

Talking Points: Fair Pay Agreement Panel: Meeting 1

Agenda Item 1: Welcome and introductions

- Thank you all for being here today.
- Thank you in advance for your involvement and hard work in the coming months.
- I want to start by discussing why I am here.
- I am concerned that typical, hard-working New Zealanders now struggle to make a decent living from their labour.
- This is not sustainable.
- We can make a choice to do things differently.
- We need to ask ourselves: “Who do we want to be?”
- The employment system is not the only cause of these problems – and it is not the only solution – but it does play a significant role.
- That said, I also want to spend some time looking at how we can lift productivity.
- To be effective, Fair Pay Agreements will need to ‘grow the pie’, but just redistribute it, so we will need to keep productivity in mind as we work through the issues.
- I believe Fair Pay Agreements could be beneficial to both workers and firms.

[Invite Panel members to introduce themselves and say a few words about why they agreed to be involved]

[Invite MBIE officials to introduce themselves and briefly explain their role as secretariat and advisor to the Minister]

Confirmation and agreement to the agenda

- You will have received a pack of papers yesterday, including an agenda.
- The main purpose for today is to:
 - Confirm our understanding of the Terms of Reference
 - Plan a work programme for the rest of the year, and
 - Discuss some housekeeping matters about running the Panel.

Agenda Item 2: Work programme

Confirmation of Terms of Reference

- The Minister has set us a reasonably clear objective: Our task is to design a sector-level collective bargaining system.
- The Terms of Reference also set out a number of questions relating to the key design features of the system.
- Is the Panel clear about our task? Would anyone like to seek clarifications from the Minister on anything?

Key topics and questions: Draft work programme

- In your papers you should have a draft work programme.
- This covers three main areas workstreams:

- Diagnosis
- Design
- Productivity.
- We have also plotted the work programme against the upcoming meetings.

[Invite MBIE to briefly talk through the work programme]

[Invite discussion and questions from the Panel]

- Our next meeting is scheduled for 18 July, 2-5pm.
- What information would be helpful to inform our next discussion?

Timelines and milestones

- We have an ambitious timetable.
- I don't think there is time for consultation or a draft report within the current report-back deadline of November 2018.
- I suggest we revisit this question in October, depending on progress of the Panel.
- One option is to seek a deadline extension from the Minister to enable consultation on a draft report (for example, from November 2018-January 2018).

Agenda Item 3: Housekeeping

- **Schedule of meetings:**
 - We have meetings booked in for the rest of the year.
 - What is quorum?
- **Decision making:** I expect decision making will be by consensus.
- **Fees and expenses:**
 - You will have received a note on claiming fees and expenses.
 - Please contact Sam if you have any questions.
 - For this meeting, I suggest we agree to 1 hour of preparation time.
- **Official Information Act:**
 - The OIA will be applied to the Panel's work.
 - The Ministry will consult group members on information about them before it is released.
 - The Panel can consider proactively releasing information as our work progresses.
- **Media protocols:**
 - It is up to the Panel to decide how to manage communications.
 - I think open and frank discussions are more likely if the Panel keeps its work confidential until it is ready to consult publicly.
 - I expect that Group members will want to (and should) discuss the work with their constituents and other advisors on an in-confidence basis.
 - I am willing to be the spokesperson for the Panel for media matters as needed.

Agenda Item 4: Next meeting

- Our next meeting is scheduled for 18 July, 2-5pm.

Talking points for Fair Pay Agreement Panel Meeting 2 (20 July 2018)

Agenda item 1: Welcome

- Thank you all for being here today.
- I want to start by going over the plan for today's meeting.
- Today, the secretariat will be presenting some information in response to our discussion at our previous meeting.
- The intention of these presentations is to give us a brief overview of the labour market and collective bargaining landscape.
- I then want us to start thinking about the design components of a sector-level collective bargaining system for New Zealand. The secretariat has prepared a presentation on some international comparisons that we can use as a starting point.

Agenda item 2: Previous meeting

Confirmation of minutes from previous meeting

- There are copies of the minutes from our last meeting on the table.
- Does anyone have any corrections to these minutes?

[Discuss any amendments to minutes, and confirm minutes when complete.]

Agenda item 3: Current labour market outcomes

- The first presentation is about current labour market outcomes for workers and firms in New Zealand.

[Invite MBIE official to present.]

[You may wish to provide your thoughts on the presentation.]

- It appears that on an aggregate level, the New Zealand labour market appears to be operating well. But there are clearly people for whom participation in the labour market is not delivering optimal outcomes.
- As we talk about what a sector-level collective bargaining system could look like in New Zealand, it will be important to think what could improve outcomes for these people.
- Is there anything more we need to know about the issues in this presentation to support our future discussions?

Agenda item 4: Collective bargaining landscape in New Zealand

- Next, we have a presentation on the collective bargaining landscape in New Zealand.

[Invite MBIE official to present.]

[You may wish to provide your thoughts on the presentation.]

- Union membership and collective agreement coverage is low and stable in New Zealand. Collective agreements are primarily in the public sector; in the private sector they're mostly in large firms and certain industries. MECAs are rare outside the public sector.
- These will be important to remember as we start thinking about how to design a sector-level collective bargaining system that meshes well with the characteristics of our labour market.
- Is there anything more we need to know about collective bargaining in New Zealand to support our future discussions?

Agenda item 5: International comparisons

- Next, we have a presentation on what international examples of sector-level collective bargaining systems look like.

[Invite MBIE official to present.]

- Given what we've just heard about our labour market and collective bargaining system, it's unlikely that any international system can be applied wholesale in New Zealand. There is also no single model that is more commonly used than the others.
- Instead, these examples provide a starting point for thinking about a sector-level collective bargaining system for New Zealand.
 - What are some specific features of our labour market that we need to consider?
 - What components of collective bargaining from the international examples do we think could work in the New Zealand context?
 - How easily could they be modified and adapted into a workable framework?
 - is there any further information that we think we might need?

Agenda item 6: Next meeting

- Our next meeting is scheduled for 31 July 2018 (Tuesday) from 1 to 4 pm.
- At this next meeting, I would like us to talk more about the specific features of a sector-level collective bargaining system for New Zealand.
- I propose we ask the secretariat to prepare some options for us to consider at our next meeting for what the key components of this system could look like.

**Talking points for Chair, Fair Pay Agreement Panel
Meeting 3 (31 July 2018)**

Agenda Item 1: Welcome and introductions

- Thank you all for being here today.
- I want to start by going over the plan for today's meeting.
- Today, the secretariat will be presenting some information about the potential objectives and design of a FPA system.
- The intention of these presentations is to lead us into a discussion on what objectives we will focus on in a FPA system, and start thinking about the design components of a FPA system.
- But first, some administration matters.

Agenda Item 2: Invoicing and expense recording

Fees and expenses

- Rebecca will be our point of contact for fees and expenses. Please talk to her if you have any questions.
- I would like to confirm the preparation time for meetings one, two and three. I suggest we agree to 1 hour of preparation time for each.

[Invite Rebecca to give an update on how our fees and expense claims will work]

Agenda Item 3: Previous meeting

Confirmation of minutes from previous meeting

- There are copies of the minutes from our last meeting in your packs.
- Does anyone have any corrections to these minutes?

Agenda Item 4: Potential objectives of FPA system

- The first presentation is about the potential objectives of an FPA system.
- As you'll see on your agenda, this is intended to be a shorter discussion as we aren't expected to make decisions today. The second discussion, about design questions, will be more in depth.

[Invite Beth to present.]

[Following the presentation: you may wish to provide your thoughts]

- Do we agree with Beth about that underlying cause? Is it more complicated than that?
- Does there need to be something in it for both parties?
- Can we eliminate any of these as not our core aim?
- What is missing?

Agenda Item 5: Designing a FPA system: questions to consider

- Next, we have a presentation on the design of a Fair Pay Agreement system.
- There are some key questions to consider throughout the presentation, and we will discuss those at the end.

[Invite Gayathiri to present.]

[You may wish to provide your thoughts on the presentation.]

- The Secretariat has asked us for some guidance on:
 - Whether these are the right questions
 - Whether the breadth of options they have presented is right
 - Have they missed anything, or
 - Can we eliminate any options now.
- They have also posed some tough design questions to us. Perhaps we could focus on each of Trigger, Coverage, and Scope in turn.

[Potential questions you could ask individual Panel members, to draw them into the conversation if needed]:

Trigger (how is bargaining initiated)

- What do you think about the trigger options – from a union point of view, could either or both work?
- I'm interested in your views on the first design question –do you think any options mentioned today would clash with our existing collective bargaining framework?

Coverage (who is bound)

- What flexibility would employers be seeking? What would they consider to be the pros and cons of allowing carve outs or opt outs?
- What might be negative consequences of strict coverage?

Scope (what is in agreements)

- What do you think about the scope of agreements – will pay be the most important factor, or will there be interest in seeing FPAs that cover a range of terms and conditions?
- What trade-offs do you see if we set a broad scope – what might the implications be for your members?

[If time allows] Was it helpful for you to work through the building blocks like this? Would you like the Secretariat to present it in a different way for us?

Agenda Item 6: AOB and next meeting

AOB: Invite Beth to update the Panel on some minor matters: research questions and shared workspace

- Our next meeting is scheduled for Thursday 16 August, from 1 – 4 pm.
- That meeting will be focussed on productivity. The Secretariat is arranging some external guests to present to us:
 - Paul Conway from the Productivity Commission.
 - Gerald Minnee and Sharon Pells from MBIE to discuss the links between productivity and wages.
- The Secretariat will update us on a venue closer to the date.

**Talking points for Chair, Fair Pay Agreement Panel
Meeting 4 (16 August 2018)**

Item 1: Welcome and introductions

- Thank you all for being here today, and thanks to Kirk for hosting us. Richard can't join us today, but welcome back to Izi.
- I want to start by going over the plan for today's meeting.
- We are focussing today on productivity, with a discussion led by Paul Conway.
- We are exploring whether there should be a role for Fair Pay Agreements to contribute to firm productivity.
- Following that discussion, we will hear some examples from MBIE of productivity elements found in other countries' collective bargaining systems.
- Lastly, John will speak about the E tū experience of collective bargaining.
- We will leave our panel admin until the end.

Update from Minister's meeting

- Before we move to Paul, I'd like to give you a quick update on my meeting with Minister Iain Lees-Galloway this week.
- I updated him on some of the labour market problems we have observed and that we are grappling with our objective.
- The Minister seemed pleased to hear this Panel is thinking about how we can make Fair Pay Agreements beneficial to all parties.
- He agreed that it is good to think about both how to increase the size of the pie, and how to increase workers' share of that pie.
- He also mentioned he is not wedded to the name 'fair pay agreements', and invited us to suggest an appropriate name once we have reached a consensus on a model.
- I also discussed some potential international travel with him – I am considering going to Singapore and northern Europe to discuss how other systems of industry-wide collective bargaining work.

Item 2: Productivity and wages (Paul Conway)

- Paul is Director of Economics and Research at the Productivity Commission.
- He is an economist, and has previously worked with the OECD, World Bank, Westpac and the Reserve Bank.
- Most of his recent work with the Productivity Commission has focussed on understanding productivity of New Zealand firms.
- You were sent his recent article 'Can the kiwi fly' as suggested pre-reading, and Paul has brought slides along with him today.

[Invite Paul to speak. Paul intends this to be a conversation rather than a presentation.]

Item 3: Productivity in collective bargaining: international comparisons (Alexandra Jackson)

- The MBIE team have been searching other countries' systems to find anywhere that explicitly links collective bargaining with productivity.
- Alexandra is going to share what they have found.

[Invite Alexandra to speak]

Item 4: E tū experience (John Ryall)

- The last item of substance for us today is to turn to think about how collective bargaining works in New Zealand currently.
- John is bringing us his union's perspective.
- I'd like you to think about how we could design a Fair Pay Agreement system to avoid some of the issues he raises.

Item 5: Administration

Confirmation of minutes from previous meeting

- There are copies of the minutes from our last meeting in your packs.
- Does anyone have any corrections to these minutes?
- Kirk: does this provide the extra detail you asked for last time?

Finances

- MBIE wants us to reconsider our fees. I'll hand over to Beth to explain.

This meeting

- I suggest we agree to one hour preparation time for this meeting.

Next meeting

- Our next meeting is scheduled for Friday 31 August, from 1 – 4 pm. We will be back at MBIE.
- That meeting will be focussed on objectives and design.
 - MBIE intends to prepare a 'Secretariat paper' for us to consider, based on what they heard today and previously.
 - MBIE will also present 3-4 models of a Fair Pay Agreement system could be designed.

**Talking points for Chair, Fair Pay Agreement Panel
Meeting 5 (31 August 2018)**

Item 1: Welcome and admin (Jim) (10 mins)

- Thank you all for being here today – I think we have a full contingent again.
- After our discussion about productivity a fortnight ago, today we are moving into designing the system.
- MBIE has summarised the OECD's useful analysis of collective bargaining systems, and Beth will talk us through the key points.
- Kirk and Richard are going to tell us about their respective experiences of collective bargaining – where it is and isn't working.
- MBIE has prepared us a skeleton of our report, which they would like feedback on.
- Within that skeleton, they have inserted draft sections for the problem definition and objective, based on our last few meetings.
- And MBIE will walk us through some detailed design questions to get our views.

[At this point you might want to outline what you and Minister Lees-Galloway discussed about the Prime Minister's speech]

- First to administration: there are copies of the minutes from our last meeting in your packs.
- Does anyone have comments or corrections to the minutes?

Item 2: OECD analysis of collective bargaining (Beth) (20 mins)

- MBIE has summarised the OECD's useful analysis of collective bargaining systems
- This is intended to help us think about different types of systems, their features, and how systems perform across different indicators.
- Beth will talk us through the highlights.

Item 3: Collective bargaining across industries (Kirk and Richard) (50 mins)

- We will now ask Kirk and Richard to tell us about their organisations' practical experiences with collective bargaining.

Item 4: Models and objectives for Fair Pay Agreements (Beth and Katherine) (1 hour 30 mins)

Objective

- The MBIE team have interpreted our discussions about our objective from the last few meetings into suggested text for our final report.
- They have put this into a suggested skeleton for the report.
- They would like our feedback on both design and content – I'll hand over to Beth.

Design questions

- The MBIE team have been breaking down the questions for us to build up a model.
- This presentation wasn't sent out in advance as it is hot off the press.
- Katherine will talk us through it.

Next meeting

- Our next meeting is scheduled for Thursday 13 September, from 1 – 4 pm. We will be back here at MBIE.
- At that meeting we will continue to work on the design.

Following meeting

- MBIE wondered if our following meeting (on 27 September) can begin at 12pm instead of 1pm.
- Can you please check your diaries to see if that creates issues for you?

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Talking points for Chair, Fair Pay Agreement Panel

Meeting 8 (11 October 2018)

Item 1: Welcome and admin (Jim) (10 mins)

- Thank you all for being here today – for our first extended 4 hour meeting.
- Since we last met, Paul, Richard and I have visited Singapore to discuss their system, and we'll give you a summary of what we learnt.
- MBIE has investigated the building blocks we haven't discussed much yet, and Beth will talk us through that.
- We have Doug Martin joining us at 2.30 to share his views on our task.
- And lastly John and Richard are going to talk us through their idea for how bargaining could work for a Fair Pay Agreement.

Minutes

- First to administration: there are copies of the minutes from our last meeting in your packs.
- Does anyone have comments or corrections to the minutes?

Item 2: Singapore download (Jim, Richard and Paul) (20 mins)

- Richard, Paul and I spent a day in Singapore last week, discussing with Singaporeans how their sectoral system works.
- As you know Singapore has a Progressive Wage Model, where tripartite groups set wage ladders applying to all firms in a few limited sectors (landscaping, cleaning, security).
- We met with the Ministry of Manpower, SkillsFuture, the National Trades Union Congress and Singapore National Employers Federation.

(Summarise what messages you took from the meetings as relevant for the Working Group's task, or invite Richard or Paul to do so)

Item 3: MBIE presentation: remaining building blocks (Beth) (40 mins)

- Beth will now take us through a discussion on the second-tier building blocks – the important factors we have not yet delved into in detail.
- At 2.20pm we will pause for a short break, as we have Doug Martin joining us at 2.30. At that point we'll park this, and then pick it back up at 3.15.

Item 4: Doug Martin, Martin Jenkins (45 mins)

- As you have seen, Doug wrote an interesting blog post back in May about Fair Pay Agreements.
- Many of the points he raises are the very matters that have been on our minds these last few months – about coverage, negotiating mandates, and disputes.
- Doug drew on his experience as Crown negotiator in the Care and Support Workers settlement, right back to being a practitioner and Deputy State Services Commissioner in the 80s.
- At John's suggestion I have invited him to come to outline his views to us.
- Doug – welcome, the floor is yours.

Item 5: MBIE presentation: remaining building blocks – continued (Beth)

(30 mins)

- We will now continue with Beth’s presentation on building blocks.
- I’m conscious we need to leave plenty of time for Richard and John, so we will end this discussion by 3.45.

Item 6: Richard Wagstaff and John Ryall

- Richard and John have prepared an outline of their view of how a Fair Pay Agreements process could look.
- John or Richard, would you like to talk us through it?

Item 7: Wrap up (Jim)

This meeting

- As usual we will agree the default preparation time for this meeting. Shall we say 1 hour? As usual, if you spent longer than that preparing, please email the MBIE team.

Next meeting

- Our next meeting is scheduled for Thursday 25 October – it’s in the morning for a change. We will be back over at the Terrace Conference Centre, from 9am – 1pm.

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**Talking points for Chair, Fair Pay Agreement Panel
Meeting 10 (22 November 2018)**

Item 1: Welcome and admin (Jim) (10 mins)

- Thank you all for being here today.
- Today it is all about the draft Report. We are going to work through the table of remaining issues with the draft Report to try and get it finalised in this meeting. We have one remaining workshop on Tuesday 27 November, but it is a shorter meeting and only intended to make small changes.
- I encourage you through today to focus on how we can reach a conclusion on each point, and I will ensure we have made a decision before we move on.
- First to administration: there are copies of the minutes from our last meeting in your packs.
- Does anyone have comments or corrections to the minutes?

Item 2: Finalise draft Working Group report – Part 1: Work through current issues (Katherine) (1 hour 15 mins)

- MBIE has incorporated your feedback and comments on the draft Working Group report and we now need to go through the remaining issues and make decisions on each.
- I propose we first work through these issues first. Then later this afternoon we will return to different parts of the report that we still need to make decisions of substance.
- We have a table that outlines the remaining issues of the report. It's in your packs called '10F – Table to resolve Working Group comments on draft Report'.
- MBIE has updated this table since they sent it on Monday, to incorporate Kirk's comments.
- Katherine is going to take us through the table, alongside documents 10D or 10E which are the tracked and clean versions of the draft Working Group report.

1:55 – 2:05 – BREAK

Item 3: Finalise draft Working Group report – Part 2: Dispute resolution (Katherine) (35 mins)

- We need to return to dispute resolution to decide how to describe conciliation, facilitation and mediation in relation to Fair Pay Agreements.
- Katherine is going to help us do this with a whiteboard session.

Item 4: Finalise draft Working Group report – Part 3: Public interest criteria (Katherine) (30 mins)

- We will now discuss the public interest test criteria.
- Katherine will take us through the criteria.

Item 5: Finalise draft Working Group report – Part 4: Skills training (Beth) (20 mins)

- MBIE has provided us with some suggested text on skills training after we asked for more information on this in the last meeting.
- Beth will take us through the suggested text.

3:30 – 3:35 – BREAK

Item 6: Finalise draft Working Group report – Part 5: Exemptions (Katherine) (20 mins)

- We now have one final part of the Working Group report to make decisions on.
- Katherine will take us through our approach to exemptions in the report.

Item 7: Photo options (Beth) (15 mins)

- MBIE has come up with some options for a photo cover page for the Working Group report and would like us to give feedback on these. Beth will take us through this.

Item 8: Comms: Next steps (Beth) (10 mins)

- Beth is going to take us through some considerations for publication of the Report and whether we could meet with the Minister to celebrate this process.

Item 9: Wrap up (10 mins)

- Ask the Group how many hours preparation time the Secretariat should record.
- Ask the Group to consider whether an additional workshop is needed (11 am – 12:30 pm Tuesday 27 November).

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Talking points for Chair, Fair Pay Agreement Panel
Meeting 11 (27 November 2018)

Item 1: Discuss approach (20 mins)

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