

8 June 2022

ARA SUBMISSION IN REPLY (NATIONAL ACCOUNTS MARCH QUARTER 2022)

The Australian Retailers Association (ARA) supports a fair, equitable and sustainable increase in the minimum wage, to help retail workers keep pace with the rising costs of living.

As outlined in our previous submissions, the ARA has taken a principles-based approach to this year's Annual Wage Review. We believe that this year's increase should be based on the actual rate of underlying inflation, using the Trimmed Mean Inflation (TMI) rate, at the time the wage review is handed down, less the impact of the next increase in the superannuation rate that commences 1 July 2022.

The ARA remains of the view that any wage increase should take effect from 1 July 2022 across all sectors because we think that a deferral in one part of the economy will exacerbate labour shortages in that sector as workers shift to higher paying positions in similar industries. A deferral could also potentially accelerate market-driven wages growth as employers increase hourly rates to attract and retain key talent.

We note the Government's submission that expressed concern regarding the disproportionate impact that cost-of-living pressures have on low-paid workers. We also note the government's assertion that a substantial increase for those on low wages would be beneficial in assisting to narrow the gender pay gap.

In response, we note that the minimum hourly rate under the General Retail Industry Award (\$22.33) is 9.84% above the national minimum wage, and that more than 60% of retail workers are on full-time or part-time work arrangements. In respect of the gender pay gap, while women make up 57% of the retail workforce, the gender pay gap in our sector is below the average for the rest of the economy, at 14.8% for full-timers (in comparison to 19.7%) and 12.7% for part-timers and casuals (in comparison to 22.8%).¹

We reaffirm our position that the next increase in the minimum wage needs to strike a balance between providing an equitable increase for the lowest paid workers, while recognising that some segments of our sector have limited reserves to incur additional costs because they are yet to fully recover from the impact of the pandemic.

We thank the Commission for the opportunity to engage in this process and look forward to the Expert Panel handing down its determination.

Yours sincerely,



Paul Zahra
Chief Executive Officer

¹ WGEA Data Resources [WGEA Data Explorer](#)