

# MEDIA RELEASE



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A S S O C I A T I O N

8 June 2007

## **RAIN MAY HAVE BROKEN THE DROUGHT- BUT THE WAGE INCREASE IS SURE TO BREAK THE RETAILERS**

The Full Bench of the Industrial Relations Commission of New South Wales today handed down the State Wage Case Decision 2007.

The minimum award wage has been increased by \$20.00 per week. This will mean, that once applied, the minimum weekly wage in the Shop Employees (State) Award will have jumped from \$562.80 to \$582.80.

Relevant allowances have been increased by 4 per cent. The relevant allowances include existing allowances which relate to work or conditions which have not changed, including shift allowances expressed as monetary amounts and service increments. Junior rates expressed as monetary amounts are also affected by the increase. The Award Review Classification Rate has increased by \$27.00 from \$504.40 to \$531.40.

David Edwards, ARA Executive Director said that the ARA is disappointed by the excessive increase, particularly as it ignores the inflationary impact, which will further increase the likelihood of an interest rate hike.

The ARA cautioned that any increase will have a significant impact in those employers who employ workers under NSW State awards in the private sector, being primarily small, unincorporated employers in the retail and hospitality sectors.

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The ARA opposed the changes sought to award rates and the Wage Fixing Principles by both Unions NSW and the Minister for Industrial Relations. The ARA submitted to the Full Bench that a moderate increase of \$10.00 be applied to State awards.

Edwards said the decision ignores the damage to those trying to enter the workforce, particularly young people, as the increase will strain the economic survival of small business. "The decision notes the potential for anomalies and inequities depending on the next decision of the Australian Fair Pay Commission," Edwards said.

"Therefore it underlies the importance of State decisions being handed down after the AFPC decision." Edwards indicated that this is a primary reason why Australia should have one industrial relations system, which is now the policy of both the Federal Government and the Opposition.

**Media Enquiries:**

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The Australian Retailers' Association (ARA) is the peak 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 also manage issues that impact members by lobbying Federal, State, Territory and Local governments to ensure members' business concerns are given an effective voice.

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