

MINIMUM WAGE AMENDMENT BILL

EXPLANATORY NOTE

Currently the Minimum Wage Act 1983 provides that a minimum wage *may* be prescribed by the Governor-General from time to time. This bill ensures that a minimum wage *must* be prescribed by the Governor-General.

The bill also provides that on reviewing the minimum wage the Minister *must* make recommendations.

This bill is in response to recent calls for the abolition of the minimum wage and would require the Government to take legislative steps to abolish it rather than allow such an important policy decision to be implemented by Order in Council.

The continued existence of the minimum wage ensures those most vulnerable to exploitation at work have some basic protection.

Laila Harré

MINIMUM WAGE AMENDMENT

ANALYSIS

Title	2. Prescription of minimum wage
1. Short Title and commencement	3. Annual review of minimum wages

A BILL INTITULED

An Act to ensure minimum wages must be prescribed and on review recommendations must be made regarding any adjustment to the minimum rate

5 BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Minimum Wage Amendment Act 1997, and is part of the Minimum Wage Act 1983 (“the principal Act”).

10 (2) This Act comes into force on the day after the date on which it receives the Royal assent.

2. Prescription of minimum wage—Section 4 (1) of the principal Act is amended by omitting the word “may”, and inserting the word “must”.

15 **3. Annual review of minimum wages**—Section 5 (2) of the principal Act is amended by omitting the word “may”, and inserting the word “must”.