



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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Briefing for the Incoming Minister for Workplace Relations and Safety

26 October 2017

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1. Portfolio overview

1. This briefing provides you with information about the Workplace Relations and Safety portfolio. Further briefings will be provided focussing on specific topics in depth, depending on your priorities.

The employment relations and standards system and the health and safety at work system

2. The Minister for Workplace Relations and Safety has responsibility for the employment relations and standards system, and the health and safety at work regulatory system. These regulatory systems are critical in supporting businesses to employ skilled and productive people, ensuring work is healthy and safe, and providing fair employment opportunities. A well-functioning and high performing labour market relies on robust regulatory systems that encourage productivity and innovation, protect workers and support businesses, and maintain New Zealand's international brand as a reputable employer in export markets.
3. **The employment relations and standards regulatory system** sets the minimum standards of employment and provides a legislative structure to support productive relationships between employers, workers and their respective representatives. Minimum conditions provide a level playing field for businesses and ensure New Zealand's labour market operates in a way that would satisfy New Zealanders' expectations for the conduct of employment relationships. The system is focused on the way in which employers and employees relate to one another, and how breakdowns in this relationship are moderated and compliance is enforced. Recent significant work in the employment relations and standards system has included protecting employees from 'zero hours' contracts, strengthening the enforcement of minimum standards including addressing Holidays Act non-compliance, and progressing legislative changes to address pay inequities in female-dominated jobs.
4. There are around two million employees in New Zealand. The majority (91%) are full or part-time permanent employees and around 9% are in some form of temporary employment relationship (casual, seasonal, fixed term). Roughly 3% of employees (around 73,000) are paid the minimum wage. They are disproportionately likely to be young people, women, people without formal qualifications and Māori or Pacific peoples. These workers are also more likely to work in the hospitality and retail industries. Around 20% of employees are members of a union, mostly in public sector industries such as healthcare and education. There are around 155,000 employers in New Zealand and approximately 289,000 self-employed workers, who sit outside the employment relations and standards regulatory system. To support a well-functioning employment system, in the latest financial year the Ministry responded to over 93,000 employment-related telephone enquiries and around 6,600 employment mediation requests, and completed 770 investigations into compliance with minimum employment standards. The Employment Relations Authority issued over 750 determinations.
5. **The health and safety at work regulatory system** provides a balanced legislative framework to secure the health and safety of workers and workplaces, including duties, principles, and rights.

The health and safety at work regulatory system aims to increase awareness, knowledge and competence in managing work health and safety risks to reduce work-related harm in a way that is proportionate and balanced with regulatory costs. The framework is underpinned by regulations, Safe Work Instruments, Approved Codes of Practice, and guidance is focused on the areas of greatest risk, and supported by regulator activity. The health and safety at work legislative framework has been reformed and modernised significantly with the introduction of the *Health and Safety at Work Act 2015* in response to New Zealand's high work-related fatality, illness and injury rates. To support the new Act a suite of regulations have been introduced, and further critical risk areas are in need of review to ensure that the regulatory system is adequately addressing these.

6. The health and safety at work regulatory system contributes to reducing New Zealand's high rates of work-related death, serious injury, ill-health, and the risk of catastrophic events. There is evidence that good work practices, including health and safety, contribute to improved productivity. New Zealand's indicators that track work-related death and serious injury are worse than those in Australia and the United Kingdom, but are heading in the right direction with the latest 2016 data showing the lowest rates of fatal injury and serious non-fatal injuries to date.¹ It is difficult to monitor improvement in rates of work-related disease as there is often a long latency period between exposure and subsequent health effects, but it is estimated 600–900 people die from work-related diseases each year.
7. Some sectors have higher injury rates, including construction, forestry, agriculture and manufacturing; some employers need more support, including small and medium sized enterprises; and some workers are at greater risk, including Māori and Pasifika workers. There is early evidence that workplaces are improving their health and safety practices, with many seeing value in the new Act.
8. To play a role in supporting a high-functioning labour market, the parts of each regulatory system need to be operating well – it is not sufficient to have world class legislation in place, although this is critical given New Zealand's distance from world markets and size. The legislation needs to be well-enforced and protected by effective institutions. Further, participants in the system need to be appropriately supported to understand and perform their roles and responsibilities. For this reason, the Workplace Relations and Safety portfolio encompasses policy development and regulatory stewardship, as well as operational and enforcement matters. Given the dynamic nature of the business environment, as well as new technologies and shifting work practices, these systems need to be treated as 'living' and managed in a way that ensures they continue to deliver on their goals as the context changes.

¹ The 2016 data recently released by Statistics New Zealand shows 2.1 work-related fatal injuries per 100,000 full-time equivalent employees (FTEs), an average of 51 deaths each year, and 14.3 work-related serious non-fatal injuries per 100,000 FTEs, with 346 people suffering these injuries in 2016.

The current state of the labour market

9. Work is the main way that most people participate in and benefit from the success of a growing economy, and businesses need labour and skills to thrive. If we are to lift the economic and social wellbeing of New Zealanders through a growing economy, then we can grow employment levels or we can improve the productivity of the workforce.

Labour force participation is high, but there are challenges for productivity and wages

10. New Zealand has one of the highest rates of labour force participation in the OECD. Overall the labour market is successful at providing employment. However, a significant minority of people would like to work more, and some groups have relatively low participation rates. There is a risk that people who fail to enter the labour market (eg young people not in employment, education or training) or become separated from it (eg people who have suffered injury or have health issues or have been made redundant) will have poor long term outcomes. There are also significant differences in wages for certain groups. The gender pay gap persists and most research suggests that relatively little of the gender pay gap can be explained by observable differences between men and women.
11. In the longer term, participation rates may start to fall as the population ages, and there may be challenges keeping lower skilled workers in the labour market if jobs continue to become more skilled.
12. New Zealand has been somewhat less successful at lifting productivity, with lower productivity than many OECD and small advanced countries. Workers have high overall skill levels, and relatively high levels of literacy, numeracy and skills that support the ability to problem solve in technology-rich environments. Around 62 per cent of people are working in skilled occupations. However, high numbers of workers report a mismatch between their job and their skills/qualifications. At the same time, employers report difficulties finding the skills they need, and there are higher levels of migrant employment than previously. Some of this is a reflection of the nature of the economy, but there is undoubtedly an opportunity to make better use of labour and skills to raise productivity.
13. There has been growing concern internationally about inequality. Wage levels are relatively low in New Zealand, and nominal wage growth has remained relatively low since the Global Financial Crisis, although low rates of inflation have ensured real wage growth across the income distribution. Income inequality is above the OECD average, but has remained relatively flat since the mid-1990s. Nevertheless, some individuals and groups have persistently low incomes, and poorer outcomes that may persist across generations.

Labour market policy and regulatory settings are important

14. The government has a significant impact on the labour market, through labour market regulation, skills, economic development and innovation policies, through procurement and as a major employer. The Ministry of Business, Innovation and Employment (MBIE) is responsible for most of the regulation of the labour market (workplace relations and safety, immigration, accident compensation, and also a large number of specific individual occupations), and therefore has a very important regulatory stewardship role. It is important that regulation remains fit for purpose to support a well-functioning labour market that facilitates effective and

efficient matching, promotes innovation and supports good work outcomes. This includes supporting the economy to transform to higher productivity and higher wage industries over time, in ways which smooth the impacts for workers and businesses.

15. Good work health and safety legislation and practices support labour market participation and productivity by ensuring work is healthy and safe. This reduces the personal and social costs of harm arising from work, and means that businesses can access the skills and talent they need to grow.

The outlook for the future is positive, but there is a great deal of uncertainty

16. While economic forecasts suggest that the medium term economic outlook is positive, the government needs to consider the challenges and opportunities arising from a set of “global megatrends” that are already transforming the nature of work and workplaces. These global megatrends are technological change, globalisation, demographics and climate change.
17. Much has been written about these megatrends, but no-one can be sure what impact they will have. There has not been much evidence of significant change in New Zealand yet, but it cannot be assumed that this will remain the case. It is important to ensure that labour market systems are resilient and adaptable, and are designed in a way that they can cope with potential changes. For example, employment regulation should reflect changes in the nature of work (for example, the rise of non-standard and virtual work) and the potential for increased transitions between jobs. Likewise, the health and safety at work system should be responsive to new risks such as increased automation in the forestry industry which will result in changes in practice and risk profiles.
18. It is also important to focus on the positive opportunities that these trends may offer. MBIE has been working in partnership with sectors, regions and cities to jointly address their labour and skill needs in a way that provides opportunities for local workers and raises productivity. Many of the solutions will be at a system level and require buy-in from a range of stakeholders, not just central government.
19. In summary, the big challenges and opportunities across Workplace Relations and Safety and the other labour market portfolios are:
 - Ensuring that labour market settings facilitate a growing, more innovative and productive economy, which workers benefit from through rising wages
 - Keeping overall labour force participation high, and increasing it for people who want more work, and for those who struggle to stay in the labour market
 - Ensuring employment standards are met, including for migrants at risk of exploitation, and addressing employment practices intended to circumvent employment standards
 - Reducing inequalities in employment outcomes for different groups, with a key focus on closing the gender pay gap
 - Addressing skill mismatches and skill shortages, by getting the education and training, immigration and welfare systems working together effectively
 - Ensuring that the employment and work health and safety regulatory frameworks can adapt to technological and demographic changes, while continuing to keep workers safe and support business innovation and productivity

- Ensuring that workers have the skills they will need into the future
- Working with sectors, regions and cities to develop agreed and sustainable solutions to labour and skill needs.

2. Portfolio responsibilities

Your responsibilities

20. The Minister for Workplace Relations and Safety is responsible for:
- the health and safety at work regulatory system
 - the employment relations and standards regulatory system, including the over-arching employment relations framework and prescribed minimum standards, such as the minimum wage and holiday entitlements.

Legislative responsibilities

21. The Minister for Workplace Relations and Safety is responsible for the following key pieces of legislation:
- the Health and Safety at Work Act 2015
 - the Employment Relations Act 2000
 - employment standards legislation, including the Minimum Wage Act 1983, Holidays Act 2003 and the Parental Leave and Employment Protection Act 1987.
22. More details about the legislation you are responsible for can be found in Annex 1.

Crown entities

23. The Minister for Workplace Relations and Safety is responsible for WorkSafe New Zealand. Further information on WorkSafe is set out in Annex 2.

Other institutions

24. The Minister for Workplace Relations and Safety is also responsible for:
- recommending appointments of members of the Employment Relations Authority and the Remuneration Authority to the Governor-General
 - nominating trustees for the Equal Employment Opportunities Trust
 - acting as chair of the Industrial Relations Foundation.
25. Further information on relevant institutions is attached in Annex 2.

Vote Labour Market

26. You are responsible for appropriations that fall within Vote Labour Market, totalling \$164.1m in 2017/18. The other appropriations within Vote Labour Market are the responsibilities of:
- the Minister of Immigration
 - the Minister for Tertiary Education, Skills and Employment
 - the Minister for ACC
27. More information about departmental funds and appropriations, contestable funds and trusts, and the Health and Safety at Work Levy is provided in Annex 3.

International Labour Organisation Conventions

28. As Minister for Workplace Relations and Safety, you are also responsible for the relationship between New Zealand and the International Labour Organisation (ILO). The ILO is a tripartite (government, worker and employer) United Nations agency of 187 member states. It was established to promote fundamental labour rights, encourage employment opportunities and decent work, promote social protection and encourage social dialogue on work-related issues. More information about the ILO is in Annex 2, including ILO conventions that New Zealand has ratified.

3. Major links with other portfolios

29. You are likely to be a key member of Ministerial groupings overseeing the government’s economic and labour market strategies. MBIE will support you in your role on any relevant Cabinet Committees and Ministerial groups.
30. Links between your portfolio and some of the other key portfolios are set out in the figure below. Dark blue circles indicate MBIE portfolios.



4. How MBIE supports you


Employment Relations and Standards System






31. All of the policy and operational functions of the employment relations and standards system are contained within MBIE. Some of the key roles and responsibilities are:
- the Labour and Immigration Policy Branch (part of MBIE’s Labour, Science and Enterprise Group) provides policy advice on the regulatory regime and broader labour market issues
 - the Employment Services Branch (part of MBIE’s Market Services Group) comprises all the operational functions, which is made up of:
 - the Labour Inspectorate, which enforces minimum standards
 - Resolution Services, which assists employers and employees to resolve employment disputes
 - the MBIE Service Centre and information and education functions which support the public to understand the law and address low level issues
 - support for the Employment Relations Authority and the Remuneration Authority (the Employment Court is administered within the Justice portfolio).

Health and Safety at Work System

32. MBIE works closely with WorkSafe in the stewardship of the health and safety at work system and energy safety:
- the Labour and Immigration Policy Branch of MBIE provides primary policy advice on the legislation and regulations, and policy and strategic advice on the design and overall performance of the health and safety at work system and energy safety
 - MBIE also monitors WorkSafe as a crown entity, as the primary health and safety at work and energy safety regulator, and its leadership role in the health and safety at work system.

Key MBIE officials

Contact	Role	Priority Area	Contact details
<p>Carolyn Tremain</p> 	<p>Chief Executive, Ministry of Business, Innovation and Employment</p>	<p>All</p>	<p>E Carolyn.Tremain@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act</p>

Contact	Role	Priority Area	Contact details
<p>Paul Stocks</p> 	Deputy Chief Executive, Labour Science and Enterprise	The Labour, Science and Enterprise Group works with people, businesses, regions, and the science, innovation and education systems to help the country and New Zealanders to be successful.	E Paul.Stocks@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act
<p>Ruth Isaac</p> 	General Manager, Labour and Immigration Policy, Labour Science and Enterprise	The Labour and Immigration Policy Branch provides policy and regulatory advice in relation to employment relations and standards, health and safety at work, accident compensation, immigration, and skills and employment.	E Ruth.Isaac@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act
<p>Greg Patchell</p> 	Deputy Chief Executive, Market Services	Market Services Group works with businesses, employees and consumers to help them operate successfully in the market place.	E Greg.Patchell@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act
<p>George Mason</p> 	General Manager, Employment Services, Market Services	Employment Services provide employment dispute resolution services, regulates minimum employment standards through the Labour Inspectorate and provides employer systems and assurance.	E George.Mason@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act
<p>Michael Bird</p> 	General Manager, Entity Performance and Investment	The Entity Performance and Investment branch supports you in your oversight and ownership responsibilities for WorkSafe, including Board appointments.	E Michael.Bird@mbie.govt.nz Information withheld consistent with section 9(2)(a) of the Official Information Act

5. Stewardship of the Workplace Relations and Safety regulatory systems

33. The Government expects government departments to invest in maintaining the quality of the regulation they are responsible for in a similar way to other key assets which departments are responsible for. To help achieve this, in 2013 the State Sector Act 1988 was amended to make chief executives of departments explicitly responsible for the stewardship of the legislation administered by the department. Cabinet guidance notes that stewardship involves taking a long term view to ensure that regulation is fit for purpose in the future. It includes a focus on the implementation of regulation as well as policy.
34. MBIE has developed a programme of work to meet its regulatory stewardship obligations in respect of its 16 regulatory systems. The work includes periodic assessments of each MBIE regulatory system to help ensure that MBIE has a good understanding of its fitness for purpose, even where a major policy review hasn't recently been undertaken. MBIE's latest Regulatory Stewardship Strategy, published in August 2017, describes MBIE's regulatory stewardship programme in more detail. The areas of relevance to the Workplace Relations and Safety portfolio are:
- **the employment relations and standards regulatory system** – overall, the employment relations and standards regulatory system is considered to be meeting its objectives, although some changes are likely to be required to respond to the changing nature of business and employment, and compliance with minimum standards remains a priority
 - **the health and safety at work regulatory system** - the health and safety at work regulatory system is undergoing significant reform, and the report highlights the need for ongoing monitoring and evaluation to ensure that the reforms are achieving their desired outcomes, and that the regulatory system is further refined to ensure it is managing key risks well.
35. There are known current issues to address in each of these systems. Also, the environment is constantly changing and we need to be alert to the impacts of regulation that isn't well-functioning or is no longer fit-for-purpose. There is a need for ongoing monitoring and evaluation to ensure the objectives of these regulatory systems are being achieved.
36. The Minister of Energy and Resources is the Minister responsible for the *Gas Act 1992* and *Electricity Act 1992* and associated regulations. WorkSafe is the regulator for the safe supply and use of gas and electricity under these Acts. MBIE is the lead policy advisor for the energy regulatory system, including energy safety (which includes elements of public and worker safety and the prevention of property damage). This overlaps with the work health and safety aspects of your portfolio. It will be useful to discuss how Ministers will work together on these issues.

How the employment relations and standards regulatory system works

37. The focus of the employment relations and standards regulatory system is on the relationship between employers and workers. The relationships between these parties are shaped by the actions of a set of employment relations institutions.
38. MBIE (through the chief executive) has statutory functions to promote the objectives of the Employment Relations Act 2000 by, among other things:
- providing information and advice about employment relationships
 - promoting the effective resolution of employment relationship problems by providing problem and dispute resolution services
 - publishing information, reports, and guidelines about employment relationships
 - publishing comments about employment relationship matters in relation to particular persons
 - maintaining a strategy for promoting compliance with, and enforcement of, employment standards legislation
 - performing any other functions and duties under employment standards legislation.
39. MBIE performs some of its statutory functions through Employment Services, which includes the Labour Inspectorate, mediation and dispute resolution services, and information and education. MBIE also provides general information about the operation of the system, the underpinning statutory framework, and runs specific campaigns around changes to the system. MBIE provides this information in a number of ways including via the web, contact centre and media campaigns. Third parties also play an important role, sometimes with MBIE's assistance. MBIE also provides the employment agreement builder which guides employers through the steps to create an agreement for each employee, and the workplace policy builder which makes it easy for employers to create workplace policies on flexible work, IT and social media, and leave and holidays. Employers can tailor the agreements and policies to suit the needs of their business. Finally, the Registrar of Unions is a statutory officer who is an MBIE employee.
40. In addition, the Employment Relations Act provides for the following statutory institutions:

Institution	Role
Employment Relations Authority	<p>An investigative body that has the role of resolving employment relationship problems by establishing the facts and making a determination according to the substantial merits of the case, without regard to technicalities. The Authority also ensures recorded settlements are complied with.</p> <p>The Authority is established by Part 10 of the Employment Relations Act. MBIE provides administrative support for the Authority. Your role in relation to the appointment of members is described in Annex 2.</p>
Employment Court	<p>Exclusive jurisdiction and corresponding powers to deal with a range of employment related matters, including hearing matters previously determined by the Authority. The Employment Court is established by Part 10 of the ER Act.</p>

How the health and safety at work regulatory system works

41. The health and safety at work regulatory system provides a balanced legislative framework to secure the health and safety of workers and workplaces, including duties, principles, and rights. The health and safety at work system has a number of components, including:
- the regulatory framework, including the *Health and Safety at Work Act 2015* and associated regulations, Approved Codes of Practice, Safe Work Instruments, and guidance
 - leadership, strategy and coordination, including between MBIE, WorkSafe, the primary work health and safety regulator, and Maritime New Zealand and the Civil Aviation Authority as designated work health and safety regulators
 - a tripartite approach, with government, workers and businesses working together to improve work health and safety outcomes
 - capacity and capability building, including information and education
 - injury prevention, in conjunction with the Accident Compensation Corporation
 - incentives to comply with statutory obligations, including regulator and court powers.
42. The health and safety at work regulatory system aims to increase awareness, knowledge and competence in managing work health and safety risks to reduce work-related harm. The Act's performance-based general duties ensure broad coverage of New Zealand's work and workplaces. Advantages of the broad nature of these general duties are that they do not quickly date, they support innovation and they provide flexibility. The duties are underpinned by industry- or hazard-specific regulations, Approved Codes of Practice and guidance where further clarity is required, particularly in areas of high risk.
43. The health and safety at work regulatory system is undergoing significant reform with the introduction in April 2016 of the new *Health and Safety at Work Act 2015*, based on the Australian Model Law, and an initial suite of regulations. The *Health and Safety at Work Act 2015* focuses effort on what matters, based on the risk and harm arising from the work, by:
- shifting from hazard spotting to managing critical risks – taking action to reduce work-related harm rather than focusing on trivial hazards
 - introducing the “reasonably practicable” concept – focusing attention on what's reasonable for a duty holder to do
 - reinforcing proportionality – what a duty holder needs to do depends on the level of risk and what they can control
 - changing the focus from the physical workplace to the conduct of work
 - clarifying duty holders and their duties, including for officers eg company directors
 - supporting and promoting more effective worker engagement, participation and representation to improve work health and safety outcomes.
44. MBIE provides primary policy advice on the legislation and regulations, and policy and strategic advice on the design and overall performance of the work health and safety system.
45. WorkSafe, as the primary work health and safety regulator, provides leadership in implementing the work health and safety system, including developing Safe Work Instruments and Approved Codes of Practice, and providing information and guidance. WorkSafe undertakes workplace

assessments and investigations to encourage improved work health and safety and to monitor compliance; it supports duty-holders to undertake self-reviews of their work health and safety practice; and it takes enforcement action where appropriate for serious work health and safety failures (eg issuing improvement, prohibition and infringement notices, and taking prosecutions).

46. WorkSafe works jointly with the Civil Aviation Authority and Maritime New Zealand, which are designated as the health and safety regulators for the aviation and maritime sectors. WorkSafe also works closely with the New Zealand Police, particularly the Commercial Vehicle Investigation Unit, regarding on-road work health and safety. WorkSafe partners with the Accident Compensation Corporation in coordinating injury prevention activity, and with the Environmental Protection Authority in the management of hazardous substances.

6. Upcoming actions and decisions

47. This section provides an overview of some of the upcoming actions and decisions you will need to make. MBIE will seek direction from you at a later date on the next steps for other matters on the work programme.

Key decisions and appointments

Topic	Description	Driver	Timing
Things that are going to happen			
Minimum Wage Review	<p>MBIE will begin work on implementing the coalition agreement to increase the minimum wage to \$16.50. This does not require legislative change but can be achieved through an Order in Council. We will need to discuss your wishes regarding the starting out and training minimum wages, which can also be set (or removed) through Order in Council.</p> <p>In November we intend to provide you with a briefing that provides information on the impact of increasing the minimum wage to \$16.50, and seeks your decisions on starting out and training minimum wages. We will then be able to provide you with a draft Cabinet paper to implement your decisions by the end of November.</p> <p>We would also like to have a conversation with you about planning for future increases to the minimum wage, and the basis on which it is set.</p>	Statutory requirement and Government priority	MBIE will brief you on the impacts of increasing the minimum wage in November 2017 and then provide you with a cabinet paper to seek agreement to make an Order in Council.
Health and Safety at Work Strategy	<p>The <i>Health and Safety at Work Act 2015</i> (the Act) requires you to publish a Health and Safety at Work Strategy (the Strategy) that sets out the Government's overall direction in improving the health and safety of workers. This Strategy will:</p> <ol style="list-style-type: none"> 1. identify any significant issues relating to capacity or capability in the work health and safety system and any plan for addressing the issues; 2. take account of ACC's injury prevention priorities; and 3. be developed by a process that involves consultation with regulatory agencies and other persons who have an interest in work health and safety in New Zealand or with organisations representing those persons. <p>Since early 2017, MBIE and WorkSafe have been engaging stakeholders in the development of the Strategy, identifying potential shared priorities to drive a system-wide approach to lifting work health and safety performance.</p> <p>There has been general agreement from key stakeholders that there needs to be shared ownership of a system-wide strategy that signals the future of work health and safety performance and provides clear, coherent direction for all stakeholders within the system. Key stakeholders, including worker and business</p>	Statutory requirement	In November 2017 MBIE and WorkSafe will seek decisions from you on a draft framework for the Strategy, the consultation approach, and timeframes, in order to finalise the content for public engagement in early 2018.

	<p>representatives, have been highly engaged, with key framework elements taking shape.</p> <p>Alongside the Strategy, MBIE and WorkSafe are developing a system outcomes framework and indicators to measure performance.</p> <p>The Act requires reasonable efforts to publish the Strategy by April 2018. To allow for deeper engagement with stakeholders and public consultation, the previous Minister for Workplace Relations and Safety agreed to move the timeframes to seek Cabinet approval of the Strategy in June 2018, following public consultation in early 2018.</p>		
WorkSafe Board appointment	The term of the WorkSafe Board Chair expires in March 2018. Professor Gregor Coster has chaired the Board since 2013 and was reappointed in December 2016.	Appointment (statutory)	MBIE will provide you with advice on options in November 2017 .
Employment Relations Authority Members appointments	The warrants of three members are due to expire between June and August 2018. The recruitment process usually takes 4-6 months.	Appointment (statutory)	MBIE will provide you with advice and options on the recruitment process by January 2018 .
October Baseline Update (OBU)	The October Baseline Update is an in-year revision of the Budget, where variances against the previous set of forecasts are charged against the operating allowance. You will be asked to sign a 2017 October Baseline Update submission for the Workplace Relations and Safety related appropriations within Vote Labour Market, before submission to the Minister of Finance. This is a technical document. MBIE officials will be available to provide advice or discuss OBU at your convenience.	Budget	You will receive a copy of OBU in November 2017 .
Budget 2018 bids	As part of Treasury's budget process, all departments provide bids for funding new or expanded programmes. We will provide you with advice on options for budget bids, and would like to have an early conversation with you about your priorities and plans for Budget 2018.	Budget	MBIE will provide you with a briefing in November 2017 .
General Survey report to the International Labour Organisation (ILO)	All ILO member States are required to complete and submit an annual General Survey, following consultation with worker and employer organisations. The Survey theme this year is Social Protection Floors. We will seek your agreement on the draft report for consultation with the New Zealand Council of Trade Unions and BusinessNZ.	International obligation	MBIE will provide you with a briefing and draft report in November 2017 .

Things currently scheduled to happen			
<p>Pay equity</p>	<p>Following the <i>Terranova Homes & Care Ltd v Service and Food Workers Union</i> case in 2014, which upheld that the Equal Pay Act 1972 allowed for pay equity, MBIE has been working to develop a new legislative framework to effectively facilitate pay equity claims.</p> <p>The Employment (Pay Equity and Equal Pay) Bill is designed to implement the recommendations of the Joint Working Group on Pay Equity Principles, and was introduced to Parliament on 26 July 2017. The Bill is currently open for select committee submissions until 1 November 2017.</p> <p>Alongside the Bill, MBIE is also developing tools and guidance to assist parties to navigate the pay equity claims process set out in the Joint Working Group Principles and in the Bill. This includes developing a code of employment practice to provide clarification to parties, publishing pay equity data to ensure the availability of evidence to make a pay equity claim, and an assessment tool to scope the work subject to a claim.</p> <p>A number of Equal Pay Act claims have already been filed in the Employment Relations Authority for pay equity against state sector and government funded employers. Further claims have been raised with employers but have not been formally filed. Unions and government agencies involved are currently working through an agreed process to address these claims by applying the Joint Working Group Principles.</p> <p>MBIE looks forward to engaging with you on pay equity policy as reflected in your manifesto commitments. The Ministry considers that it is important to ensure that there is a clear and workable pay equity legislative framework in order to give state sector agencies and affected employees clarity to confidently assess and settle current claims and deal with newly arising claims. These claims will influence potential claims across the economy and may prompt further pay equity claims in the private sector.</p>	<p>Government Bill</p>	<p>MBIE will provide further information and seek your decision on the status of the Bill in November 2017.</p>
<p>Minor fixes to hazardous substances regulations</p>	<p>The <i>Health and Safety at Work (Hazardous Substances) Regulations 2017</i> were made in June 2017 and come into effect on 1 December 2017. These regulations consolidate, update, and transfer into the health and safety at work regime the workplace requirements for hazardous substances. These are currently contained in 15 sets of regulations, nine transfer notices, 210 group standards, and about 1,500 individual approvals under the <i>Hazardous Substances and New Organisms Act 1996</i>.</p> <p>Since the regulations were made, a number of small, technical errors have been identified that need to be addressed before the regulations come into force from 1 December 2017 [EGI Min (15) 4/13 refers].</p>	<p>Cabinet report back</p>	<p>Approval to submit these changes to Cabinet will be sought in November 2017.</p>

<p>Further reforming the work health and safety regulatory framework</p>	<p>To keep reducing New Zealand’s rates of work-related fatalities and injuries, which lag behind those in Australia and the UK, further reform is needed on the health and safety at work regulatory framework. This will help maintain momentum on improving health and safety outcomes, by focusing on the biggest risk areas and sectors.</p> <p>To be most effective, the Act needs to be supported by a comprehensive suite of regulations that manage specific critical risks, to provide confidence in high risk sectors and reduce significant harm. Further work is needed on key risk areas with outdated regulations or gaps to ensure these risks are appropriately managed. These include workplace machinery and high risk equipment, boilers, cranes, work-related noise, and working at heights. These gaps result in poor risk management, over-compliance, or poor health and safety outcomes. They can also result in negative perceptions of the regulatory framework, and distract from the focus on addressing the core drivers of poor work health and safety. The balance between improving health and safety outcomes and regulatory costs also needs to be continuously managed.</p> <p>This work will further consolidate, update and improve regulations, and remove unnecessary ones to ensure the regulatory framework is effective and proportionate to the level of risk. It also aims to ensure the regulatory environment is simple and easy to understand, and targeted to the areas that will make the largest difference to New Zealand’s health and safety.</p> <p>As this is a significant multi-year work programme, MBIE will engage with you early to test priorities and direction.</p>	<p>Agency briefing</p>	<p>MBIE will brief you on the purpose, scope and timing for this work and seek your direction on progressing it in December 2017.</p>
<p>Things to be aware of</p>			
<p>The <i>Holidays Act</i> and payroll compliance</p>	<p>It has become increasingly apparent over recent years that non-compliance with the <i>Holidays Act 2003</i> is widespread. There are a number of contributing factors – both legislative and non-legislative – to this non-compliance.</p> <p>To date, the focus of MBIE’s work has been on remediation of historical underpayments of holidays and leave entitlements, and improving compliance through better implementation of the current Act. The Labour Inspectorate has set up a dedicated Payroll Team implementing a payroll strategy that has three components – an extensive stakeholder engagement programme addressing end-to-end payroll system and processes; better provision of information and education; and audits and investigations to uncover issues, remediate historical underpayments, and rectify systems for future compliance.</p> <p>Information withheld consistent with section 9(2)(f)(iv) of the Official Information Act</p>	<p>Agency briefing</p>	<p>MBIE will provide further information in November 2017.</p>

	Information withheld consistent with section 9(2)(f)(iv) of the Official Information Act		

Members’ Bills before Parliament

- 48. Parliamentary business before the House or its committees lapses on the dissolution or expiration of that Parliament, but may be reinstated in the next session of Parliament by a resolution of the House. Past practice has been for Parliament to reinstate all business, with subsequent decisions to amend or withdraw Government Bills, or adopt Members’ Bills as Government Bills.
- 49. The following legislation within your portfolio lapsed following the dissolution of the 51st Parliament in August 2017. MBIE is available to advise you further on these matters.

Title	Description	Status	Next steps
Domestic Violence – Victims’ Protection Bill Member’s Bill sponsored by Jan Logie	The Bill aims to enhance legal protections for victims of domestic violence in the workplace. The Bill relates to Workplace Relations and Safety by creating domestic violence leave entitlements under the <i>Holidays Act 2003</i> , specifying rights to request flexible working arrangements under the <i>Employment Relations Act 2000</i> , and amending the <i>Health and Safety at Work Act 2015</i> to require employers to	At select committee. Oral submissions have been heard by the previous Committee, and an initial briefing was presented. An independent advisor was appointed; Judge Coral Shaw.	You may wish to make a Government decision on the Bill, or part of it, in which case officials can present Government policy in the departmental report. MBIE will provide your office with a draft copy of any

	have a domestic violence policy and provide training to health and safety representatives.		departmental report for approval.
<p>Employment Relations (Allowing Higher Earners to Contract Out of Personal Grievance Provisions) Amendment Bill</p> <p>Member's Bill sponsored by Brett Hudson</p>	<p>The Bill proposes to amend the <i>Employment Relations Act 2000</i> to allow an employer and employee to contract out of personal grievance provisions if the employee is to be on an individual employment agreement with an annual gross salary of more than \$150,000.</p> <p>The Bill is intended to provide for smoother transitions out of the employment relationship for senior employees to reduce costs and the risk of protracted employment disputes.</p>	<p>Awaiting second reading. The Bill was considered by the Transport and Industrial Relations Committee and was reported back to the House with amendments to limit the original scope of the Bill and to be clearer about when and how the contracting out provisions would apply.</p>	<p>MBIE can provide a more detailed briefing on this Bill if you require. MBIE's departmental report on the Bill is now also publically available.</p>
<p>Employment Relations (Restoring Kiwis' Right to a Break at Work) Amendment Bill</p> <p>Member's Bill sponsored by Sue Moroney</p>	<p>The Bill proposes to repeal changes made in 2014 to the <i>Employment Relations Act's</i> rest and meal break provisions, and reinstate specific requirements around the provision of breaks.</p>	<p>Awaiting first reading.</p>	<p>MBIE can provide a more detailed briefing on this Bill if you require.</p>

Annex 1: Relevant legislation

The Minister for Workplace Relations and Safety is responsible for the following Acts and the regulations that sit under them.

Employment relations and standards regulatory system

Employment Relations Act 2000

Regulates relationships between employees, employers and unions, including promoting good faith, fair process and collective bargaining. Sets out dispute resolution processes and the provision of mediation services, governs personal grievances and establishes the Employment Relations Authority and Employment Court. Also establishes Labour Inspectors to monitor and enforce compliance with employment standards.

Minimum Wage Act 1983

Prescribes minimum wages for all employees (including starting-out and training minimum wages), and establishes a process for reviewing the minimum wages annually.

Holidays Act 2003

Provides all employees with the right to paid days of leave and annual holidays for the purposes of rest and recreation, observance of significant days, and for when an employee is unable to attend work due to an illness or a bereavement. Sets out how employees are to be paid for their leave, and requires employers to keep records of hours and wages.

Parental Leave and Employment Protection Act 1987

Provides parents who are employees or are self-employed with entitlements to paid or unpaid time off work, and job-protected extended leave.

Shop Trading Hours Act 1990

Restricts the days on which certain shops can trade or be open.

Equal Pay Act 1972

Establishes the right to equal pay for male and female employees.

Remuneration Authority Act 1977

Creates the Remuneration Authority to set the pay for key office holders such as Judges and Members of Parliament.

Wages Protection Act 1983

Sets out how wages are to be paid to an employee and prohibits employers from making unlawful deductions.

Sharemilking Agreements Act 1937

Establishes minimum conditions for sharemilkers.

Trade Unions Act 1908

Sets out some requirements for trade unions to operate, including requiring a registry of unions to be kept.

Volunteers Employment Protection Act 1973

Protects the employment status of employees who take leave from their work for the purposes of voluntary service or training in the Armed Forces

Union Representatives Education Leave Act Repeal Act 1992

This Act repeals the *Union Representatives Education Leave Act 1986*, which guaranteed a certain number of days of leave for union members to attend education or training.

Regulations
Employment Relations Authority Regulations 2000
Employment Relations (Prescribed Matters) Regulations 2000
Employment Court Regulations 2000
Minimum Wage Order 2016
Parental Leave and Employment Protection Regulations 2002
Sharemilking Agreements Order 2011

Annual requirements

You must review minimum wage rates in each year ending on 31 December under the *Minimum Wage Act 1983*. Following the review you may, in that year or subsequently, make recommendations to the Governor-General regarding the adjustments that should be made to that minimum rate.

Under the *Parental Leave and Employment Protection Act 1987*, parental leave payment rates are adjusted from 1 July each year in accordance with a formula in the Act (based on wage growth). You are required to publish the adjusted rates for employees and the rates set for self-employed persons.

Health and safety at work regulatory system

Health and Safety at Work Act 2015

Places duties on businesses, their officers (eg company directors), and workers to protect workers and other persons against harm to their health, safety and welfare by managing the risks arising from work. Provides for work health and safety engagement, participation and representation, consultation, and issue resolution. Promotes the provision of advice, information, education and training for work health and safety, and provides for compliance and enforcement measures.

Mines Rescue Act 2013

Provides for a co-ordinated response to mine emergencies, and establishes the Mines Rescue Trust.

WorkSafe New Zealand Act 2013

Establishes WorkSafe, to promote and contribute to securing the health and safety of workers and workplaces. Provides for its functions and governance arrangements.

Regulations made under the <i>Health and Safety at Work Act</i>
Health and Safety at Work (General Risk and Workplace Management) Regulations 2016
Health and Safety at Work (Worker Engagement, Participation, and Representation) Regulations 2016
Health and Safety at Work (Asbestos) Regulations 2016
Health and Safety at Work (Adventure Activities) Regulations 2016
Health and Safety at Work (Major Hazard Facilities) Regulations 2016
Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016
Health and Safety at Work (Petroleum Exploration and Extraction) Regulations 2016
Health and Safety at Work (Rates of Funding Levy) Regulations 2016
Health and Safety at Work (Infringement Offences and Fees) Regulations 2016
Health and Safety at Work (Hazardous Substances) Regulations 2017
Regulations saved by the <i>Health and Safety at Work Act</i>
Health and Safety in Employment Regulations 1995
Health and Safety in Employment (Pipelines) Regulations 1999
Health and Safety in Employment (Pressure Equipment, Cranes, and Passenger Ropeways) Regulations 1999
Amusement Devices Regulations 1978 (made under the <i>Machinery Act 1950</i>)
Spray Coating Regulations 1962 (made under the <i>Health Act 1956</i>)
Lead Process Regulations 1950 (made under the <i>Health Act 1956</i>)
Geothermal Energy Regulations 1961 (made under the <i>Geothermal Energy Act 1953</i>)
Other regulations
Mines Rescue (Levy) Regulations 2014 (made under the <i>Mines Rescue Act 2014</i>)

Annex 2: Crown entities, institutions and statutory bodies, and international bodies

The institutions and statutory and advisory bodies associated with the portfolio are:

- WorkSafe New Zealand (WorkSafe)
- Employment Relations Authority (ERA)
- Remuneration Authority (the Authority)
- Mines Rescue Trust (the Trust)
- Equal Employment Opportunities Trust (the EEO Trust)

Each entity is discussed below. MBIE provides you with support in your monitoring of these entities.

WorkSafe New Zealand

The Minister for Workplace Relations and Safety must appoint between five and nine board members. The appointment process typically takes between three and six months. When appointing a member of the board, the Minister must have regard to the need to ensure that WorkSafe has among its members persons who collectively have knowledge and experience of, and capability in, the following:

- public sector governance
- central government processes
- New Zealand's work health and safety environment, including workplace illness and occupational disease
- perspectives of workers
- perspectives of employers
- administration of work health and safety legislation and risk management frameworks
- business generally.

The Minister may not appoint any member of the board unless the Minister has first publicised an invitation for nominations from interested parties and considered any nominations received. More detailed information about WorkSafe will be provided in its briefing to you.

Members of the WorkSafe Board		
	Date of original appointment	Expiry date of present term
Professor Gregor Coster (Chair)	16 December 2013	15 March 2018
Ross Wilson (Deputy Chair)	16 December 2013	15 December 2019
Mrs Paula Rose	16 December 2013	29 May 2019
Mr Chris Ellis	16 December 2013	15 June 2019
Dr Jan White	30 May 2016	29 May 2018
Mr Stephen Reindler	16 December 2016	15 December 2019
Ms Nikki Davies-Colley	16 December 2016	15 December 2019

Employment Relations Authority

The ERA is an investigative body with the role of resolving and making determinations about employment relationship problems that cannot be solved through mediation or other means. The ERA is funded for 18 members and has offices in Auckland, Wellington, and Christchurch, and members travel when required. MBIE provides support to the ERA. The Authority is currently comprised of 17 members (including the Chief), all of whom are full time.

Section 167 of the Employment Relations Act 2000 provides for appointment of members to the Authority by the Governor-General on your recommendation as the Minister for Workplace Relations and Safety. Section 169 of the Act provides that members of the Authority are appointed for terms of up to four years, and are eligible for reappointment from time to time

Members of the Employment Relations Authority			
	Location	Date of original appointment	Expiry date of present term
Jim Crichton (Chief)	Auckland	22 September 2004	21 August 2019
David Appleton	Christchurch	24 August 2011	30 June 2018
Robin Arthur	Auckland	29 July 2013	3 February 2021
Vicki Campbell	Auckland	1 August 2014	21 August 2018
Nicola Craig	Auckland	12 October 2015	11 October 2018
Andrew Dallas	Auckland	2 November 2015	1 November 2018
Helen Doyle	Christchurch	19 November 2001	18 December 2020
Anna Fitzgibbon	Auckland	23 April 2012	21 August 2019
Christine Hickey	Christchurch	23 April 2012	21 August 2019
Rachel Larmer	Auckland	1 July 2010	3 February 2021
Mike Loftus	Wellington	1 June 2010	3 February 2021
Trish MacKinnon	Wellington	9 July 2012	21 August 2019
Eleanor Robinson	Auckland	1 July 2010	3 February 2021
Michelle Ryan	Wellington	24 August 2011	30 June 2018
Tania Tetitaha	Auckland	9 July 2012	21 August 2019
Jenni-Maree Trotman	Auckland	15 March 2017	14 March 2020
Peter van Keulen	Christchurch	9 July 2012	21 August 2019

Remuneration Authority

The Remuneration Authority is responsible for annually considering and determining the salaries and allowances of Members of the House of Representatives and the Judiciary, the remuneration and principal allowances for specified Statutory Officers, and the remuneration, allowances and expenses for Chairpersons and Members of Local Authorities and Community Boards.

The Authority is comprised of a Chair and two members, all of whom are part time.

Members of the Remuneration Authority			
	Location	Date of original appointment	Expiry date of present term
Hon Fran Wilde (Chair)	Wellington	1 December 2015	31 October 2018
Geoff Summers	Wellington	5 January 2016	30 June 2019
Len Cook	Wellington	28 October 2016	2 October 2019

The Mines Rescue Trust

The Mines Rescue Trust (the Trust) provides specialist emergency rescue services for coal mines, underground metalliferous mines, and long tunnels.

The Trust is not a Crown Entity. It is a charitable trust that is also recognised by the Minister for Workplace Relations and Safety under the *Mines Rescue Act 2013* (the Act). The Act sets out statutory functions to assist mining operations with emergency planning, to train and equip special mines rescue brigades, and to deploy those brigades in the event of an emergency. The Act and accompanying Mines Rescue (Levy) Regulations 2014 provide an industry levy to fund the functions. The Trust is governed by a board that represents levy payers as specified in the Act. Each group of levy payers nominates their representative (they are not appointed by the Minister). The required members are:

- one person appointed by WorkSafe (non-voting member)
- two who represent mine operators of underground coal mines
- one who represents mine operators of opencast coal mines
- one who represents mine operators of underground metalliferous mines
- one who represents tunnelling operators, and
- one from the Engineering, Printing and Manufacturing Union.

In addition, the Trust can appoint additional members as required (there are two currently).

Members of the Mines Rescue Trust Board	
	Organisation
Joe Edwards	McConnell Dowell (Chair)
Paul Hunt	Solid Energy NZ
Andrew Holley	Roa Mine
Richard Tacon	Bathurst Resources
Kevin Pattinson	OceanaGold
Alison Paul	OceanaGold
Garth Elliott	E tū Union
David Bellett	WorkSafe (Deputy Chief Inspector Extractives)

MBIE administers the legislative framework governing the Trust and its levy. WorkSafe's High Hazards Unit has a close operational relationship with the Trust.

Equal Employment Opportunities Trust

The Equal Employment Opportunities (EEO) Trust is a charitable trust that was established jointly by the government and private sector employers in 1992. The aim of the EEO Trust is the voluntary promotion of equal employment opportunities to employers as good business practice.

The EEO Trust is governed by Trustees representing the private and public sectors. The five private sector trustees are elected by EEO Trust members and the four public sector trustees are nominated by the Minister for Workplace Relations and Safety and the Minister for Women.

MBIE completed a review of the funding of the Trust in 2015, which did not recommend any changes to current funding levels but did recommend an increased focus on reaching a broader audience. The EEO Trust now operates as Diversity Works NZ.

Name	Organisation
Private Sector Trustees	
Chris Litchfield	Coca Cola Amatil
Kylie Mooney	Meredith Connell
John Christie	Enterprise Dunedin
Adrienne Lee Miller	Watercare
Ranjana Patel	Nirvana Health Group
Public Sector Trustees	
Helene Quilter	Ministry of Defence
Michele Hippolite	Te Puni Kōkiri
Naomi Ferguson	Inland Revenue
Debbie Power	State Services Commission

International Labour Organisation Conventions

As Minister for Workplace Relations and Safety, you are also responsible for the relationship between New Zealand and the International Labour Organisation (ILO). The ILO is a United Nations agency of 187 member states, established to promote fundamental labour rights, encourage employment opportunities and decent work, promote social protection and encourage social dialogue on work-related issues. ILO membership involves regular interactions between the Government, Business New Zealand and the Council of Trade Unions.

The ILO oversees a body of International Labour Standards. These instruments can be Conventions, which are legally binding international treaties that may be ratified by member states.

New Zealand has ratified 61 out of 190 ILO Conventions, and subsequently renounced 18, leaving 43 in force. Eight “fundamental” Conventions that deal with core labour rights are required to be upheld and reported on by member states even if they have not ratified them². These are:

- Convention 29 - Forced Labour
- Convention 87 - Freedom of Association
- Convention 98 - Right to Organise and Collective Bargaining
- Convention 100 - Equal Remuneration
- Convention 105 - Abolition of Forced Labour
- Convention 111 - Discrimination (Employment and Occupational)
- Convention 138 - Minimum Age
- Convention 182 - Worst Forms of Child Labour

Once members ratify a Convention this commits them to observe its provisions in national law and practice, report regularly on its application, and be accountable under the ILO supervisory system for any alleged breaches.

² New Zealand has ratified six of these Conventions, but has not ratified Conventions 87 or 138. In terms of minimum age, the current range of protections and restrictions on young people’s work (mainly regulated by a combination of education and work health and safety legislation) has been seen as preferable to legislating for a single minimum age. In terms of Convention 87, New Zealand has embedded the rights of freedom of association in its employment legislation, but our legislation does not strictly comply with the way in which the ILO has chosen to interpret the Convention in terms of supporting secondary strike action and strike action on economic, social and political grounds.

Annex 3: Funds and appropriations

Vote Labour Market: Budget Structure

Five Ministers are responsible for appropriations in Vote Labour Market. For 2017/18:

1. The **Minister for ACC** is responsible for appropriations totalling \$1,354m, primarily to cover the estimated cost of injury prevention, claims processing, medical services and social rehabilitation for claims on the Non-Earners' Account.
2. The **Minister of Immigration** is responsible for appropriations totalling \$295.5m, primarily for the provision of immigration services, including assessment and processing services, settlement and integration of refugees and integrity and security of the New Zealand immigration system.
3. The **Minister for Tertiary Education, Skills and Employment** has been responsible for an appropriation of just over \$4m for the provision of employment information and facilitation services.
4. The **Minister for Economic Development**, as the Minister responsible for MBIE, is responsible for one appropriation of \$0.125m relating to impairment of debts owed to the Crown.
5. The **Minister for Workplace Relations and Safety** is responsible for appropriations totalling \$156m, primarily for the provision of employment relations services and work health and safety services.

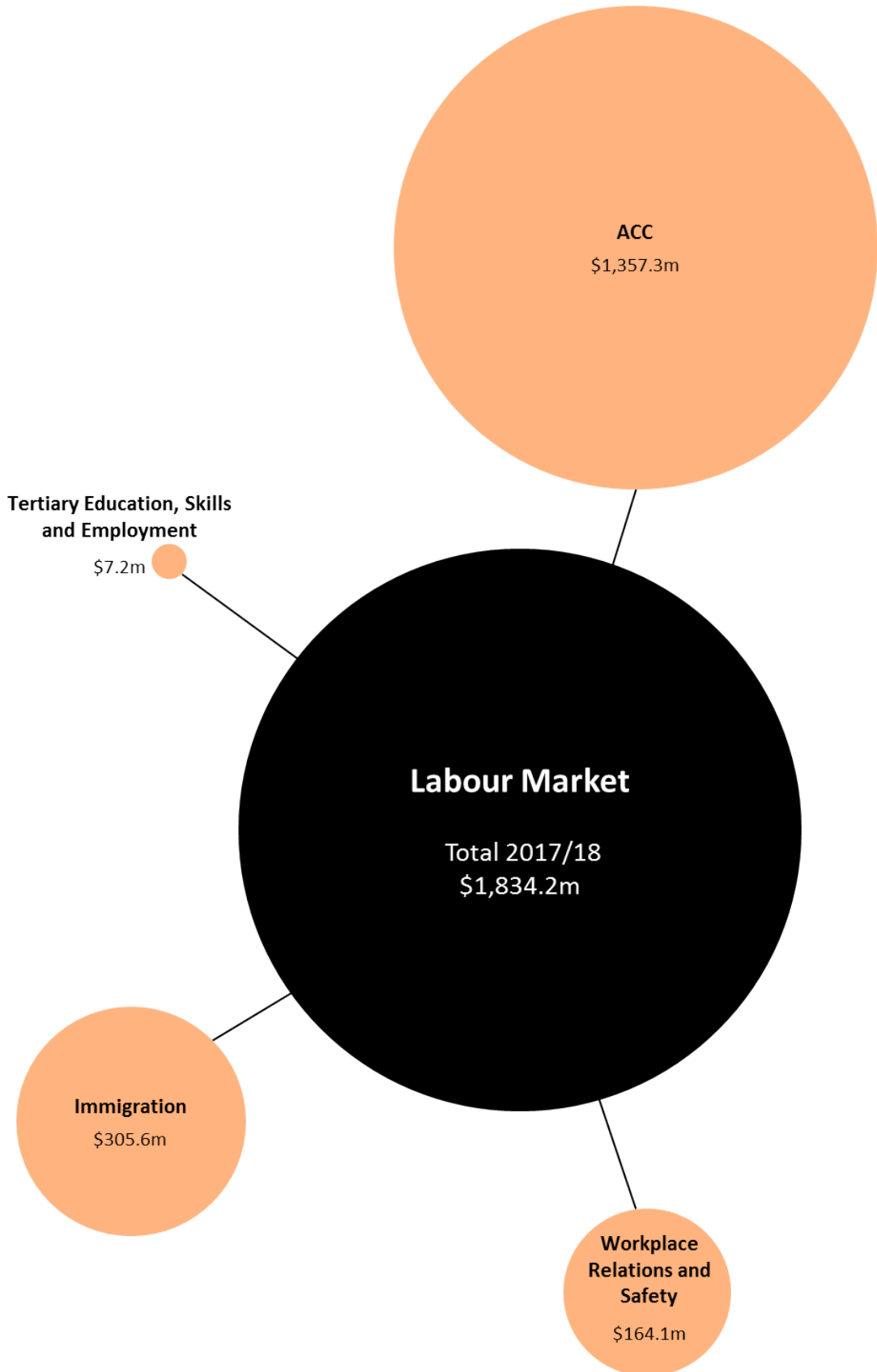
In addition, the Minister for Workplace Relations and Safety, as the lead minister for Vote Labour Market, has overall responsibility for a multi-class appropriation of over \$21m to provide policy advice and related services to the Minister for ACC, the Minister for Tertiary Education, Skills and Employment, the Minister of Immigration, and the Minister for Workplace Relations and Safety. The following diagram attributes a portion of the policy advice appropriation to each of the constituent portfolios (other than Economic Development). The total figures in the diagram are therefore higher than the figures above.

The Ministry of Business, Innovation and Employment is the department responsible for administering Vote Labour Market.

For administrative simplicity, one Minister typically takes overall responsibility for Vote Labour Market budget processes. The Lead Minister for Vote Labour Market receives the final estimates documentation for approval, covering ACC, Workplace Relations and Safety, Immigration, and Tertiary Education, Skills and Employment. During the course of the financial year, the Lead Minister also receives:

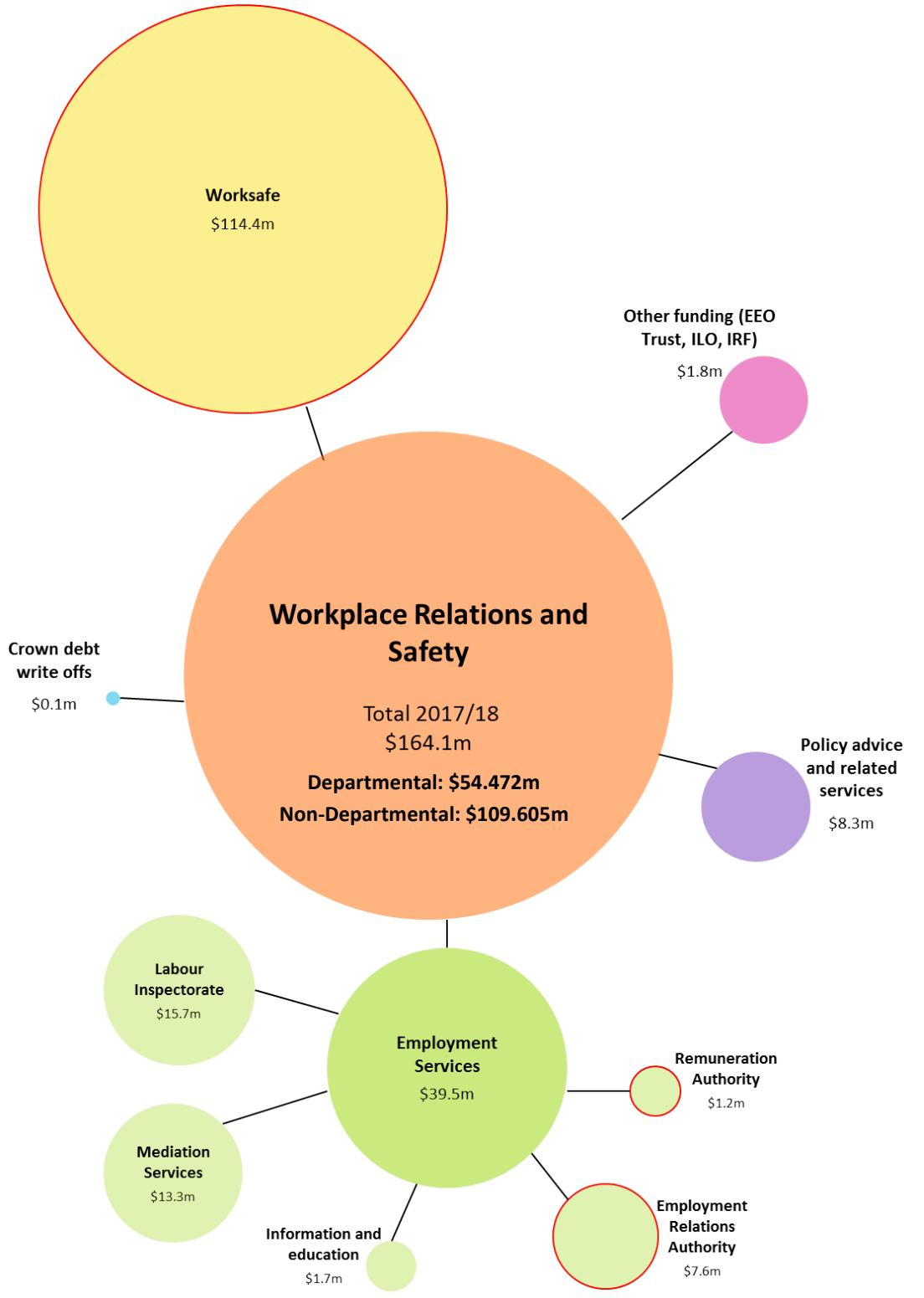
- October and March Baseline Updates
- Estimates and Supplementary Estimates
- Late In-Principle Expense Transfers in June
- Select Committee Estimates Examination material as the main point of contact for Vote Labour Market.

The diagram below sets out the total 2017/18 appropriation for Vote Labour Market. The budget relating to Tertiary Education, Skills and Employment will be updated to reflect new portfolio structures in due course.



Workplace Relations and Safety portfolio appropriations

The diagram below sets out the total 2017/18 appropriation for the Workplace Relations and Safety portfolio. This captures both departmental funding (funding received by MBIE to provide services directly) and non-departmental funding (funding provided via MBIE to other agencies for them to provide services).



Red outline indicates partial levy-funding

The Industrial Relations Foundation

Supporting the Employment Relations framework is the Industrial Relations Foundation (IRF) grant funding, which MBIE manages on behalf of the Minister for Workplace Relations and Safety.

The Industrial Relations Foundation (IRF) is an educational trust established in 1977 under the *Charitable Trusts Act 1957*. The purpose of the IRF is to promote, through education, better industrial relations within New Zealand. The trustees of the IRF, whose functions include awarding the grants, are:

- the Minister for Workplace Relations and Safety (Chairperson)
- the President of Business New Zealand (Business NZ)
- the Chief Executive of Business NZ
- the President of the New Zealand Council of Trade Unions (NZCTU)
- the Secretary of NZCTU.

A Steering Group advises the trustees on applications for grants, how best to achieve its aims, fund management, and administrative matters. The Steering Group consists of:

- the Chief Executive of MBIE or their nominee
- the Chief Executive of Business NZ or their nominee
- the Secretary of NZCTU.

The Trust has often sought applications for funding annually, but at times less frequently. Applications are considered and decided on by the Trustees, and MBIE provides briefings to the Minister to seek input to funding decisions. The IRF usually allocates \$40-50,000 for funding grants but this can vary based on the applications received. As at 4 August 2017 the IRF assets totalled \$533,000. In the 2016/17 financial year, a grant totalling \$25,000+GST was allocated to E tū Inc., New Zealand's largest private sector union. E tū Inc. will research the experiences of permanent and long term migrant workers in the New Zealand construction industry.

The Health and Safety at Work Levy

WorkSafe New Zealand is funded through an appropriation set by Government, with these costs then recovered primarily by the Health and Safety at Work levy under the *Health and Safety at Work Act 2015*. WorkSafe's total appropriation for 2017-18 is \$93.837m, \$0.869m of which is paid to ACC for the collection of the Health and Safety at Work levy. In addition Vote Labour Market includes funding for shared services support (\$11m) and the WorkSafe Capability Change Programme (\$9.5m) that goes to WorkSafe. This totals the \$114m reflected in the Workplace Relations and Safety portfolio appropriations figure on page 33.

The Health and Safety at Work levy is paid by all employers and self-employed at 8 cents per \$100 of liable earnings, collected by ACC alongside its Work Account levy. The costs of the work health and safety functions of WorkSafe, and the Civil Aviation Authority and Maritime New Zealand (as designated regulators under the Act), are recovered from the levy, which is a dedicated funding source that cannot be used elsewhere.

In addition to the Health and Safety at Work levy, WorkSafe's costs are recovered from three other funding sources: energy levies (collected by MBIE) paid by electricity and gas industry operators that fund WorkSafe's electricity and gas safety services; the Major Hazard Facilities levy paid by the facility operators; and a small amount of Crown funding for a hazardous substances register and test certification. WorkSafe also charges fees for some services, eg safety case assessments and registrations, certificates of competency and licences.

Annex 4: Key stakeholders

Crown Entities and Other Related Bodies	
WorkSafe New Zealand	Chair: Gregor Coster Deputy Chair: Ross Wilson Chief Executive: Nicole Rosie
ACC	Chair: Paula Rebstock Chief Executive: Scott Pickering
Employment Relations Authority	Chief: Jim Crichton
Equal Employment Opportunities Trust	See list of trustees in Annex 2
Remuneration Authority	See list of members in Annex 2
Worker/Union	
Council of Trade Unions	President: Richard Wagstaff Secretary: Sam Huggard
Public Service Association	National Secretary: Erin Polaczuk
E tū	National Secretary: John Ryall
Business Stakeholders	
Business Leaders' Health and Safety Forum	Chair: George Adams Executive Director: Francois Barton
Business New Zealand	Chief Executive: Kirk Hope Manager, Employment Relations: Paul Mackay
Employers and Manufacturers Association (Northern)	Chief Executive: Kim Campbell
Health and Safety Association of New Zealand	Chair: Craig Smith