



COVERSHEET

Minister	Hon Michael Wood	Portfolio	Workplace Relations and Safety
Title of briefing	Fair Pay Agreements: Approval to refer the “backstop” Slip of Amendments to Select Committee	Date to be published	27 October 2022

List of documents that have been proactively released

Date	Title	Author
July 2022	Cabinet paper: Fair Pay Agreements: Approval to refer the “backstop” Slip of Amendments to Select Committee	Office of the Minister for Workplace Relations and Safety
25 July 2022	Cabinet minute: CAB-22-MIN-0270	Cabinet Office

Information redacted

YES

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- Confidential advice to government



Cabinet

Minute of Decision

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Fair Pay Agreements Approval to Refer the 'Backstop' Slip of Amendments to Select Committee

Portfolio **Workplace Relations and Safety**

On 25 July 2022, Cabinet:

- 1 **noted** that in March 2022, Cabinet agreed to incorporate a backstop into the fair pay agreements (FPA) system to cover situations where there is no bargaining party on the non-initiating bargaining side, and invited the Minister of Workplace Relations and Safety (the Minister) to issue drafting instructions for a Supplementary Order Paper (SOP) to the Fair Pay Agreements Bill (the Bill) [CAB-22-MIN-0080.02];
- 2 **noted** that, as part of those decisions, Cabinet agreed to two key changes to the FPA system:
 - 2.1 giving the New Zealand Council of Trade Unions (CTU) and BusinessNZ discretion to be bargaining parties in the absence of willing or suitable union or employer representatives; and
 - 2.2 introducing an alternative process (referred to as a “backstop”) that will apply if there is no willing or suitable entity on the non-initiating side of bargaining, which means that the initiating side may apply to the Employment Relations Authority (the Authority) for a determination, and the backstop would allow the Authority to set the terms of an FPA in the absence of bargaining parties on the non-initiating side;
- 3 **noted** that Cabinet also agreed to the proposed process to incorporate the backstop decisions into the FPA Bill, that is:
 - 3.1 the proposals will be drafted in the form of a SOP (now called a “Slip”), which the Minister will provide to the Select Committee in July 2022; and
 - 3.2 the Minister will ask the select committee to incorporate the SOP/Slip into the version of the Bill the Committee reports back to the House;
- 4 **noted** that on 6 April 2022, the Education and Workforce Select Committee called for submissions on the backstop policy proposals outlined in the Parliamentary Paper entitled *Parliamentary paper: proposed policy change to the Fair Pay Agreements Bill*;
- 5 **agreed** to refer the Slip of Amendments to the Bill [PCO 21869-1/11.0] to the Education and Workforce Committee for consideration;

- 6 **noted** that the Minister of Workplace Relations and Safety will write a letter to the Education and Workforce Committee requesting that the Slip is incorporated into the Fair Pay Agreements Bill so it forms part of the final Bill when reported back to Parliament;
- 7 **noted** that the Fair Pay Agreements Bill holds a category two priority on the 2022 Legislation Programme (to be passed within the year).

Rachel Hayward
Acting Secretary of the Cabinet