



15 November 2021

Andrew
fyi-request-17053-7b51243b@requests.fyi.org.nz

Re: DOIA 2122-0823

Dear Andrew

Thank you for your email of 5 October 2021 to the Ministry of Business, Innovation and Employment (MBIE) requesting, under the Official Information Act 1982 (OIA), the following information:

- 1. Does your Ministry or any main entity within the Government have a total sum of government assistance [in all forms] distributed to full-time employed individuals earning less than the \$20.00/hr standard minimum wage? If so, what is the amount paid for the past three fiscal years.*
- 2. Does your Ministry or any main entity within the Government hold a value of the number of full-time employed individuals earning less than the \$20.00/hr standard minimum wage? If so, what would that value be for the last three years.*
- 3. Does the Ministry or any main entity within the Government hold any internal documents, emails or memos in regards to removing the training wage?*
- 4. In regards to the growing gap in the fields of skilled labour and the trades, does the Government have any internal documents, emails or memos in regards the training wage as a barrier to filling this hole in the market?*

Our response to each of these requests follows:

Question 1

After undertaking a search and making inquiries with the relevant data and insights personnel, we can confirm that this exact information is not available at MBIE. We are not aware of who would hold this breakdown of information in other government entities.

Data relevant to your request is collected in the Household Labour Force Survey (HLFS) and Income Supplement. The median amount of government transfer income figures are published by Statistics NZ at <http://nzdotstat.stats.govt.nz/>, under *Incomes -> Income tables -> Income by sex, region, ethnic groups and income source*. However, this is not sorted by full-time or part-time work status or these workers' current hourly rate.

Question 2

Numbers of full-time workers earning less than the minimum wage:

- June 2018: 38,900
- June 2019: 48,800
- June 2020: 65,500

These figures relate to the people earning equal or greater than the starting-out and training minimum wage rates, and less than the minimum wage rate of the time. The data is sourced from

the Household Labour Force Survey (HLFS). There are some people earning less than the starting-out or training wage rates for legitimate reasons, and they are not included here.

Question 3

My team is responsible for administering the legislation that contains the training minimum wage. We do not hold any information in relation to internal proposals to remove the training minimum wage, and nor are we aware of any work being done elsewhere in Government on such a proposal.

Documentation held relates to stakeholders raising the matter of removing training wages in consultation on minimum wage rates in general, including the following two documents:

- a) In consultation for 2019's Minimum Wage Review, the NZ Council of Trade Unions raised the view that the starting and training minimum wages should be replaced by the adult minimum wage (paragraph 117, page 41). This review is available online here:

<https://www.mbie.govt.nz/assets/Uploads/minimum-wage-review-december-2019.pdf>

- b) In consultation for the 2016 Minimum Wage Review, the NZ Nurses' Organisation recommended that the starting out and training wages be removed, as recorded in the Regulatory Impact Summary (paragraph 169, page 38):

<https://www.mbie.govt.nz/assets/bc59fee01d/ris-minimum-wage-review-2016.pdf>

Question 4

We are aware that stakeholders have raised the training wage as a potential issue in the context of the Construction Skills Strategy. This is reflected in paragraphs 39 and 40 on page 9 of a 2018 Cabinet paper which has been proactively released and is available on the MBIE website:

<https://www.mbie.govt.nz/assets/7b96257cf6/cabinet-paper-action-plan-construction-skills-strategy.pdf>

I also understand that members of my team verbally discussed the issue of the training minimum wage with officials from the Building System Performance team that drafted this document in 2018. At the meeting, members of this team noted that:

- a) the training minimum wage imposes a minimum standard and does not dictate how much employers can pay apprentices
- b) if low pay rates are proving a barrier to recruiting people to take up industry training, employers are free to increase the pay rates they offer to match market expectations.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely,



Manager, Employment Standards Policy
Labour, Science and Enterprise
Ministry of Business, Innovation and Employment