



## COVERSHEET

<b>Minister</b>	Hon Michael Wood	<b>Portfolio</b>	Workplace Relations and Safety
<b>Title of Cabinet paper</b>	Fair Pay Agreements System: Peak Body Funding Timing and Scope.	<b>Date to be published</b>	20 October 2021

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
11 August 2021	Fair Pay Agreements System: Peak Body Funding Timing and Scope.	<i>Office of the Minister for Workplace Relations and Safety</i>
11 August 2021	Fair Pay Agreements System: Peak Body Funding Timing and Scope.	<i>Cabinet Office</i>

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Economic Development Committee

## Minute of Decision

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### Fair Pay Agreements System: Peak Body Funding Timing and Scope

**Portfolio**                      **Workplace Relations and Safety**

On 11 August 2021, the Cabinet Economic Development Committee:

- 1        **noted** that as part of Budget 2021, Cabinet approved contingency funding to implement a new Fair Pay Agreements (FPA) system in New Zealand, and authorised the Minister of Finance and the Minister for Workplace Relations and Safety (joint Ministers) to approve draw-downs from the contingencies, subject to Cabinet’s decisions on FPA design [CAB-21-MIN-0116.18];
- 2        **noted** that on 19 April 2021, Cabinet:
  - 2.1      agreed to the key features of the proposed FPA system;
  - 2.2      agreed that peak bodies New Zealand Council of Trade Unions and BusinessNZ be given \$250,000 each per annum, for three years, with specified funding conditions, once the FPA system comes into force;[CAB-21-MIN-0126]
- 3        **noted** that further policy development has identified that offering funding to peak bodies ahead of the FPA system being enacted and coming into force will better achieve FPA system objectives;
- 4        **noted** that in line with this further policy development, on 28 June 2021, joint Ministers agreed that funding for peak bodies would be made available from 2021/22;
- 5        **endorsed** the decision made by joint Ministers, as outlined in paragraph 4 above;
- 6        **agreed** to amend paragraph 36 of CAB-21-MIN-0126 (referred to in paragraph 2.2 above) by omitting the words ‘once the FPA system comes into force’;
- 7        **noted** that on 19 April 2021, Cabinet also:
  - 7.1      noted that the Screen Industry Workers Bill and the FPA systems are similar, as both allow for sector-wide bargaining, and that a decision to provide some funding to the FPA system would create an inconsistency between them;
  - 7.2      agreed that a one-off bargaining support of \$50,000 be offered to each bargaining side, on initiation of bargaining for occupational-level collective contracts under the Screen Industry Workers Bill;

7.3 agreed that an additional contribution of up to \$25,000 be offered to each bargaining side, on initiation of bargaining for occupational-level collective contracts under the Screen Industry Workers Bill, if less than 20 percent of those in coverage on their side is a member of a union or industry group (as relevant);

[CAB-21-MIN-0126]

8 **agreed** that in addition to its primary purpose of supporting the FPA system, the \$250,000 per annum contribution to NZCTU and BusinessNZ may also be used for the purposes of supporting occupation-level bargaining under the Screen Industry Workers Bill, if those entities so choose.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Meka Whaitiri  
Hon Phil Twyford  
Rino Tirikatene MP  
Dr Deborah Russell MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV