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**NZEI SUBMISSION**

**TO THE**

**TRANSPORT AND INDUSTRIAL  
RELATIONS SELECT COMMITTEE**

**ON THE**

**MINIMUM WAGE (ABOLITION OF  
AGE DISCRIMINATION)  
AMENDMENT BILL**

April 2006

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## MINIMUM WAGE (ABOLITION OF AGE DISCRIMINATION) AMENDMENT BILL

### INTRODUCTION

- 1 NZEI Te Riu Roa (“NZEI”) is the professional organisation and industrial union that represents the interests and issues of its 45,000 members. Our members are employed as teachers in the early childhood and primary sectors (including Kura Kaupapa Maori and Wharekura), support staff in the primary, intermediate, and secondary sectors, advisers employed by Colleges of Education and universities, and Special Education staff employed by the Ministry of Education.
- 2 The main objective of NZEI is to advance the cause of education generally while upholding and maintaining the just claims of its members individually and collectively.
- 3 NZEI is one of the largest unions and professional bodies in the country and has a long history of playing a positive role in the education sector in particular, and on wider social issues that might affect our members.
- 4 NZEI is an affiliate of the New Zealand Council of Trade Unions (“NZCTU”). NZEI has been involved in the formulation of the NZCTU submission on this Bill to this select committee and supports that submission.

### NZEI POSITION

- 5 **NZEI supports this Bill and urges that it be passed into law without dilution.**

### NZEI COMMENT

- 6 The *Minimum Wage Act 1983* expressly permits the government to perpetuate age-based discrimination in the setting of the legal “wage floor”. This ability is exercised in the current *Minimum Wage Order 2005*, under which the minimum wage for workers aged 16 and 17 is \$2.05 per hour less than the “adult” minimum wage.
- 7 This discrimination is arbitrary, inequitable and unjustifiable.
- 8 NZEI believes that Parliament should take this opportunity to ensure that New Zealand’s minimum wage legislation is more closely aligned with the spirit and intent of its human rights legislation, which prohibits discrimination on arbitrary grounds such as age.
- 9 It is regularly argued that “youth rates” need to be available to employers, to avoid negative impacts on employment rates for young workers. NZEI rejects this argument.
- 10 The argument assumes that, in the absence of a cost advantage, employers will tend to employ “adults” over younger workers – ie that there a real and/or perceived increase in the return to the employer, from employing older workers instead of younger workers.

- 11 NZEI rejects any assertion that there is an inherent difference between the value of work performed by older and younger workers.
- 12 Some employers may well harbour prejudiced views, in which older workers are seen as “worth more” than young workers. Countering that sort of arbitrary prejudice is precisely the point of New Zealand’s human rights framework. It is illogical to argue that the existence of a prejudice is a reason, not only to avoid addressing it, but to perpetuate it.
- 13 In any event, current New Zealand research indicates that the arguments for youth rates are little more than scaremongering. Treasury research<sup>1</sup> concludes that the substantial increases to youth rates in 2001 *did not* result in adverse employment outcomes for young people.
- 14 NZEI suggests that any such argument is simply an attempt by some employers to preserve a level of profitability based on discriminatory treatment of young workers. Such behaviour is no more acceptable or justifiable than if it was based on any other ground of arbitrary exploitation. NZEI trusts that Parliament would not condone employers paying lower wages to workers based on ethnicity or gender. NZEI urges Parliament to ensure that young people are afforded the same respect.

Lynne Bruce  
**National Secretary**

April 2006

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<sup>1</sup> Youth Minimum Wage Reform and the Labour Market, Treasury Working Paper, Hyslop and Stillman (2004)