

MEDIA RELEASE



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IMMEDIATE RELEASE

Don't mess with youth employment say retailers!

The Australian Retailers Association (ARA) have responded with disbelief to the Australian Fair Pay Commission's announcement of yet another review of junior rates of pay. "The cost to the retail industry of messing with junior rates of pay would be astronomical. Such massive cost increases to the industry would quickly hit the consumer's hip pocket and see youth unemployment skyrocket," said Mr. Shaw, Executive Director of the ARA.

"The importance of junior rates of pay to the retail industry, and most importantly to youth employment, was well and truly put to bed by the findings of the Australian Industrial Relations Commission (AIRC) following an extensive enquiry in 1999", he said.

The finding of the AIRC then highlighted that there are no feasible alternatives to age based rates of pay. The AIRC also found that increasing the cost of youth employment beyond its value to employers will make youth employment more precarious. "We question the value of using tax payers money for another inquiry so soon when absolutely nothing has changed," he said.

The retail industry employs nearly half of all employees under the age of 21 years in Australia, and youth unemployment continues at a rate almost three times that of the unemployment rate of adult Australians.

The ARA advises unions and others who continue to advocate for the abolition of junior rates to take a long hard look at the findings of the Productivity Commission in 1998. It found that a 1 percent increase in youth wages would lead to a decrease in youth employment of between 2 and 5 percent.

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Mr. Shaw said, “Messing with junior rates will have a devastating impact on youth employment. That is a matter of fact, it is beyond dispute.”

“Suggestions coming from some quarters that it is a furphy that removing junior rates will seriously impact youth employment simply fly in the face of international and Australian evidence. Such assertions are entirely without credibility,” he said.

The ARA will be leading the compelling case for the retention of junior rates and expects the Australian Fair Pay Commission to come to the same conclusion as the Australian Industrial Relations Commission and the Productivity Commission.

Media Enquiries: Duncan Shaw, Executive Director (02) 9290 3766.

The Australian Retailers’ Association (ARA) is the peak retail employer association representing the interests of the largest employing industry in Australia. We provide leadership and solutions to improve the long-term viability, productivity and visibility of the retail industry by proactively dealing with government, media and other regulatory bodies. We manage issues that impact members by lobbying Federal, State, Territory and Local governments to ensure members’ business concerns are given an effective voice.