



## AIDE MEMOIRE

### Letter to BusinessNZ seeking to re-engage on Fair Pay Agreements

|                                 |                   |                         |           |
|---------------------------------|-------------------|-------------------------|-----------|
| <b>Date:</b>                    | 13 September 2022 | <b>Priority:</b>        | Low       |
| <b>Security classification:</b> | In Confidence     | <b>Tracking number:</b> | 2021-0927 |

#### Information for Minister(s)

Hon Michael Wood  
**Minister for Workplace Relations and Safety**

#### Contact for telephone discussion (if required)

| Name         | Position  | Telephone   | Privacy of natural persons | 1st contact |
|--------------|---|-------------|----------------------------|-------------|
| Beth Goodwin | Manager, Employment Relations Policy                  | 04 901 1611 | Privacy of natural persons | ✓           |
| Chris Pound  | Principal Policy Advisor, Employment Relations Policy |             |                            |             |

#### The following departments/agencies have been consulted

N/A

#### Minister's office to complete:

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

#### Comments



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### Purpose

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This aide memoire provides you with a draft letter to BusinessNZ, which seeks to re-engage on Fair Pay Agreements, for your review and to forward to BusinessNZ's Chief Executive, Kirk Hope.

Beth Goodwin  
**Manager, Employment Relations Policy**  
Labour, Science and Enterprise, MBIE

13 / 09 / 2022

### Background

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1. You requested that MBIE officials prepare a letter to the Chief Executive of BusinessNZ, Kirk Hope, that seeks to re-engage with him and his organisation on Fair Pay Agreements (FPAs).
2. This letter will be your first engagement on FPAs with BusinessNZ since the International Labour Organisation's (ILO's) Committee on the Application of Standards (CAS) considered BusinessNZ's complaint about the FPA system in June 2022.
3. The letter supports one of the CAS outcomes, in which the CAS urged the Government to continue to examine, in cooperation and consultation with the social partners, the proposed new legislation (draft Fair Pay Agreements Bill and the Screen Industry Workers Bill) to consider the impact of the proposed legislation and to ensure compliance with the Convention.
4. MBIE has had no further engagement with BusinessNZ on FPAs since the CAS released its findings in June 2022. The FPA Implementation team has reached out to BusinessNZ on several occasions since April 2022, the last of which was on 29 August 2022, offering to meet.

## **We recommend that the letter does not directly reference the CAS outcomes**

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5. The draft letter does not refer to the outcomes of the CAS consideration of BusinessNZ's complaint.
6. Our view is referencing these directly creates a risk that BusinessNZ could interpret this engagement as consultation on the design of the FPA Bill, which may include addressing their issues and concerns with the FPA system. This would not be the case as the FPA Bill, currently being considered by the Education and Workforce Committee, reflects your intended design for the FPA system and BusinessNZ's issues are about fundamental aspects of this design.
7. Our view is that future engagement with BusinessNZ would be on the application and implementation of the legislation once enacted and the role of BusinessNZ in supporting this rather than on the system's design elements.
8. The draft letter is forward focussed reflecting the Government's responses to the ILO that it will continue to engage with BusinessNZ and the NZ Council of Trade Unions about this legislation and the Screen Industry Workers Bill.

## **Next steps**

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9. Once you have reviewed the letter, we recommend you forward it to Mr Hope and, subject to his response, arrange to meet to discuss BusinessNZ's ongoing role in the FPA system.
10. MBIE officials intend to provide you with advice by 29 September 2022 on options for re-allocating the \$250,000 annual funding, approved in Budget 2021, that was to support BusinessNZ in its intended role of co-ordinating and supporting employer representatives during FPA bargaining.

## **Annexes**

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Annex One: Draft letter to BusinessNZ's Chief Executive