

14 August 2018

Stewart McRobie
Chief Financial Officer
Ministry of Business, Innovation and Employment

Our reference: 5620456

Dear Stewart

Re: MBIE Payroll Remediation Project – Calculations

The Labour Inspectorate has been working with the Ministry of Business, Innovation and Employment (MBIE) regarding their breaches of the Holidays Act 2003. Recently the focus has been on the recalculations of payments for holidays and leave. Given the nature of the breaches, the time periods involved, the varying types of employees, the number of employees, and the incomplete records for some employees, the Labour Inspectorate is satisfied MBIE has used best endeavours to rectify and remediate the breaches identified.

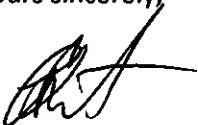
The Labour Inspectorate has carried out a sampling method when assessing the measures MBIE has taken to remedy its breaches. While this cannot guarantee that employees' minimum entitlements have been met in each individual case, the Labour Inspectorate has provided MBIE with feedback regarding their proposed approach to the remediation and the associated risks, and is satisfied any margin of error is small.

MBIE has agreed that they will advise employees of the methodology used to calculate arrears and entitlements, and provide employees with an opportunity to escalate queries regarding their specific entitlements in good faith.

MBIE is advised that they are now able to proceed with completing remediation calculations for all impacted employees and making arrears payments. Should MBIE identify any additional issues or have any questions while completing the process, the Labour Inspectorate will continue to provide assistance with Holidays Act compliance.

In regards to the current Enforceable Undertaking (signed 3 October 2016) I ask that MBIE provide proposed compliance dates as set out in Appendices 2 and 3 to the Inspectorate by **5pm on Friday 17 August 2018**. The undertaking will be concluded after the Inspectorate has assessed the evidence of compliance, including evidence of payment of arrears and a summary of the remediation findings.

Yours sincerely,



Cheryl Put
Labour Inspector
Labour Inspectorate, Employment Services