

## Workplace Relations & Safety

The contribution of workers, particularly our frontline workers, throughout the COVID-19 pandemic has been instrumental. As we move forward, a productive workforce is vital for businesses, and the economy as a whole, to thrive. That's why Labour will recognise and acknowledge the contribution workers make to New Zealand by ensuring they are safe, healthy and valued.

### Labour will:

- **increase sick leave for workers**
- **increase wages and continue to improve pay equity**
- **legislate and implement fair pay agreements**
- **strengthen key employment legislation**
- **protect vulnerable workers**

Better wages and stable employment are more important than ever to support the wellbeing of New Zealanders. As we recover and rebuild from the impacts of COVID-19, Labour is committed to continuing to support working New Zealanders by raising wages and protecting them while they are at work.

We also know that workers play a key role in getting our economy moving. We cannot grow successful businesses without a strong and thriving workforce. Labour's economic plan is built around five key principles: investing in our people, growing jobs, preparing for the future, supporting our small businesses, and positioning New Zealand globally. This includes Labour's plan to put small businesses at the centre of our recovery and to boost the economy through investments in infrastructure and regions to support them to grow and export. By investing in our workers, we are supporting New Zealand families while continuing to boost businesses and our economy.

### Labour has a solid track record of supporting workers

Labour is the party that will lead New Zealand safely and effectively towards a brighter future. As we have already shown throughout our history, as we grow the economy, we will ensure everyone shares in the benefits- we will have thriving businesses, strong local industries and families with more incomes and job security.

We have already started this by investing in protecting jobs and providing support to employers to mitigate the economic impacts of the crisis. We've introduced the Wage Subsidy which has supported around 1.7 million jobs, launched the COVID-19 Leave Scheme to help support business by covering the costs of employee leave resulting from COVID-19, and established the Small Business Loan Scheme which has provided access to zero interest loans to support cash flow and provide a buffer against uncertainty.

We've invested in supporting people into work through free apprenticeships and trades training in key areas for people of all ages, supporting redeployment opportunities, creating 11,000 jobs through environmental projects, and a further 20,000 jobs through shovel-ready infrastructure projects in communities across the country.

In our first term in government, Labour has already made significant progress in ensuring more New Zealanders are sharing the country's economic success, through good jobs, decent work conditions and high wages.

We've rolled back many of the previous National Government's changes to the Employment Relations Act, to provide greater protections to workers, especially vulnerable workers, reinstate prescribed meal and rest breaks, and limit 90-day trials to businesses with fewer than 20 employees. These changes also strengthen the role of collective bargaining in the workplace to ensure fair wages and conditions.

In Government we increased the Minimum Wage each year, lifting it to \$18.90 on 1 April 2020, increasing the pay of thousands of workers across New Zealand by up to an extra \$126 per week before tax since we came into office.

We've updated the Equal Pay Act to address the gender pay gap, have delivered record pay settlements for woman dominated workforces, and increased Paid Parental Leave from 18 weeks up to 6 months (26 weeks) of leave for new parents and increased the maximum weekly payment by \$20.

In 2018, we introduced a wage floor equivalent to the Living Wage for all those directly employed in the core public service including full-time, part-time and casual employees, with 70 percent of those benefiting from the increase being women. We have already started expanding on this commitment by rolling out the Living Wage for all security guards at the Ministry of Social Development.

Labour will continue this work by rolling out our five point plan to build an economy that is productive, inclusive and supports the health and safety of workers at work.

## Increase sick leave for workers

- **Labour will increase minimum Sick Leave entitlements from five days to ten days a year**

Managing COVID-19 has shown, more than ever, how important it is for workers to be able to stay home if they are sick.

Currently workers are entitled to a minimum of five days of sick leave a year. Many workers have sick leave entitlements written into their contracts above the legal minimum, however this is often dependent on individual employers or collective negotiations.

It is more important than ever given the global COVID-19 pandemic that we prioritise the health and wellbeing of workers, and the safety of workplaces.

That's why Labour will extend minimum sick leave entitlements for all workers to ten days a year. This will allow workers to stay home when they need. It also gives working parents more flexibility to look after sick children.

## Ensuring workers and workplaces are safe and healthy

The current legal minimum of five days of sick leave too often deters people from staying home when they're sick and can mean that they cannot financially afford to take sick leave.

This is particularly true for parents or caregivers, who may use their sick leave to care for others. This means they may not have enough sick leave to use when they themselves are sick.

For our lowest paid workers, they can also often feel pressured into going to work when they shouldn't. It is estimated around 35 percent of people typically come into work despite being sick.

Providing sufficient sick leave can benefit workplaces by preventing the spread of illnesses and ensuring people fully recover from illness faster, which lifts productivity.

## Preventing the spread of COVID-19

To maintain healthy workplace and to prevent the spread of COVID-19, all workers must be able to take sick leave while self-isolating. The costs to the economy of going into lockdown far outweigh the costs of employees staying home sick. For example the central bank estimates economic activity fell by 37 per cent during the level 4 lockdown.

Already we have launched the COVID-19 Leave Scheme to help support business by covering the costs of employee leave resulting from COVID-19. Businesses get a lump sum subsidy to help cover these costs, in line with Wage Subsidy rates. Over 20,000 applications have already been approved for this scheme, allowing people and businesses to have the financial security encourage self-isolation when necessary.

Our extension to 10 sick days a year will help to maintain a long term culture of staying home when you are unwell, and doing our bit to keep communities healthy and safe.

## Implementation

If re-elected, Labour would seek to pass legislation within the first 100 days to extend minimum sick leave entitlements. We would work with businesses and unions on implementation timeframes.

## Increase wages and continue to improve pay equity

### Labour will:

- **continue to lift the minimum wage**
- **extend Living Wage guarantees to contracted public service workers**
- **make it easier for women to gain pay equity in their organisation or industry**

COVID-19 has shone a light on the many workers who do important work in our community but who are not well or fairly paid for it. We can do a lot better at lifting wages and easing financial stress for hard-working New Zealanders.

By increasing wages for low income workers and ensuring pay equity for women, we can enable all New Zealanders to share in the benefits of our economic plan as we recover and rebuild.

### Continuing to increase the Minimum Wage

Labour in Government has raised the minimum wage every year we have been in office, from \$15.75 when we came into office to \$18.90 today – an increase of nearly 20 percent which has meant an extra \$126 per week before tax in the pockets of full time workers.

That's why Labour will continue to increase the minimum wage, raising it to \$20 an hour in 2021.

Beyond 2021, we will continue to have a balanced approach to minimum wage increases, ensuring our lowest paid workers benefit from economic growth, while also ensuring employers and businesses can continue to grow and provide stable employment. As we have this term, we will provide certainty to businesses who told us they wanted to know how much the minimum wage will increase and when the changes were going to happen.

### Extending Living Wage guarantees to Contracted Public Service Workers

Labour will extend our Living Wage commitment by requiring public service contracted security guards, cleaners and caterers to be paid a Living Wage.

As contracts end across the public service, Labour will require agencies to include the payment of a Living Wage in the new contracts as part of their renegotiations. We expect this policy to be fully in place within the next three years and will cost \$18 million per year once fully rolled out.

Labour will also commit to progressively expanding this commitment to also cover contracted workers to the wider state service, including through DHBs, as the COVID recovery allows.

### Make it easier for women to gain pay equity in their organisation or across their industry

While in Government Labour has already made significant progress towards pay equity by passing equity legislation, delivering record pay settlements for women dominated workforces, and starting to close the gender pay gap.

Labour will improve transparency for women by ensuring there are better records of pay equity across New Zealand, including by ethnicity and age as well as gender. This will enable people can better see where the problem lies and build on the work we have already done to streamline the process for women to negotiate equal pay settlements.

With Labour, New Zealand women know they've got an ally in government that'll stand alongside them in the fight for fairness.

## Legislate and implement fair pay agreements

- **Labour will make it easier for workers to receive fair wages and conditions and avoid the 'race to the bottom' that occurs within competitive industries by legislating for and implementing Fair Pay Agreements**

Labour is committed to a high-performing economy that delivers good jobs, decent work conditions and fair wages. Fair wages benefit both workers and businesses by preventing a race to the bottom that can occur within competitive industries.

OECD reporting has highlighted that the best outcomes in terms of employment, productivity and wages often include both sector wide agreements as well as firm-level negotiations.

New Zealand lacks sector wide bargaining in our labour market which can allow employers to undercut each other by offering lower wages. This creates an incentive to underpay staff and punishes good employers. A race to the bottom on wages comes at the cost of our most vulnerable workers and undermines our productivity.

This is not the vision Labour has for our economy. We want a productive and highly skilled workforce where everyone shares in the benefits of economic growth. That's why we will introduce Fair Pay Agreements to set fair, basic employment conditions across an industry.

## Making it easier for workers to receive fair wages and conditions

Fair Pay Agreements are between unions and employers and set minimum terms and conditions of employment for all workers in an entire industry or occupation.

We will introduce Fair Pay Agreements in line with the recommendations of the Fair Pay Agreement Working Group. This working group was made up of business sector and unions, with a focus on how to improve wages and conditions of some of our most vulnerable workers.

The Fair Pay Working Group recommended that legislation should set the minimum content that must be included in each Fair Pay Agreement and Labour will seek to implement these laws within competitive industries.

Key provisions of Fair Pay Agreements that Labour would introduce include:

- Agreements would cover both employees and dependent contractors
- Workers would be represented by registered unions during bargaining and only unions would be able to initiate bargaining for the first agreement
- Concluding an agreement would need over 50% support from workers and over 50% support from employers
- Once agreed Fair Pay Agreements would cover all employers in the sector but there would be able to be negotiated regional variations and exemptions of up to 12 months for employers facing severe financial hardship.

## Strengthen key employment legislation

### Labour will:

- **Strengthen and simplify the Holidays Act and allow sick leave to be taken when needed**
- **Strengthen the Employment Relations Act to make it harder for collective agreements to be undermined**

### **Strengthening and simplifying the Holidays Act and allowing Sick Leave to be taken when needed**

The Holidays Act provides minimum entitlements to annual holidays, public holidays, sick leave and bereavement leave, and aims to protect work-life balance for workers.

However, the Holidays Act has failed to provide consistent leave entitlements or provide adequate leave for new workers. There is a lack of guidance available on how the Act works, poor implementation by payroll systems, and a lack of transparency in holiday pay calculations. The Act can make it difficult to calculate leave and there is ambiguity about how much leave employees are entitled to which has led to employees not receiving their full entitlement.

In our first term in government, we established a tripartite group including employers, unions, and the government to work through how to make the Act work best in a modern labour market and provide certainty and transparency around leave calculations for employers and employees.

If re-elected, we will implement the recommendations from the group to reform the Holidays Act, including:

- introducing legislation to simplify employers' leave calculations
- allowing employees to take sick and annual leave when needed with their leave accruing over time instead of becoming available as a block when they reach 6 and 12 months employment
- allowing employees to take bereavement and family violence leave as needed.

### **Strengthening the Employment Relations Act to make it harder for collective agreements to be undermined**

Labour will strengthen section 59b of the Employment Relations Act so unions don't have to establish the "intent" of employers who automatically pass on gains from collective bargaining to non-union workers

The current legal test is too difficult to prove making it too easy for collective agreements to be undermined. This change it would mean it would be considered a breach of good faith where the change is made without the agreement of the union and the effect of the employers actions can be shown to undermine the collective agreement.

## Protect vulnerable workers

Labour will:

- **legislate protections for dependent contractors**
- **recognise security guards as vulnerable workers to ensure their terms and conditions are protected**
- **raise the age for workers to be allowed to perform hazardous work, and ensure all workers have the right to elect health and safety representatives**
- **ensure that Seafarer Welfare Centres provide better services**

Labour is committed to building an inclusive economy where more of us receive our fair share at work and businesses can compete on great products and services, not undercutting wages and conditions.

We want to support safe and collaborative workplaces where minimum employment rights are upheld and people are fairly acknowledged for their work. Labour will continue to work hard to ensure vulnerable workers are protected.

### Legislating protections for dependent contractors

Some contractors, and particularly dependent contractors, are vulnerable in the workplace. Dependent contractors are workers who are effectively workers under the control of an employer but who do not receive the legal protections that are currently provided to regular employees under the law. They operate their own businesses and may use their own equipment, but depend on one firm for most of their income and have little control over their daily work.

Labour will work with unions and employers to develop a better statutory regime to protect dependent contractors and ensure that they have fair wages and employment conditions. We will extend collective bargaining and other basic employment rights to dependent contractors including:

- allowing contractors to bargain collectively
- requiring written contracts
- introducing a duty of good faith for dealings between contracting parties.

### Recognising security guards as vulnerable workers to ensure their terms and conditions are protected

Security officers are the largest group of workers, and the most poorly paid, within the security industry.

Labour will better recognise and protect security guards at work. This includes adding security guards to Schedule 1A of the Employment Relations Act to provide additional workplace protections for the 5,500 security guards when firms undergo restructuring. This will lead the industry away from competing on price and instead to competing on service quality.

## **Raising the age for workers to be allowed to perform hazardous work, and ensure all workers have the right to elect health and safety representatives**

Last year 108 people died at work, ten of them were under the age of 20. Raising the age for entry into hazardous work from 15 to 16 will help protect more of our young people from dangerous work environments. An age of 16 will align it with the school leaving age and is consistent with the International Labour Organisations recommendation 190 on the Worst Forms of Child Labour.

When the former National Government reformed health and safety legislation they removed the right for workers in small businesses to elect their own health and safety representatives. Health and safety representatives are a vital part of ensuring workplaces are safe. Labour believes all workers should be entitled to a health and safety representative, and we will reinstate this right.

## **Ensuring that Seafarer Welfare Centres provide better services**

A report by Human Rights at Sea earlier this year found that seafarers' shore-based welfare facilities and services are inadequate and at Akaroa there is no seafarers' centre at all. Under the Maritime Labour Convention New Zealand has an obligation to provide for crews who come ashore in New Zealand but this is currently funded largely through charitable sources which isn't sufficient to provide adequate facilities. Labour will ensure that Seafarer Welfare Centres provide services to the level required by the ILO Maritime Labour Convention 2006 by amending the Maritime Transport Act 1994 to enable the maritime levy to fund the services required for seafarers' wellbeing.