

Minimum Wage Rates in New Zealand

There are three main categories of minimum wage rates for employees in New Zealand. These are the:

1. 'Adult Minimum Wage'
2. 'Starting-Out Wage'
3. 'Training Minimum Wage'

The Starting-Out and Training minimum wage rates are set at 80% of whatever the applicable Adult Minimum Wage rate is.

For people under 16 years of age there is no minimum wage. However, minimum standards and employee related entitlements still apply, e.g. holiday pay, annual leave, sick leave, public holidays, etc.

Adult Minimum Wage

This applies to all employees who are 16 years old and over, provided the 'Starting-Out' minimum wage and the 'Training' minimum wages rate are not applicable.

From April 1st 2024 the Adult Minimum Wage will increase from \$22.70 to \$23.15 gross per hour.

Starting-Out Minimum Wage

From April 1st 2024 the Starting-Out Minimum Wage increases from \$18.16 per hour to \$18.52 gross per hour.

'Starting-Out' employees are:

- * employees aged 16 or 17 years who have not yet completed six months of continuous employment with their current employer;
- * employees aged 18 or 19 years who have been paid a specified social security benefit for six months or more, and who have not yet completed six months continuous employment with any employer since they started being paid a benefit. Once they have completed six months continuous employment with a single employer, they will no longer be a starting-out worker, and must be paid at least the adult minimum wage rate.
- * 16 to 19 year old employees who are required by their employment agreement to undertake industry training for at least 40 credits a year in order to become qualified.

Training Minimum Wage

This applies to employees aged 20 or over who are required by their employment agreements to undertake at least 60 credits a year of a recognised industry training programme in order to become qualified. From April 1st 2024, the training minimum wage also increases from \$18.16 to \$18.52 gross per hour.

Additional Information Regarding Minimum Wage

The Minister for Workplace Relations and Safety is required by law to review the minimum wages annually, and for any changes to take effect 1 April each year. There is however, no obligation on the Minister to make a change.

There are serious ramifications for breaches of Minimum Wage requirements (and holiday pay) and Labour Inspectors (MBIE) have the power to issue demand notices, including for enforcement and compliance.

Labour Inspectors can enter the employer's premises by law, interview people and require copies of wages, time, holiday records and conduct audits as they see fit.

Employers who fail to comply with any 'requirements' of Inspectors face the potential of penalties being ordered against them.

Youth Age Restrictions on Dangerous Work

If you are under 15 years old, there are places where you can't work.

These restrictions also apply to people under 15 visiting the workplace. They don't apply to any areas if the employee works at all times in an office in that area, or in any part of that area used only for selling goods or services. They don't apply to visitors who are under direct adult supervision, on a guided tour or who are in areas accessible to the public. No-one under 15 can work if:

Goods are being prepared or made for sale:

Any construction work is being done:

Any logging or tree-felling work is being done:

The work involves machinery. This includes using or cleaning any machine, powered tool or appliance:

Any other work is being done in that area that is likely to harm them:

This doesn't apply if at all times they work in the office or in any area used only to sell goods or services.

No-one under 15 can:

Drive or ride on a tractor, implement, mobile plant or other vehicles.

Operate machinery.

Lift heavy loads or perform any other work that is likely to injure their health.

There is an exemption for agricultural work, where the young person is over 13 years old and:

is not an employee and;

has been, or is being, trained in the safe use of a tractor or any implement that is attached to or drawn by the tractor.

No-one under 16 can work during school hours or, after 10pm and before 6am.

Minimum Wage Exemption for People with Disabilities

There is a minimum wage exemption for people who have disabilities, but a Labour Inspector must issue a permit in order for an employer to pay an employee with a disability less than the minimum wage.

Applications for this type of exemption can be made via Employment New Zealand who will then lodge a referral with a Labour Inspector for further assessment.