

House of Representatives
Supplementary Order Paper

Tuesday, 19 March 2013

**Minimum Wage (Starting-out Wage) Amendment
Bill**

Proposed amendments

Darrien Fenton, in Committee, to move the following amendments:

Clause 4:

In *clause 4, new section 4A(1)(a)*, replace “17, 18, or 19” (line 26 on page 2), with “or 17”.

In *clause 4, new section 4A(1)(c)*, delete *subparagraph (i)* (line 31 on page 2 to line 2 on page 3).

In *clause 4, new section 4A(1)(c)(ii)* replace “6 months” (line 4 on page 3), with “3 months or 200 hours, whichever is the shorter period”.

In *clause 4, new section 4A(3)(a)(i)* replace “6 months” (line 24 on page 3), with “3 months or 200 hours, whichever is the shorter period”.

In *clause 4, new section 4A*, delete *subsection (5)* (line 34 on page 3 to line 2 on page 4).

In *clause 4, new section 4A(6)*, delete the definitions of **continuously paid 1 or more specified social security benefits** and **specified social security benefit** (lines 17 to 32 on page 4).

Explanatory note

This Supplementary Order Paper amends the Minimum Wage (Starting-out wage) Amendment Bill to remove 18 and 19 year olds who have been on social security benefits from youth wages to recognise that this is an extremely unusual age group to be subject to a youth wage. Youth rates for this group have been absent in New Zealand since the 1990s. To apply youth wages to this group is effectively a sanction of those who have received a benefit and could reduce incentives for them to move into work.

In addition, to make the duration of the rates more reasonable for the time a person may actually need to learn a job, it reduces the duration of youth rates to 3 months or 200 hours, whichever is the shorter period.

Finally, the Bill creates the unfair situation where 16 and 17-year-olds who gain experience in one job can be returned to youth rates in a new job, despite the experience they have gained. This Supplementary Order Paper would correct that anomaly.
