

29th August 2011

Inquiry into Australian Retail Industry
Productivity Commission
GPO Box 1428,
Canberra City ACT 2601

To Whom It May Concern.

You know nothing is more disconcerting than to discover that obscenely well paid CEO's of Retail Businesses are having a love-in with Liberal Party MPs and peak business bodies such as the NRA or the ARA, or Employers First - technically the UNIONS of the Business World, intent on undermining the value of our labour.

To try and treat us like we are workers of a developing economy with millions more workers at their disposal is incredibly ridiculous with land, rent and mortgage values way below that of citizens living here within Australia's expensive major cities and being confronted with complicated tax systems, which are a heavy burden to everyone not just the Employers.

Employers would have you think that in order to be competitive with cheaper labour in other countries that we have to work in similarly sweatshop like conditions, cutting penalty rates, removing unfair dismissal laws (which protect workers from unscrupulous employers who phoenix their businesses, go bankrupt leaving workers thousands of dollars out of pocket in terms of lost entitlements to superannuation, long service leave and other unpaid wages or entitlements, with no ability to recover the money from a new business that they have started up in the wake and waste of the former), and to reduce minimum wages.

Personally, I say let me see the CEO's leading by example, let me see them accept no pay rises for five years, or better yet take a pay cut every year for five years. I can remember an Executive of a major Australian organisation once saying that it was not necessary for any CEO to earn more than 10 times the LOWEST paid employee's rate of pay to know and be satisfied that they are

being well paid for what they do, (a comment I remember from the ABC's Inside Business program over the last few years).

But today we have CEO's like Myer's Bernie Brookes, who recently had his contract extended to 2014 with a 5.3% per annum increase to his fixed salary which now entitles him to earn 1.8 million dollars currently with other incentive and performance based payments to the value of 2.7 million dollars, (aap article for yahoo.au finance online news, dated Wednesday 10th August 2011).

And what are the workers earning for their labours, less than 3.4% per annum and being delivered in 6 monthly tranches (SDA - Myer Stores EBA 2010). They are not even getting the full benefit of their pay increase upfront, they're like pigeons being fed crumbs by a benevolent peasant. Currently the lowest paid wage in Myer is \$675 per week gross.

Now if Mr Brookes were to be earning \$6750 per week gross as espoused by a former Australian CEO, I'm quite sure that all of the employee's would feel that he is doing his bit to help keep the company profitable. But 1.8 million dollars is a weekly wage of \$34615 gross, incredibly obscene, in fact it is almost a years pay for our poor beleaguered worker earning \$675 per week. Just think, at least 50 people could be employed for this CEO's wage.

No doubt the company feels his management skills are worth it, but to the ordinary worker upon whose back the company either succeeds or perishes, is left feeling devalued, undervalued and taken for granted.

Yes we have a high dollar, yes more people are choosing to shop online at e-stores, (something that the big retailers ought to look at improving, both in terms of the quality of the stock and lines and their delivery systems), yes the carbon tax and the mining resources rent tax is coming (possibly), it's just more complicated Federal taxing and business models that traditional store owners are just going to have to contend with.

But reducing an already lowly paid workers wages to that of third world conditions will do nothing but drive the workforce into different and hopefully better paying industries. And this wont just effect the Retail Industry, it will effect every worker who is a

cleaner, or a house-keeper for the tourist industry, or a worker in the strained and devolving manufacturing sector.

Business is evolving, you either go with flow or get swept away by it, because you do not have appropriate business models in place to accommodate the ever changing nature of business.

People need to be paid adequately and reasonably for their labour. And let's face it, the Gen-Y'ers that are just now starting to replace the Baby-boomers and Gen-X'ers like me, will not stay with an employer who doesn't make it worth their while to earn an independent dollar. Especially if the demographers and ABS statisticians figures are correct, that 60% of Gen-Y'ers are not leaving the parental home due to excessive external cost pressures, and lack of affordable homes to rent or buy.

Not to mention the increasing costs of utilities, rates and the basic costs of living are constantly spiralling upwards. People want to see their efforts being valued and appropriately rewarded. Not to see their self worth being devalued, and their levels of self-esteem demoralised, because they can't afford the rent, mortgage, weekly groceries or power bills. I'm quite sure Mr Brookes self-esteem will not be being demoralised in a hurry, no matter how well or poorly he performs.

Yours sincerely,

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