



**National Council of
Women of New Zealand**

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Wahine O Aotearoa

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21 April 2006

S06.12

**Submission to the Transport and Industrial Relations Committee on the
Minimum Wages (Abolition of Age Discrimination) Amendment Bill**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organization representing 38 nationally organized societies. It has 32 branches spread throughout the country attended by representatives of these societies, and many other local organizations. It also has a growing number of individual members. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action.

NCWNZ has had a policy of equal payment for equal work, dating back to 1897 and 1899. We reaffirmed this in 1927, 1935, and through to 1974 when NCWNZ requested the Department of Labour to ratify I.L.O convention 100 on Equal Pay for work of equal value. Our response is based on policy and responses received from a wide range of our members. This membership is very broadly based and includes women from all sectors of the economy, both employers and employees. It is because of this breadth of experience that it is difficult to have a strong consensus viewpoint and the opinions expressed by some Branches and organizations can be opposed.

Clause 3 Purpose

The proposal to removal of the ability of the Governor-General in council to set minimum wage rates defined by reference to the age of workers, met with the approval of almost all our members. However, there was concern that a 16 year old starting a job would not work as efficiently as an 18 year old who has done the same work for two to three years, and others are of the opinion that pay rates should be set on the basis of experience, not age.

The Council members expressed concern about children under 16 who are employed after school and are not protected by this law. Members queried whether there should be a minimum wage provision for them.

Apprentices and trainees

NCWNZ agrees with the Bill recognising that there is justification for paying a lower minimum wage to apprentices and those who are genuine trainees whose employment contains a significant training component.

Employers carry the cost of black courses and long term training and supervision and NCWNZ members suggested that this was some justification for paying a reduced 'training' wage as has been included in the provisions of the Bill.

But where a trainee is doing work of equal value to that of a skilled person, the wage should reflect this. After a period of training the wage rate should be reviewed and increased in line with experience and skills gained.





Some members commented that young people need a settling in period as they are less experienced. Research has shown that their brains make them more, which makes them more impulsive, less likely to accurately judge a situation and to foresee consequences. This suggests that there may be an argument to pay a lower rate for an induction or training period.

Disabled Workers

NCWNZ agrees that there should be no changes in the provisions in the Minimum Wage Act 1983 which recognizes that it is on occasion justifiable to pay a wage lower than the minimum to a disabled worker who, on account of his or her impairment, is incapable of earning wages at the minimum rate. Most of our members supported this notion, in line with our recent policy (2005) regarding disabled persons and the Government's intention to repeal the Disabled Persons Employment Promotion Act 1960.

When debating this Amendment Bill a small number of our members considered that people with a disability should be paid the full minimum wage if they are carrying out the work expected of them. Another comment received was that their pay should be negotiated to reflect the value and standard of the work achieved. NCWNZ has a concern that such people may not be able to negotiate, and employers should beware of treating them with discrimination if this Bill makes provision to pay a wage lower than the minimum to a disabled worker who is incapable of earning at the minimum rate.

Conclusion

Overall the view of the majority of the responses was that payment should be for the job, i.e. the wage should be set according to what work is being carried out not by the age of the person undertaking the work.

Christine Low
National President

Elizabeth Cruickshank
Convener, Employment Standing Committee