

## Submission to the Low Pay Commission Consultation Process 2018

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Name	Retail Grocery Dairy & Allied Trades Association - RGDATA	
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Are you (Please tick)	Employer	<input type="checkbox"/>
	Employee	<input type="checkbox"/>
	NGO	<input type="checkbox"/>
	Union	<input type="checkbox"/>
	Other (please specify)___Representative Association_____	
Size of Organisation (Number of Employees)		
	0-10	<input type="checkbox"/>
	11-25	<input type="checkbox"/>
	26-50	<input type="checkbox"/>
	51-100	<input type="checkbox"/>
	100+	<input checked="" type="checkbox"/>



[info@lowpaycommission.ie](mailto:info@lowpaycommission.ie)

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## **Submission on the National Minimum Wage**

RGDATA is a representative body of approximately 3,500 independent grocery retailers, providing over 90,000 jobs in Ireland. We would like to convey our members' concerns at any potential increase in employment costs in Ireland as a consequence of an increase in the National Minimum Wage. Given the rising costs of doing business in Ireland, the threat posed by Brexit and the ongoing challenging circumstances being faced by independent retailers, any such increase at this time would be potentially damaging for our members' businesses.

**Costs of doing business:** In recent years, retailers have been facing increasing basic costs to run their businesses. Some of our members have seen their insurance premiums rise by as much as 150% in one year; there has been no change to the levying of commercial rates which our members believe is unfair and outdated; and with increasing waste and energy targets, utility costs are also on the rise.

**Labour costs** are also a huge issue for independent retailers. Many are operating under incredibly challenging economic conditions, in towns and villages which have not yet seen the benefit of any economic recovery, while also facing increased levels of competition from major international giants.

**Operating margins:** Our members are working in an extremely competitive market place where already low operating margins are continually under pressure from competitors who are trading very much on low cost and low employment operating models. Many of the newer format retailers in Ireland specifically base their operating model around a retail format that employs less than half the number that are employed in an equivalent sized store run by one of our members.

Consequently, any increases in employment costs have a direct and significant impact on the operating margins of members' businesses.

Legally required **compliance measures** are also a cost concern. Many of our members will be hit with costs to ensure compliance with the Public Health (Alcohol) Bill, once it is enacted. The introduction of the Sugar tax and the possible introduction of new waste regulations for plastics will also have a financial impact.

**Brexit:** There is still a level of uncertainty for retailers, in particular those who are situated on the border with Northern Ireland. The impact of Brexit on the all-island retail landscape, cross border shopping and illicit trading are a real concern and threaten our members' businesses.

## **Conclusion**

Given the cost pressures outlined above, RGDATA believes that an increase in the National Minimum Wage is not justified and would have a counterproductive impact on employment in the retail grocery sector.

Any increase in labour costs could be extremely damaging to our members who are already struggling with ever increasing costs, many of which are out of their control. Our members need the certainty of the current National Minimum Wage level in order to maintain employment costs.

I hope that these views will be taken into account by the Low Pay Commission in the determination of any recommendations for Government on the National Minimum Wage.

Tara Buckley  
Director General  
RGDATA