

4 July 2021

Fair Work Commission  
Annual Wage Review 2019-20  
GPO Box 1994  
Melbourne VIC 3001

By email: [awr@fwc.gov.au](mailto:awr@fwc.gov.au)

Dear Members of the Expert Panel,

**Annual Wage Review 2020-21**  
**Submissions of the National Retail Association Limited, Union of Employers – National Accounts**

In accordance with the timetable of the Annual Wage Review 2020–21 the National Retail Association Limited, Union of Employers (**NRA**) makes the **below** submissions in relation to the National Accounts.

For the purposes of these submissions, terms defined in our Initial Submissions filed on 26 March 2021 shall continue to have the same meaning in these submissions.

**1. ECONOMIC OUTLOOK**

- 1.1. The NRA notes that although the national economy appears to have recovered, or is recovering, from the initial shock of the COVID-19 pandemic, this recovery remains vulnerable to changing circumstances as the pandemic continues to evolve.
- 1.2. Customer-facing sectors such as retail continue to be subject to the vagaries of snap lockdowns, with the true impact of these unknowable until several months hence. In particular, the current lockdown in Victoria is, on past experience, likely to result in significant adverse economic impacts not only in Victoria but across the wider economy.
- 1.3. The NRA notes that the retail trade figures for April 2021 would, on their surface, appear to paint a rosy picture of recovery in the retail sector, with month-on-month turnover increasing by a modest 1.1% but turnover in the 12 months to April 2021 increasing by a heretofore unheard of 25%.<sup>1</sup>
- 1.4. This unprecedented increase should not be seen as indicating that the retail industry has fully recovered. Rather, it should be seen as reflecting little more than the fact that April 2020 was one of the worst months for retail turnover in recent memory, with month-on-month turnover declining by 17.4% and declining in the 12 months to April 2020 by 9.1%.
- 1.5. In this context, even a minimal increase to retail turnover in April 2021 represents a significant change compared to April 2020.

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<sup>1</sup> Australia Bureau of Statistics (2021) [Retail Trade, Australia, April 2021](#), ABS Website, accessed 4 June 2021

- 1.6. The NRA also notes that the impact of the current lockdown in Victoria, recently extended from seven to fourteen days, and the distinct possibility of being further extended, will not be known for some time yet.
- 1.7. It should be noted that as a result of the February lockdown in Victoria, retail turnover in that state declined month-on-month by 3%. At the same time, lockdowns in Western Australia caused retail turnover in that state, month-on-month, to decline by 5.4%. These resulted in retail turnover, through the 12 months to February 2021, to fall by 0.8%.<sup>2</sup>
- 1.8. There is no reason to believe that the current lockdown in Victoria will not have a similar effect. Indeed, given the apparently high transmissibility of the COVID variant currently circulating in Victoria, it appears likely that the current lockdown may be longer, and have more severe consequences, than seen in February.
- 1.9. The NRA therefore reiterates the position stated in its initial submission that unless an until a sustainable, long-term solution to the COVID-19 pandemic is implemented on a wide scale, these lockdowns and their adverse impact on the Australian economy, particularly the retail sector, will be a feature of the economic landscape that must be accounted for in the Panel's considerations.
- 1.10. The retail industry has also seen the impact of the end of the JobKeeper program on jobs, with payroll jobs declining by 1.1% between 14 March (before the end of JobKeeper) and 8 May (post-JobKeeper), despite a brief increase over the Easter period. Payroll jobs in food retailing remain 2.3% below 14 March 2020 levels, and in other store-based retailing 0.9% below 14 March 2020 levels.<sup>3</sup>
- 1.11. Given the uncertainty that presently attends the economic outlook, especially as new strains of COVID-19 make their presence known on Australian shores, the NRA reiterates the position advanced at paragraphs 1.1.1 and 1.1.2 of its initial submissions dated 24 March 2021.

Yours sincerely,



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<sup>2</sup> Australia Bureau of Statistics (2021) [Retail Trade, Australia, February 2021](#), ABS Website, accessed 4 June 2021

<sup>3</sup> Australia Bureau of Statistics (2021) [Weekly Payroll Jobs and Wages in Australia, 8 May 2021](#), ABS Website, accessed 4 June 2021