



MEDIA RELEASE

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Minimum wage rise will result in maximum economic chaos

The Tasmanian Chamber of Commerce and Industry is extremely concerned the Fair Work Commission's decision today will result in a massive spike in inflation and job losses, especially in regional areas of Tasmania.

"Hiking the minimum wage is going to result in maximum economic chaos," said TCCI CEO, Michael Bailey.

"We don't begrudge Tasmanians a wage rise and we accept the umpire's decision, but people need to realise there will be significant consequences because of this decision.

"There is no doubt inflation will become even more of a problem. It could even reach seven or eight per cent by the end of the year, which means the wage rise will actually be counter-productive by tipping more fuel on the inflation conflagration.

"Tasmanian businesses are still struggling post-COVID. There will be many businesses that simply will not be able to afford the increase and will lay off employees as a result. I know of many businesses in regional Tasmania in particular that will struggle and may have to cut employees.

"The simplistic notion that businesses can afford increases in electricity, water and sewerage, transport and freight, rates and now wages without it affecting them doesn't stack up.

Tasmanian Chamber of Commerce and Industry

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“Unfortunately, I’m concerned that decisions like this will contribute to an economic crunch sooner rather than later that could have significant effects on the entire Tasmanian community.”