

Living wage estimate rises to \$19.25/hour

Simon Collins NZ Herald 5:36 PM Tuesday Feb 24, 2015



Photo / Thinkstock

Campaigners for a "living wage" say it now costs \$19.25 an hour for a mother, father and two children to "live with dignity" in New Zealand.

The new rate, unveiled in Wellington at 3pm, has risen 2.5 per cent from last year's hourly rate of \$18.80, reflecting increases in the average wage up to last June. The 30 employers who have signed up to the living wage so far have until July 1 this year to meet the new standard.

Wellington's Anglican Bishop Justin Duckworth, who is speaking at the update event at living wage employer La Boca Loca cafe in Miramar, said his diocese had committed itself to paying the living wage in all "diocesan entities" by later this year - although Anglican schools, aged care homes and social services such as the Wellington City Mission are not bound by the policy because they are independent entities.

"The City Mission are wrestling with this issue as well. Most of the diocese are wrestling with this issue," Bishop Duckworth said.

He has made a personal commitment base his own income on the living wage, although he said the issue was complicated because the church provides him with accommodation.

"I, like every high income earner, needs to reflect on their own personal commitment to supporting the living wage in their organisation, and therefore the appropriate policy that they might have in relation to their wage," he said.

The Anglican Church has been closely involved in the living wage campaign since the wage was first calculated in 2013 by the church's Family Centre social policy research unit in Lower Hutt.

The 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."

The original 2013 living wage of \$18.40 an hour was based on actual spending by couples with two children in the lower half of income earners. That spending was translated into an

hourly rate that both parents would need to earn, assuming that one worked 40 hours a week and the other worked 20 hours.

Updates, to \$18.80 last year and now to \$19.25, have been based on simple percentage increases in line with average ordinary-time hourly earnings, keeping the living wage at 68.2 per cent of the gross average wage. Fuller spending-based reviews are planned every five years.

Family Centre research leader Rev Charles Waldegrave said about one-third of all Kiwi workers still earned below \$19.25 an hour. He accepted that it would be "unrealistic" to raise the legal minimum wage to that level, but he said the living wage was meant as a voluntary "aspirational" target.

"If employers want to make sure the people working for them are taking home enough money to look after their families, they should be paying a living wage," he said.

It was "shameful" that so many people earned less than that.

"It's the shame, and the moral implication of all that, that we hope will inspire people to it, but we have never pressed for the Government to increase the minimum wage to the living wage. That's completely unrealistic."