

# Living Wage

## For Greater Wellington Suppliers

Greater Wellington Regional Council (Greater Wellington) is becoming an accredited Living Wage Employer. This guide tells you what that means for your organisation (you) if you currently deliver services for Greater Wellington or would like to in future.

### What is Living Wage?

The Living Wage is an hourly pay rate that provides the income needed for workers and their families to meet the basic needs of life. A Living Wage enables workers to live with dignity and to be active in society. It is different to the minimum wage set by the government and is not managed by the government. It is not a maximum rate.

Living Wage increases each year on 1 September to keep up with inflation.

### The current Living Wage is **\$27.80** an hour.

Paying a Living Wage allows Greater Wellington to contribute to thriving communities in the Wellington Region, and a resilient economy and supply chain.

See more about the Living Wage at Living Wage Aotearoa's [website](#)

### Living Wage Accreditation – What and Why

Living Wage Aotearoa runs a voluntary accreditation programme to become a Living Wage Employer. Being accredited means Greater Wellington is publicly sharing its commitment to being a good employer, and a good organisation to do work with.

Living Wage Employers pay Living Wage as a minimum rate for all employees and any employees delivering services within their supply chain. It affects the main contractor and any subcontractors.

Wellington City Council, Hutt City Council and Porirua City Council have all become accredited, so we are in good company. One of our mana whenua partners, Te Rūnganga O Toa Rangatira, is also accredited.

### How this affects our suppliers

#### Living Wage applies to contracts for services

If your contract with us is to deliver services, you will be required to pay at least the Living Wage to your employees working on the contract. You will also need to make sure your subcontractors delivering services are paying at least the Living Wage to employees working on the contract.

Examples of some services are security, planting and pre or post planting care, pest trapping, public transport operation, bird surveying, construction services, office cleaning.



## **Living Wage at Greater Wellington does not apply to:**

- Independent contractors/sole traders
- Funding agreements, community grants and scholarships
- Services delivered outside of NZ
- All of Government panel contracts
- Any work hours the employees are not delivering GW services (e.g. a cleaner that isn't cleaning any GW sites.)
- Goods purchased with no wraparound services (e.g. stationery) and any employees who focus on the manufacturing of goods for sale.

## **Bidding for work**

If you are responding to a tender, you will see a precondition for Living Wage if the contract requires Living Wage. This means you need to agree to meet our Living Wage requirements should you win the work. If you don't agree, you won't go to the next stage of the procurement process.

Make sure your pricing allows for the payment of Living Wage to your employees and any possible subcontracted employees over the term of the contract.

## **Contracting**

If you win the work, you will receive a contract with a clause for managing Living Wage. This is supported by a Declaration Form which you must sign along with the contract. The Declaration Form is used to provide evidence to Living Wage Aotearoa that the contract is paying Living Wage. It also outlines your responsibilities and what may happen if you don't meet them.

## **Delivering the contract**

The Living Wage increases each year on 1 September and you must make sure you are paying the new Living Wage by this date to all affected employees. We may ask you to confirm you are paying the new rate.

## **What about....**

### **Trainees**

There is a Trainee Rate which is 90% of the full Living Wage when criteria below is met:

- Those undertaking NZQA qualifications to a minimum of a Level 3 NZQA Certificate and who are receiving their training in order to meet the requirements of their job.
- The employer pays all costs associated with the worker getting that qualification, including course costs, and leave required to complete the qualification.

The Trainee Rate applies for 12 months, or 1040 hours of work, whichever is the lesser. After this period the full Living Wage applies.

### **Suppliers becoming accredited**

You do not have to become a Living Wage accredited organisation to work with us. This would require you to pay the Living Wage across all of your organisation's employees and supply chain. If you are accredited, make sure to let us know!

### **Averaged wages and benefit packages**

Living Wage is an hourly rate and cannot be averaged out. An employee's other benefits such as bonuses or superannuation contributions can't be reduced in order to meet the Living Wage rate.

