



# Minimum Wage Order 2018

Patsy Reddy, Governor-General

## Order in Council

At Wellington this 12th day of February 2018

Present:

The Right Hon Jacinda Ardern presiding in Council

This order is made under sections 4, 4A, and 4B of the Minimum Wage Act 1983 on the advice and with the consent of the Executive Council and on the recommendation of the Minister for Workplace Relations and Safety, made after complying with section 5(2) of that Act.

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## Order

### 1 Title

This order is the Minimum Wage Order 2018.

## 2 Commencement

This order comes into force on 1 April 2018.

## 3 Interpretation

(1) In this order, unless the context otherwise requires,—

**Act** means the Minimum Wage Act 1983

**adult worker**—

- (a) means a worker aged 16 years or more to whom the Act applies; but
- (b) does not include—
  - (i) a starting-out worker; or
  - (ii) a trainee

**industry training programme** means an industry training programme that leads to a qualification that is registered on the New Zealand Qualifications Framework maintained by the New Zealand Qualifications Authority pursuant to its functions under section 246A of the Education Act 1989

**specified social security benefit** means the following:

- (a) emergency benefit:
- (b) jobseeker support:
- (c) sole parent support:
- (d) supported living payment:
- (e) young parent payment:
- (f) youth payment

**starting-out worker** means—

- (a) a worker aged 16 or 17 years to whom the Act applies and who—
  - (i) has not completed 6 months' continuous employment with his or her current employer; and
  - (ii) is not involved in supervising or training other workers:
- (b) a worker aged 18 or 19 years to whom the Act applies and who—
  - (i) has been continuously paid 1 or more specified social security benefits for not less than 6 months; and
  - (ii) has not completed 6 months' continuous employment with any employer (excluding any employment undertaken before the worker started to be paid any 1 or more specified social security benefits); and
  - (iii) is not involved in supervising or training other workers:
- (c) a worker aged 16, 17, 18, or 19 years to whom the Act applies and who—

- (i) is required by his or her contract of service to undertake at least 40 credits a year of an industry training programme for the purpose of becoming qualified for the occupation to which the contract of service relates; and
- (ii) is not involved in supervising or training other workers

**trainee** means a worker who is aged 20 years or more to whom the Act applies and who—

- (a) is required by his or her contract of service to undertake at least 60 credits a year of an industry training programme for the purpose of becoming qualified for the occupation to which the contract of service relates; and
  - (b) is not involved in supervising or training other workers.
- (2) Terms or expressions used and not defined in this order but defined in the Act have, in this order, the same meaning as in the Act.

#### **4 Minimum adult rates**

The following rates are the minimum rates of wages payable to an adult worker:

- (a) for an adult worker paid by the hour or by piecework, \$16.50 per hour:
- (b) for an adult worker paid by the day,—
  - (i) \$132 per day; and
  - (ii) \$16.50 per hour for each hour exceeding 8 hours worked by a worker on a day:
- (c) for an adult worker paid by the week,—
  - (i) \$660 per week; and
  - (ii) \$16.50 per hour for each hour exceeding 40 hours worked by a worker in a week:
- (d) in all other cases,—
  - (i) \$1,320 per fortnight; and
  - (ii) \$16.50 per hour for each hour exceeding 80 hours worked by a worker in a fortnight.

#### **5 Minimum starting-out rates**

The following rates are the minimum rates of wages payable to a starting-out worker:

- (a) for a starting-out worker paid by the hour or by piecework, \$13.20 per hour:
- (b) for a starting-out worker paid by the day,—
  - (i) \$105.60 per day; and

- (ii) \$13.20 per hour for each hour exceeding 8 hours worked by a starting-out worker on a day:
- (c) for a starting-out worker paid by the week,—
  - (i) \$528 per week; and
  - (ii) \$13.20 per hour for each hour exceeding 40 hours worked by a starting-out worker in a week:
- (d) in all other cases,—
  - (i) \$1,056 per fortnight; and
  - (ii) \$13.20 per hour for each hour exceeding 80 hours worked by a starting-out worker in a fortnight.

## 6 Minimum training rates

The following rates are the minimum rates of wages payable to a trainee:

- (a) for a trainee paid by the hour or by piecework, \$13.20 per hour:
- (b) for a trainee paid by the day,—
  - (i) \$105.60 per day; and
  - (ii) \$13.20 per hour for each hour exceeding 8 hours worked by a trainee on a day:
- (c) for a trainee paid by the week,—
  - (i) \$528 per week; and
  - (ii) \$13.20 per hour for each hour exceeding 40 hours worked by a trainee in a week:
- (d) in all other cases,—
  - (i) \$1,056 per fortnight; and
  - (ii) \$13.20 per hour for each hour exceeding 80 hours worked by a trainee in a fortnight.

## 7 Revocation

The Minimum Wage Order 2017 (LI 2017/11) is revoked.

Michael Webster,  
Clerk of the Executive Council.

## Explanatory note

*This note is not part of the order, but is intended to indicate its general effect.*

This order, which comes into force on 1 April 2018, revokes and replaces the Minimum Wage Order 2017.

The order increases the minimum rates of pay for adult workers, starting-out workers, and trainees. The new minimum hourly rates of pay are as follows:

- \$16.50 per hour for adult workers (increased from \$15.75 per hour); and
- \$13.20 per hour for starting-out workers and trainees (increased from \$12.60 per hour).

### **Regulatory impact assessment**

The Ministry of Business, Innovation, and Employment produced a regulatory impact assessment on 11 December 2017 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact assessment can be found at—

- <http://www.mbie.govt.nz/publications-research/publications/employment-and-skills>
- <http://www.treasury.govt.nz/publications/informationreleases/ria>

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 15 February 2018.

This order is administered by the Ministry of Business, Innovation, and Employment.