



AIDE MEMOIRE

Fair Pay Agreements: Letter to Select Committee Chair regarding the backstop parliamentary paper

Date:	30 March 2022	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2122-3298

Information for Minister(s)
Hon Michael Wood Minister for Workplace Relations and Safety

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Beth Goodwin	Manager, Employment Relations Policy	04 901 1611		✓
Oscar Cornfield	Senior Policy Analyst	04 913 3929		

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Purpose

1. This aide memoire seeks your feedback on the attached letter to the Chair of the Education and Workforce Committee (the committee) regarding the backstop parliamentary paper.

Background

2. On 30 March 2022, we provided you the final parliamentary paper entitled *Parliamentary paper: Proposed policy change to the Fair Pay Agreements Bill* for your lodgement to the Clerk of the House of Representatives Office (AM 2122-3279 refers). This must be done before the first reading of the Fair Pay Agreements (FPA) Bill on 5 April 2022.

Letter to Chair of the Education and Workforce Committee

3. Once this parliamentary paper is published under the authority of the House, the next step is to write to the Chair of the committee to ask the committee to follow your preferred process with relation to the parliamentary paper.
4. That process is to call for public submissions on the backstop policy proposal (outlined in the parliamentary paper) alongside the FPA Bill, then adopt the Supplementary Order Paper (SOP) into the Bill with any changes arising from submissions, without further consultation on the SOP. You chose this process to ensure the Select Committee consideration process could be achieved within six months (briefing 2122-1977).
5. A copy of the proposed letter to the Chair is attached as Annex One for your review and approval.

Annexes

Annex One: Letter for Select Committee chair regarding backstop parliamentary paper

Beth Goodwin
Manager, Employment Relations Policy
Labour, Science and Enterprise, MBIE
30 / 3 / 2022

Hon Michael Wood

Minister of Transport
Minister for Workplace Relations and Safety



6 April 2022

Marja Lubeck MP
Chair
Education and Workforce Committee

Subject: Request for Education and Workforce Committee to allow public submissions on parliamentary paper alongside the Fair Pay Agreements Bill

Dear Marja,

On 5 April 2022, the Fair Pay Agreements (FPA) Bill received its first reading, and the House published, under its authority, the attached parliamentary paper: *“Parliamentary paper: Proposed policy change to the Fair Pay Agreements Bill”*.

I am writing to draw the attention of the Education and Workforce Committee (the committee) to this parliamentary paper. I ask that the committee considers calling for public submissions on this parliamentary paper and its proposals alongside the FPA Bill.

The FPA system relies on union and employer representatives to bargain with each other for minimum employment terms and conditions. The attached paper outlines the Government’s proposal for what happens if there is no willing and suitable representative on one side, to ensure that an FPA results if bargaining does not occur. I consider that this policy proposal will have a material impact on the bill.

I ask that the committee seek public submissions on this paper alongside the bill because I intend to incorporate the proposal into a Supplementary Order Paper (SOP). I expect to have the drafting of this SOP finalised in late July 2022, and then I plan to refer the SOP to the committee while it is still considering the bill.

Should the committee agree to seek public submissions on this parliamentary paper, I intend to ask the committee to incorporate the SOP into the version of the bill it reports back to the House, with any changes it sees fit that result from consultation on the policy. As the committee would have heard submissions on this proposal directly, I do not consider further consultation on the drafted SOP necessary.

I believe this process will enable the committee to report the Bill back to the House within the six-month deliberation period. I acknowledge that this process adds additional complexity for the committee. However, I believe that this is the best approach for delivering a well-functioning FPA system that is consulted on and implemented in a timely fashion.

I look forward to engaging with the committee on both the bill and the parliamentary paper over the coming months.

Yours sincerely

Hon Michael Wood

Minister for Workplace Relations and Safety