

Minimum wage rate impact measures	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Adult minimum wage (hourly rate)	\$15.25	\$15.50	\$15.75	\$16.00	\$16.50	\$19.80
Adult minimum wage (gross weekly income) <sup>1</sup>	\$610	\$620	\$630	\$640	\$660	\$792
Percentage increase	N/C	1.6%	3.3%	4.9%	8.2%	29.8%
Relativity to median wage <sup>2</sup>	64.9%	66.0%	67.0%	68.1%	70.2%	84.3%
Number of people impacted (rounded up to nearest 100)	73,300	89,900	119,500	142,700	212,000	528,700
Estimated restraint on employment	N/C	N/C	-1,500	-3,500	-7,000	-28,000
Estimated economy-wide increase in wages (\$m, annual)	N/C	26	65	113	257	2,331
Estimated inflationary impact/GDP (percentage points)	N/C	N/C	N/C	N/C	0.1%	0.7%
Additional annual costs to the government (\$m) <sup>3</sup>	N/C	\$15.33	\$29.38	\$40.44	\$87.10	\$543.55 <sup>4</sup>

<sup>1</sup> This is calculated on a 40 hour week basis.

<sup>2</sup> The median hourly earnings are \$23.49 per hour (Labour Market Statistics (Income), June 2016).

<sup>3</sup> This is a high level estimate based on the additional costs to the Ministries of Health, Social Development and Education and the Accident Compensation Corporation from higher wage costs for their employees and service providers.

<sup>4</sup> This figure in particular is likely to be underestimated because employees and contractors working for state agencies other than the four surveyed here would be affected by a minimum wage rate increase to \$19.80. This figure should also be considered alongside the increase to ACC's Outstanding Claims Liability which could result in higher ACC levies.