

MEDIA RELEASE

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Minimum wage increase postponement “most sensible option”

The planned minimum wage increase for 1 April should be postponed to reduce pressure on businesses during an unprecedented and challenging time, says Canterbury Employers' Chamber of Commerce Chief Executive Leeann Watson.

On 1 April the minimum wage will increase to \$18.90 per hour. It will have increased by over 14 per cent from two years earlier and is part of a campaign to raise the minimum wage to \$20.00 per hour by 2021.

“Postponing the increase for nine months or until we are through the other side of COVID-19 and businesses can return to being fully operational is the most sensible option. We have been hearing for the last week the immense pressure businesses are under trying to pay and retain their staff, while facing the prospect of very little or no revenue during lock-down.

“This increase would add another significant financial burden to businesses – in particular small businesses. We need to be doing everything we can, right now, to support the very businesses that employ workers on minimum wage to ensure they are sustainable and viable in the long-term and so they can continue to provide jobs across our community.”

While some of the impacted businesses will qualify for the Government's wage subsidy, Ms Watson says once that period finishes, employers will face an extra-large wage bill at the same time as they are facing significantly reduced trading circumstances.

"Businesses are already concerned about the cashflow crunch now and once Alert Levels start de-escalating. The industries that will be struggling due to not being able to operate will also be those that will be most disadvantaged with this increased cost, while also planning for a very uncertain future."

Ms Watson says an increased minimum wage will also have the potential to work against those most vulnerable in terms of employment.

“We have been advocating strongly on behalf of local business with Government for direct cashflow support for business, and support for the livelihoods of New Zealanders, so this really goes against the whole notion of supporting the business community through an incredibly challenging time.

“We will continue to support businesses through this period, while also working to shape a supportive operating environment that promotes business longevity when we do emerge from lockdown.”

The Chamber has organised their next Critical Update event for dealing with disruption arising from the COVID-19 situation, which will be live-streamed on 2 April at 10.30am. To register, [click here](#) or visit www.thechamber.co.nz. The free event will also be available online following the event.

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For more information, or to arrange an interview, please contact:

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The Canterbury Employers' Chamber of Commerce (The Chamber) is a not-for-profit membership-based service organisation that has been the home and voice of business in the Canterbury region since 1859. Comprised of over 2,800 member organisations that represent over 70,000 employees, The Chamber's purpose is to empower people in business by providing advisory and consultancy support in employment relations, human resources, health and safety, international trade, manufacturing, migrant support, research and development grants, and training and development in many areas. www.thechamber.co.nz