my submission will be included in the considerations on this subject

Regards,

Noel Cook