

Media Release

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Annual Wage Review Decision fails to meet the needs of small businesses

The decision by the Fair Work Commission to introduce staggered increases to award wages of 1.75% has been reluctantly accepted by Master Grocers Australia Timber Merchants Australia (MGA/TMA). Jos de Bruin CEO of MGA/TMA said, "We sought a zero increase to wages for the coming financial year because of the difficulties that small businesses have faced over the last three years due to consistently high wage increases. We find the decision by the Fair Work Commission a disappointing one. We originally sought no increase, and this was supported by significant research study and other facts, evidence and data, all indicating that we could not absorb any further increases at all. But unfortunately, that was completely disregarded."

He continued, "Our members have struggled with the disastrous economic effects of past wage increases, the bushfires and now COVID19. We are also well aware that we are facing the effects of increased unemployment numbers and underemployment. However, the Fair Work Commission did at least find a way to delay the increase by up to 8 months, but the decision is still a blow to the survival of many small businesses. Our members will find the delay in implementing the increase significant in some respects in managing their businesses, but even the delay in implementation is unlikely to bring any significant benefits."

"We hope that the millions of small business and family enterprises will be able to survive with the decision made by the Fair Work Commission, but here is no doubt they will continue to struggle. We all know that we are now into deep recession and there are tough times ahead, unfortunately they will get tougher despite our best endeavours".

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About MGA/TMA

MGA/TMA is a National Employer Industry Association that is registered with the Registered Organisations Commission, representing family and private businesses which operate independent grocery, liquor, and other retail outlets including timber and hardware, in all States and Territories of Australia. MGA's 2,700 members include branded independent grocery stores, trading under brand names such as: Drakes, Farmer Jacks, FoodWorks, Foodland, Friendly Grocers, IGA, IGA Xpress, Supa IGA and SPAR. In addition, there are numerous independent liquor stores operating throughout Australia and trading under names such as: Cellarbrations, The Bottle O and Local Liquor, which are either single or multi-store owners. Our members also own independent hardware stores that include brand names such as Mitre 10, Home Timber and Hardware, Thrifty Link and True Value Hardware. These businesses are the hubs of the communities in which they trade and make a significant contribution to the retail industry, employing 115,000 people and accounting for approximately \$16 billion in retail sales.