

From: [REDACTED]  
To: secretarylpc@djei.ie  
CC:  
Date: 26/02/2016 12:40:41  
**Subject: Submission to the Low Pay Commission**

Dear Sir/Madam,

We currently operate 8 Retail Stores and employ over 100 staff. I think it is important for us to note to you the impact of the recent increase in the Minimum Wage. The key impact has been that we have been forced to reduce our labour hours by 10% YTD vs. last year through further rota optimisations and closing on Bank Holidays. We have had no option on this as the marketplace is currently too competitive to be able to increase prices.

The disappointing fact is that we have reduced overall pay disproportionately to our minimum wage employees by reducing their hours, in some cases from 4 hours per day to 2 hours per day. We have been left with no choice on this because we've had to increase the hourly rates to our higher paid staff and they are on 40 hour contracts.

It is important to note that for us to make profits, we cannot allow wage costs to increase above 10% of turnover. Therefore a 6% rise in hourly wage costs means we must reduce hours by 6% unless we can grow sales with the same staff hours, reducing customer service.

The impact of this in larger retailers is the same - companies like Tesco and Dunnes operate wage costs at under 8% of turnover and their senior managers must meet these budgets regardless of Minimum Wage increases. We know anecdotally from speaking to their staff that all of their hours are being cut and more are being put on zero hour contracts.

I hope you will consider these factors when looking at the minimum wage - I would point out that our sales are still 40% lower than they were in 2008 and we are quite likely to close at least one of our shops this year because our turnover isn't high enough to cover our wage costs.

Regards,

Mark

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