



MEDIA RELEASE
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GOVERNMENT SUPPORT PACKAGE A GOOD PLACE TO START

Retail NZ welcomes Finance Minister Grant Robertson's announcement today of a support package as a good starting point, however, the support doesn't go far enough for some retail businesses.

"The wage and leave subsidies will be great for small to medium size enterprises who may be struggling to pay their staff over the next 12 weeks, but does not go far enough to support the larger retailers in the market," Retail NZ Chief Executive Greg Harford said today.

"A maximum subsidy of \$150,000 for each business will be helpful for a number of small businesses who employ small numbers of staff, but will hardly make a dent in those larger businesses who are facing costs increases of near \$1 million per annum due to the minimum wage increase scheduled for 1 April. The reality is that large retail businesses are the employment engines of the retail sector. Fewer than 350 retail businesses employ half of all retail employees across the nation, and those businesses are the ones who will face the biggest impacts from the minimum wage increase.

"If large retailers fall outside the scope of the proposed support package but still are struggling as a result of low consumer spending and other Covid-19 related fallout, it is likely they will be the businesses to reduce staff numbers. This would result in more Kiwis being worse off.

"Retail NZ is also concerned about a level playing field for retailers. A maximum of \$150,000 for any individual business can have significant impacts across the retail sector due to the various models in play. We hope to see additional support for those larger businesses that are disadvantaged by this in the days to come.

"We welcome the reintroduction of depreciation on commercial and industrial buildings, as this will have significant impact for a number of retailers over time. Additionally, other measures to increase cashflow are positive for businesses."

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