

Peter Strong, CEO of the Council for Small Business, supports “normal pay rises” for employees.

And he believes that unions should assist with this.

NAB Chief Economist, Alan Oster, says:

"Because until you start to see some [wage increases](#), you're not really going to be in the situation where consumers feel confident enough to go and spend something.

... They're spending on energy, [not in the shops](#)."

By increasing the minimum wage, you assist small businesses – especially those in the [retail](#) sector.

This is because [those who are paid the minimum wage are likely to spend all of their earnings in shops](#), rather than save or invest.

The CEO of the Council for Small Business argues that unions should assist employees obtain higher wages. I therefore ask the Commission to [give a heavier weighting](#) to the submissions you receive from unions, as even business representatives like Peter Strong, are supportive of their influence in this respect.

Please see attached ABC News article for the source of the above quotes.

Thank you for the opportunity to provide a submission.

Kind regards, Walter Lee

WINE NEWS

ABS inflation figures show retailers struggling as Australians focus on paying for the essentials

PM By David Taylor

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Today's inflation figures from the Bureau of Statistics show Australians are paying more for life's essentials, while the cost of most other shopping items has actually fallen.

While lower prices for some of the more fun purchases we make may sound like good news, there is a troubling reason as to why many stores are discounting so heavily.

Many Australians' wages simply are not growing fast enough to bring them out and into the stores.

Retailers and their suppliers right across the country are struggling because shoppers are choosing to pay for rent, fuel, gas and electricity before buying new fashion accessories.

"Because until you start to see some wage increases, you're not really going to be in the situation where consumers feel confident enough to go and spend something," NAB chief economist Alan Oster said.

"In the meantime their energy prices roughly doubled.

"They're spending on energy, they're not spending in the shops."

'This is a recession no-one wants to admit we're in'

Steve Kennedy runs a storage business in Castle Hill in Sydney's north-west.

Forklifts load and unload all manner of merchandise in his warehouse, ready to stock retail shelves across Sydney.

Recently, it has been hard going because business has slowed right down.

"It's been coming down for the past 12 to 18 months," Mr Kennedy said.

"I reckon we're in the recession that nobody wants to admit we're in."

He said retail workers asking for a pay rise have not got a chance.

"There's just not that much happening out there, so if you want a pay rise [you're told] 'sorry thanks for coming, bye'."

Peter Strong, CEO of the Council of Small Business Australia, said he wanted to see more unions step up and help out



PHOTO: Many Australians' wages simply are not growing fast enough to bring them out and into the stores. (ABC South East: Kate Hill)

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Key points:

- Retailers and suppliers are struggling as shoppers choose to pay for essentials
- NAB economist says wage increase is needed to see a surge in shopping
- Council of Small Business says unions need to help workers trying to bargain for a raise

workers who struggle to bargain effectively for a raise.

"We don't want strikes out there, but some of the unions need to stop playing games — particularly the retail union," he said.

"And start negotiating normal pay rises, not trying to maintain their membership through dodgy deals with some of the biggest companies."

Tighter jobs market could provide hope for workers

But there may be some home hope.

The National Australia Bank's monthly business confidence report, which surveys more than 400 small and large companies, showed employers were finding it harder to attract and keep staff.

In other words the job market is tighter, which should give workers more bargaining power in the months ahead.

And indeed that is how Sydney cafe manager Matthew Welborn got a pay rise.

His boss needed Mr Welborn for his super-fast coffee-making skills, and did not want to lose him.

"Basically he just came up to me at the end of the first year I worked here and said he was happy with what I was doing and that I was worth a bit more," Mr Welborn said.

But Mr Welborn said he could not see much hope for many workers out there.

"I feel like people that are willing to work for it definitely deserve the pay rise," he said.

"But if you're just sort of plodding along, not really achieving much more than you set out to do, I don't really see much point asking for a pay rise if you're not doing more work."

Easy money to continue?

Today's "flat" inflation figures of 0.6 percentage points for the quarter, and 1.9 per cent over the year, could lead to some additional relief for small businesses.

Economists say it is now quite possible the Reserve Bank will not raise interest rates at all in 2018.

That could provide businesses with some extra cash to help retain much-needed staff.

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