

# Living Wage

## Aotearoa New Zealand



## BECOMING A LIVING WAGE EMPLOYER

### PAYING THE LIVING WAGE

The New Zealand Living Wage Accreditation System was launched in 2014, allowing employers to become

Living Wage employer accredited, and licensed to use the Living Wage Employer trademark.

### WHAT IS THE LIVING WAGE?

**The Living Wage is the hourly wage a worker needs to pay for the necessities of life and participate as active citizens in the community.** It reflects the basic expenses of workers and their families such as food, transportation, housing and childcare, and is calculated independently each year by the New

Zealand Family Centre Social Policy Unit. The Living Wage is reviewed every five years.

The Living Wage rate is voluntary and updated in February each year.

### WHY DOES NEW ZEALAND NEED A LIVING WAGE?

Over the last 30 years New Zealand has gone from one of the most equal countries in the developed world to one of the most unequal. Growing poverty and inequality hurts us all – workers and their families, employers, business, the Government and society as a whole.

Let's look at some facts:

- 800,000 people live below the poverty line

- 285,000 kids live in poverty, **40% of those kids come from families where at least one parent or guardian is working**
- 45% of wage earners earn less than the Living Wage

It doesn't have to be this way. **The Living Wage provides a powerful alternative to poverty and inequality, here's why:**

### IT'S GOOD FOR BUSINESS

- Supports recruitment and retention of staff, saving turnover costs
- Boosts morale and motivation
- Lowers rates of absenteeism and sick leave
- Improves public image and reputation of businesses
- Can enhance productivity, through higher quality work by employees

### IT'S GOOD FOR WORKERS

- Enables workers to provide for themselves and their families
- Boosts morale and sense of value to their workplace
- Allows for more time with family, friends and participation in the community
- Reduces stress caused by low pay

## IT'S GOOD FOR SOCIETY

- The community is richer. Workers and their families are able to increase their participation in sports, hobbies, education, along with community events and activities.
- Low pay costs taxpayers. A Living Wage will reduce taxpayer spending on income supplements such as Working for Families which act as a form of

charity to top up low paying employers. The Government will also increase its tax take, meaning more money for other services.



## BECOMING A LIVING WAGE EMPLOYER

Congratulations if you're considering becoming a Living Wage employer. Already a diverse group of responsible businesses and organisations across New Zealand have made the transition and are reaping the benefits.

To become accredited you must meet the following criteria, before completing the application form on our website which will be reviewed by the Accreditation Advisory Board:

- All directly employed workers are on the current Living Wage prior to accreditation, "Directly employed" means that workers employed by a business/organisation in an employer/employee relationship
- All indirectly paid workers employed by contractors, delivering a service to the business/ organisation on a regular and on-going basis, are either on the current Living Wage or on milestones agreed as part of the License

- Employers have provided workers with access to a union, and
- Employees' terms and conditions have not been reduced in order to meet the current Living Wage rate. An example of this may be the reduction of hours or other benefits in order to pay for the cost of delivering the Living Wage.

Successful applicants will then be invited to sign a licence to use the Living Wage Employer Trademark.

Please see our website for more information on becoming a Living Wage employer.

We're here to help, so please don't hesitate to contact our Accreditation Coordinator Diana Yukich who will support you through the process to reach accreditation: [accreditation@livingwage.org.nz](mailto:accreditation@livingwage.org.nz).

Kevin Church (left) is the Director of fine arts printing firm, Opticmix Ltd and is an accredited Living Wage Employer.

*"As a small family run business we want a benchmark that enables us to set fair wages. The Living Wage Campaign is providing that for us – it's ensured that we look beyond the minimum wage to the real cost of living in Auckland. If you are running a business because you enjoy either the service or the product and you're passionate about it, that really has to be passionate about how its created. And if you are employing people they're part of the mix and how can you do that if the people you are working with all day are going home hungry, it doesn't make sense to me. Employees are not just a replaceable "resource". Paying a Living Wage implies you're prepared to have a more structured, serious, ongoing relationship."*

