



Cabinet Social Wellbeing Committee

Minute of Decision

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A Wage Supplement Approach to Replace Minimum Wage Exemption Permits: Report Back

Portfolios **Social Development / Disability Issues / Workplace Relations and Safety**

On 20 November 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that in December 2018, the Minister for Social Development and Disability Issues, and the Minister for Workplace Relations and Safety were invited to report back to Cabinet on the design of the wage supplement approach following consultation [SWC-18-MIN-0188];
- 2 **noted** that the Disability Action Plan agreed to by Cabinet in 2019 contains a commitment to improve employment outcomes for disabled people, by identifying better alternatives so that the minimum wage exemption (MWE) process can be removed [SWC-19-MIN-0139];
- 3 **noted** that work undertaken with key stakeholders from the disability sector in 2016 identified a wage supplement as the only feasible option to address the issues with the minimum wage exemption while also protecting existing employment opportunities for disabled people;
- 4 **noted** that officials have consulted the disability sector on a wage supplement approach, and have since undertaken further work with employers to address unintended consequences of a wage supplement;
- 5 **noted** that, while opinions on replacing minimum wage exemptions are divided, responsible Ministers remain of the view that a wage supplement is the only feasible option for replacing the minimum wage exemption;

6 **s 9(2)(f)(iv)**
 [Redacted]

7 **s 9(2)(f)(iv)**
 [Redacted]

8 **s 9(2)(f)(iv)**
 [Redacted]

9 **s 9(2)(f)(iv)**
 [Redacted]

- 10 **noted** that, despite ending the discriminatory system of MWE permits, New Zealand might still be subject to criticism for supporting employment practices where disabled employees are segregated.

Vivien Meek
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters
Hon Grant Robertson
Hon Dr Megan Woods
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Kris Faafoi
Hon Aupito William Sio
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Officials Committee for SWC
Office of the Chair

Hard-copy distribution:

Minister for Social Development
Minister for Disability Issues
Minister for Workplace Relations and Safety