

Living Wage

Aotearoa New Zealand



2017 LIVING WAGE RATE: \$20.20

The recalculated Living Wage hourly rate for 2017, which comes into effect on July 1, is set at \$20.20 per hour. This is an increase of 40 cents on the 2016/17 rate of \$19.80 and is in line with the average movement in wages.

The Living Wage is defined as: *The income necessary to provide workers and their families with the basic necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society.*

	2016	2017	% INCREASE	\$ INCREASE
LIVING WAGE	\$19.80	\$20.20 (ROUNDED DOWN)	2.1%	40CENTS
MINIMUM WAGE	\$15.25	\$15.75	3.3%	50CENTS

The original Living Wage announced in 2013 was based on expenditure items for a modest weekly budget. Once the Living Wage rate became a wage mechanism within the labour market, it was decided that annual updates between five yearly reviews should reflect wage movements.

Wage movement is reported by Statistics New Zealand in the Quarterly Employment Survey (QES). To be consistent, the annual update is based on the percentage wage movement for the year to June the previous year because when the first Living Wage was calculated the year to June was the most up-to-date figure.

The QES measures the average hourly wage bill across all jobs in New Zealand. The average ordinary time hourly earnings for the year to June 2016 increased

2.1 percent from the year to June 2015. This is a smaller percentage than the 2017 increase in the minimum wage of 3.27 percent.

The rate of \$20.20 is the recalculated New Zealand Living Wage for 2017/18. The movement in the average ordinary time hourly rate, as provided by the QES, was 2.1 percent leading to an estimate of \$20.22 which was rounded down to \$20.20.

Charles Waldegrave says:

This figure sits modestly at 68 percent of the average hourly earnings in New Zealand (\$29.62) for the same quarter. The QES does not provide median hourly earnings. The redeveloped Household Labour Force Survey showed the NZ Living Wage to be 86 percent of median hourly earnings from wages and salaries (\$23.49).

VISION \$20.20 - SEE THE DIFFERENCE

If we win the Living Wage, I will be able to work fewer hours and take up photography again in my spare time.

Abdullah (university cleaner)

I would love to be able to visit my family back home in Samoa for the first time since 2010. A Living Wage would help me to save for that.

Situa (council cleaner)

I would be able to spend more time with my husband and children. Family time is so important.

Aki (Council supervisor/cleaner)



Pictured Right, Aki and colleague