



ALDI Australia

(A Limited Partnership)
ABN 90 196 565 019

1 Sargents Road, Minchinbury, NSW 2770, AUSTRALIA

Supplementary questions

Mr Damien Scheidel, Managing Director, National Supply Chain, ALDI Australia

Select Committee on the impact of technological and other change on the future of work and workers in New South Wales

Hearing 30 March 2021 | Jubilee Room, Parliament House, Sydney

1. Regarding your evidence on page 38 of Hansard dealing with annual pay reviews you say that “We have always given a pay rise every year since our operations began 20 years ago”.

a. Do the pay rises that you referred to in your evidence apply to all employees of the company?

ALDI reviews all employee’s pay annually, with pay increases effective from January each year. There have been rare occasions, specifically during the Global Financial Crisis and the COVID-19 pandemic, where employees at Director level and above have not received an increase to their base rate of pay but were given a lump sum payment equivalent of an increase.

b. Regarding the pay rises that you referred to in your evidence, what criteria is used to determine the quantum of the annual increase?

ALDI has consistently provided increases in remuneration and considers a range of factors to determine the quantum of the increase. These factors include:

- business performance
- market conditions
- cost of living increases
- Award rates of pay to ensure employees are better off overall under the Agreement than they would be under the relevant Award
- competitor pay rates
- role benchmarking utilising third party providers

c. If an employee does not receive an annual pay rise, what procedure does the company have in place to enable that person to challenge the nil increase?

All roles receive an annual pay rise or, in limited cases, a lump sum payment equivalent of an increase. Nil increase has not been an outcome.

d. Within an individual store, is it the case that in a given year some employees receive a higher percentage increase than other employees?

All roles at the same level within a store receive the same per cent increases.

2. When the company commenced its operations in Australia the difference in the hourly rate of pay for an ALDI employee compared to an employee working under an Award was much bigger than is the case today in April 2021. Why has ALDI over its period of operation significantly reduced the difference in the hourly rate of pay between its employees and employees working under an Award?



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We have always set our pay rates at a level designed to attract high quality employees and continue to set higher than industry average remuneration levels. We know through anecdotal employee feedback and through our conversations with prospective employees that ALDI's higher than average pay rates make it a more desirable place to work and demonstrates our commitment to our people.

When ALDI opened in Australia, the award rate was about \$16 and we paid \$17.50 plus a guaranteed business review payment of \$2.50, making a headline rate of \$20 per hour. This equated to about 25 per cent above the Award rate. Since that time we have absorbed the bonus payment into the hourly rate and continued to set remuneration at a level designed to attract high quality employees within the industry.

We ensure our employees are better off overall under the Agreement than they would be under the relevant Award. The hourly rate for Store employees is consistently higher than the comparable rates provided under the General Retail Industry Award. The hourly rate for Warehouse employees is consistently higher than the comparable rates provided under the Storage Services Award and the hourly rate for Transport employees is consistently higher than the comparable rates provided under the Road Transport and Distribution Award.

3. Does ALDI have workplace health and safety committees established and functioning in its workplaces?

ALDI takes the safety and wellbeing of its employees very seriously and in line with the relevant legislation in the [NSW Work Health and Safety Act \(2011\)](#) has established health and safety committees in each Region of the business (e.g. in NSW, ALDI has two regions – Minchinbury and Prestons). These committees meet regularly to discuss work, health and safety matters in compliance with relevant regulations and to implement work, health and safety strategies, operational procedures and deal with any work, health and safety issues that may arise.