



28 November 2006

S06.50

**Submission to the Transport and Industrial Relations Committee on the
Minimum Wage and Remuneration Amendment Bill**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organization representing 38 Nationally Organized Societies. It has 31 branches throughout the country attended by representatives of those societies as well as some 150 other societies, and many individual members. The council's function is to work for the well-being of women, the family and the community at local, national and international levels through research, study, discussion and action.

We appreciate the opportunity to tender a late submission to the Bill, reflecting the responses of our members from throughout New Zealand. Historically, we have opposed "sweated labour" since 1896 when our council was incorporated. One of the very first motions carried, stated "That this Council is of the opinion that sweating in various forms does exist in this country and considers that a Masters and Apprentices Bill should be passed, also and Eight Hour Bill, and that a minimum employment age should be established by law". Since then we have made submission on countless Bills seeking to correct injustices to the lower paid and more vulnerable workers who have not been fully protected by legislation granting them minimum rates of pay. Earlier this year we supported the Minimum Wage (Abolition of Age Discrimination) Amendment Bill. (S06.12) In 1974 NCWNZ requested the Department of Labour to ratify the I.L.O. convention 100 on Equal Pay for work of equal value.

Clause 6 Interpretation

We support the redefinition of remuneration to include any payment made under a contract for services.

Clause 8 New Section 6A inserted.

"6A Payment of Minimum Remuneration"

While we support the amendments to the principal Act as set out in the Bill to require any payment made under a contract for services to be at not less than the minimum wage, or equivalent of the minimum wage, we also draw your attention to the fact that the way the Bill is drafted does not make a distinction between people employed under contractual as distinct from employment law. For example if a person is paid a wage and the payer also pays the PAYE the receiver of the wages is an employee of the other and therefore under a contract of service. We are advised that Employment law would apply in this case. On the other hand, if the person receiving the money pays the PAYE then that person is probably an independent contractor and therefore under a contract for services.

Our members note that pamphlet delivery is paid for in a variety of ways and, in some circumstances deliverers are not paid fairly, so we endorse the intention of this Bill to correct such cases. It is mainly women and school children who are involved in home-orientated contract for service employment.





However one member with first hand experience of circulars delivery paid for on a piece rate basis observed, that minimum hourly wage rates could not be equated to a salary (as they depended on the speed with which the pamphlets were delivered) so how could a minimum wage be established on this basis?

Rural mail contractors are mostly self employed and are contracted to deliver circulars as an "add on". The number, size, weight and distance to be covered, varies considerably, and in some instances there could be a lot of boxes close together, where circulars would be quick to deliver, compared with others where large distances are involved. Time frames for delivery can also be an issue as part of the contract for service. In such cases the Bill is not really relevant as the self employed person would negotiate a rate concomitant with the complexity of the job. Minimum hourly rates in this situation are not relevant unless the self employed person employs someone else to deliver the circulars or newspapers.

General Comments

We note that people under 16 years of age and those with disabilities are not specified under the Bill, and we draw this to your attention. There should be no discrimination on the grounds of age or disability and this should be stated clearly in the Bill where comparable work output is achieved.

Thank you for the opportunity to comment and we look forward to hearing what outcome is reached.

Christine Low
President

Elizabeth Cruickshank
Convener Employment Standing Committee