



THE HON PAUL FLETCHER MP
Minister for Families and Social Services

MEDIA RELEASE

26 March 2019

Shorten's 'Living Wage' proposal will make poverty worse not better

Mr Shorten is likely to make poverty worse not better with his plan to force the Fair Work Commission to set higher wages than it does under the rules today.

“The very real risk is that employers will hire fewer people - and those hit hardest will be low skilled workers and Australians seeking to move from welfare into work.

“Nine out of ten jobs are in the private sector - and if a private sector business cannot afford to hire a person who is looking for a job, then the reality is that person will stay unemployed.”

If Labor's policy leads to fewer people getting jobs, the risk is that there will be more people struggling to make ends meet.

We know that the most powerful factor which affects whether people are in poverty or not is whether they have a job.

As a recent ACOSS UNSW report on poverty highlights, most people who work are not in poverty - and the majority of people in poverty are not in work.

Our Liberal National Government has had a strong focus on jobs - with nearly 1.3 million jobs created since we came to government.

There are 230,000 fewer people on the welfare rolls than when we came to government in 2013 - and the rate of working age Australians (aged 16 to 64) on income support payments has fallen to 14.3 per cent, its lowest level in thirty years.

“Labor is peddling a false promise - that Governments can mandate a sharp increase in wages and it will have no impact on employment levels.

“Contrary to Labor's rhetoric, inequality is not rising and, as reported by the Productivity Commission last year, incomes at every level have risen steadily over the last thirty years.

“The best way to reduce poverty in Australia is getting more people into work. Mr Shorten's policies will have the opposite effect and in turn lead more people into poverty,” said Mr Fletcher.

And the key to lifting wages is a strong economy, greater competition for labour and higher productivity. The Liberal National Government is pursuing these by lowering taxes to encourage investment, creating new opportunities for businesses through free trade agreements, reducing red tape and investing record funding for infrastructure.

ENDS

Media contact: Brooke Leembruggen 0447 743 835