

Productivity Commission In to the Retail Industry.

Dear sir

I have read your draft report into the retail industry and I find it most disturbing.

As a worker in the retail industry for over 9 years, 6 with my present employer and 3 years with 2 others over 20 years ago with a number of jobs in the transport, logistics and labouring in between.

The retail industry I have found to be one of the lowest paid and one of the most covered by government regulations as the safety of the public as well as the employees makes it a more specialised industry with a number of segments all lumped together.

To make a judgement on one sector affects all sectors and in effect could cause a more pronounce down turn then was thought.

I ask humbly of the commission if it was informed that in the United States of America there is approximately 1 in 7 of its population living below the poverty line, 3 years ago that number was 1 in 10 and many are what is called the working pore.

This has been caused by the down turn in the economy that affected most of the world as we know , many people have had their wages cut by cutting of hours and by reductions in pay.

As we have seen this has not helped their economy but in fact hindered it by reducing the amount of monies the workers are able to spend, thus reducing goods and services as well as taxes to the government.

It was noted in The Australian news paper dated August 04 2011 by S. Ryan and R. Gluyas that it was **The Worst Shopping Strike in 50 Years**, to blame just Wall Street for the down turn or the internet as many have done they have not looked at all the reasons why people are not spending.

Peoples wages have not increased with the cost of living ever sense the down turn occurred, there has been a consent increase in fuel, food, rents, water and power and more to come.

As these out goings have to be paid, there is little left for most people to spend on other items and that is what we are seeing now.

I would all so like to point out that in financial year 2010-2011 the large players made profits, Woolworths for example had an **revenue increase of 4.9% making \$54.51 Billion.**

To take a quote from ninemsn money “ *the company said, “the retail sector continued to endure the toughest conditions in this current economic cycle.”*”

And yet the companies profits are up and they are looking at **an increase of 2% to 6% for 2012.**

Concerning deregulation as was stated in your report that most retailers closed on public holidays were deregulation had occurred and yet in NSW the major retail players constantly ask to be open on Christmas Day, Boxing day, Easter Sunday ect.

This does not just affect those who work in retail stores but all so those who supply the retail stores, not only does it deprive the workers but all so management at store level and all those who supply to retail time to spend with family and friends, given them less quality time then they had before.

On penalty rates if they were removed then prices would remain the same as all companies seek to increase profits, but the down turn in staff numbers would be significant as many are students and working mom's who rely a pone those rates and would possibly leave the industry if they were removed as well as the minimum 3 hour start.

It would make it not financially viable for them to work.

On the turn over of staff, one of the reasons for the high turn over of staff is that of the low wages at present compared to other industries and a lack of incentives to remain with the employer.

I would like to take a quote from [Nick Bryant](#) Sydney correspondent of the BBC in his blog dated 31 August 2011

Australia: The Consequential Country

“Much of the reporting of Australia is highly favourable. Sometimes even envying. Inevitably, the success of a seemingly recession-proof economy gets this country a very strong financial press - even if, as we noted a few weeks back, the talk over the coming months will be of whether it has been infected by the "Dutch disease", an over-reliance on the booming resources sector that is having a distorting effect on the economy as a whole.”

To avoid the so called “Dutch disease” there needs to be more spread of monies in the manufacturing sector and savings, by decreasing the retail sector wages and conditions only promotes this problem not solve it.

In conclusion I would like to point out that the reason we in this country did not go into a recession

was that the government went against the economic advice and gave monies to the pensioners and the low paid workers of this country and said spend and that is what they did and the economy continued to keep ticking over with out massive cut backs as was seen in other countries.

It is not those who receive millions of dollars a year who keep the country running but those millions who work, many in low paid jobs who live from one pay day to the next some even doing 2 jobs to make ends meet.

To cut their wages and conditions will only help those who are only interested in lining their own pockets not that of the country, this has been shown all over the world with a number of countries in financial difficulty including the U.S.A and England were the retail sector has had a down turn of around 4.8% .

The lack of disposable income causes these down turns and the first affected is the retail sector and spreads from there and unless it is stopped it becomes a spiral of reduced wages, shorter hours, reduced staff to maintain profits and loss of income to governments, equalling reduced services to the public and continues into a economic black hole.

This country has shown other western countries how it is done we should not allow our selves to go against what has been proven to work to go down their paths to the detriment of the country so that a few may profit more.

Recommended viewing;

The US economy: a lost decade?

<http://www.bbc.co.uk/news/business-14678859>

And the embedded video

Food stamp use rises to record 45.8 million

http://money.cnn.com/2011/08/04/pf/food_stamps_record_high/index.htm?iid=HP_River

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