

Workplace Relations & Safety

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

Expand Sick Leave from Five Days to Ten Days a Year

Q: Why are you expanding the minimum sick leave entitlement?

A: Managing COVID-19 has shown, more than ever, how important it is for workers to be able to stay home if they are sick. 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 and caregivers who may need to use their sick leave for family commitments as well as lower paid workers who can feel pressured into going to work when they shouldn't. It is estimated around 35% of people typically come into work despite being sick.

Q: Is this a temporary change to respond to COVID-19?

A: While COVID-19 has reminded us how important it is for workers to stay home if they feel sick, this policy will be a permanent change. This will allow us to better stop the spread of the flu and other common illnesses, and ensure our workplaces are healthier and safer.

Q: How will this affect someone who is already getting ten or more sick days a year?

A: If a person's contract already allows for ten or more day sick days a year their contract will not be affected by this policy. This policy change is about ensuring all workers can benefit from additional sick leave days.

Q: What will be the effect for businesses?

A: It benefits their workplace by preventing the spread of illnesses and ensuring people can fully recover faster which lifts productivity. Business New Zealand's 2019 Workplace Wellness Report said "a lift in absence rates may be an acceptable price to pay for overall happier, healthier and more productive staff."

Q: How will this benefit parents?

A: Many parents and caregivers often need to use their sick leave to time care for their children. By increasing parents sick leave parents will no longer have to choose between work and caring for family.

Raising the Minimum wage

Q: How much will Labour lift the minimum wage by?

A: We will lift the minimum wage to \$20 in 2021. We will take a balanced approach to potential future increases and signal them well in advance.

Q: What is minimum wage currently?

A: In our first term Labour has already increased the minimum wage from \$15.75 to the current rate of \$18.90 an hour. This is \$756 before tax for a 40 hour week.

Q: How many workers are affected by minimum wage increases?

A: 85,400 people are estimated to be on the minimum wage according to the 2019 Minimum Wage Review.

Q: What is the plan for minimum wage increase after 2021?

A: 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 signal any further increases in advance to provide certainty for employers.

Living Wage for Public Sector Contractors**Q: What is the Living Wage?**

A: The Living Wage is currently \$22.10. This reflects the basic expenses of workers and their families such as food, transportation, housing and childcare. It is calculated independently each year by the New Zealand Family Centre Social Policy Unit.

The Living Wage emerged as a response to increased hardship and inequality that was being experienced by many workers. The Living Wage is an hourly wage that a worker needs in order to pay for the necessities of life and participate as an active citizen in the community.

Q: Does government currently pay the Living Wage?

A: In 2018 we introduced a wage floor equivalent to the Living Wage for all those directly employed in the core public service. We have also started progressively rolling this out further, for example to around 400 Ministry of Social Development contracted security guards.

Q: Why is it important for the government to pay a Living Wage?

A: Too many workers do valuable work in our communities but their pay is inadequate. The government must lead by example when employing our contracting staff. Lifting wages means that workers are able to better support their families, improving quality of life, health and reducing financial stress. The increase to Living Wage could mean almost an extra \$100 a week for a contracted worker who is currently on minimum wage. This also benefits employers by leading to reduced employee turnover, increased productivity and improved worker morale.

Q: When will public service contracted workers be paid Living Wage?

A: As current contracts end, public service agencies will be required to guarantee the payment of a Living Wage as at the time of tendering as part of their new contracts. We expect this policy to be fully in place within the next parliamentary term.

Legislate and implement Fair Pay Agreements**Q: What is a Fair Pay Agreement?**

A: A Fair Pay Agreement is an agreement where minimum terms and conditions are set for workers across an industry or occupation by employers and unions in that sector.

Q: How are Fair Pay Agreements different to other employment standards?

A: Fair Pay Agreements differ from other employment standards as they set out the minimum accepted terms and conditions across the entirety of an industry or occupation and are set at an industry-wide level rather than at each individual business. In the event the parties cannot conclude a Fair Pay Agreement, the Employment Relations Authority would have the ability to make a binding determination

Q: Why is Labour legislating for and implementing Fair Pay Agreements?

A: Too many workers across New Zealand haven't received their fair share of the economic growth of the last thirty years. Many businesses have felt forced into a race to the bottom on wages in order to compete while good employers who pay a fair wage are left behind. By setting industry-wide agreements on fair pay and conditions we can encourage businesses to compete on the quality of their products, customer service and innovation. In doing so, Fair Pay Agreements benefit businesses, workers, and consumers.

Q: What will this mean for businesses?

A: Employers would be able to negotiate additional individual or collective agreements to set pay and conditions higher than the minimum in Fair Pay Agreements or to cover areas not included, however they would not be able to negotiate entitlements lower than those in the Fair Pay Agreements.

Reform the Holidays Act

Q: What does the Holidays Act do?

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

Q: Why does the Holidays Act need changing?

A: In recent years it has become apparent that there has been wide-spread non-compliance with the Holidays Act as a result of both the Act itself and poor implementation by payroll systems. This means that it is often too 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.

Q: How does reforming the Holidays Act businesses?

A: Our reforms to the Holidays Act will include introducing legislation to simplify employers' leave calculations, lowering compliance costs and removing ambiguity of leave entitlements.

Q: How does reforming the Holidays Act impact workers?

A: Our reforms will allow workers to take sick and annual leave when needed with their leave accruing over time instead of becoming available as a block when they reach six and 12 months employment, as well as allowing them to take bereavement and family violence as needed.

Q: When will the changes come into effect?

A: We will seek to pass the new legislation next term. We will work with businesses on the commencement date to ensure payroll systems are able to be updated in time.

Rights for Dependent contractors

Q: How are dependent contractors different to other contractors?

A: 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.

Q: How many dependent contractors are in New Zealand?

A: There are over 140,000 self-employed contractors in New Zealand, representing 5% of the working population, half of which (71,200) rely on one client or business for the majority of their work. A further 9,000 have little or no control over how their daily work is organised according to the 2018 Survey of Working Life.

Q: What rights will you extend to dependent contractors?

A: We will work through the details with contractors and employers to ensure that a workable regime is in place. At a minimum we would want to ensure that the right to collectively bargain is extended and we would also look at extending statutory minimum entitlements like being able to take sick leave.

Q: How will you determine who a dependent contractor is?

A: There are a number of existing tests that the Courts use to decide who a dependant contractor is. A new statutory test will incorporate these. This includes looking at things like who assigns work to them, whether they need permission to take time off, and how they are paid.