

New Zealand Apples & Pears

The workplace regulatory landscape - what
might it mean for growers?



August 2022



1 Fair Pay Agreements



Fair Pay Agreements

What are they?

- **What?**

A mandatory, sector-wide bargaining regime

- **Why?**

Intended to improve working conditions and outcomes for employees, while increasing productivity, by setting minimum employment standards across entire industries and occupations

- **How?**

Negotiated through a bargaining process between unions and employer representatives



Fair Pay Agreements

The timeline

2017

In their 2017 election manifesto, the Labour Government promised to introduce a mechanism for negotiating FPAs.

May 2021

The Labour Government announced its plan to introduce FPAs.

March 2022

Fair Pay Agreements Bill introduced (public submissions closed 19 May 2022). Bill is currently at Select Committee stage.

2019

The Labour Government set up the Fair Pay Agreement Working Group (the 'FPAWG') to make recommendations for a proposed system of FPAs.

November 2021

The FPA Bill was *expected* to be introduced. Delayed.

Late 2022

New system is expected to be implemented.



What will FPAs mean for growers?

Seasonal workers

- How will unions effectively engage with and represent these workers?
- How will fixed terms and conditions cater to these workers?

Representation of employers

- Mandatory employer participation
- Difficult for all employers to be effectively represented in an industry with thousands of growers

Access to the workplace

- Unions can enter the workplace during the bargaining process and to discuss a fair pay agreement
- Employers of seasonal workers may not legally own the workplace

However, FPAs may create new opportunities for businesses

2 Income Insurance Scheme



Income Insurance Scheme

Proposal by Government, Business New Zealand and New Zealand Council of Trade Unions:

- Broad coverage for job losses due to redundancy, layoffs and health conditions and disabilities
- Support for workers at 80% of their income
- Minimum of four weeks' notice paid by employers, 6 months from scheme, and option to extend support for up to 12 months for training and rehabilitation
- The scheme will be funded through levies on wages and salaries (with both workers and employers paying an estimated 1.39% each)



What will the Scheme mean for employees and employers?

Additional costs

- An additional cost for both employees and employers
- Potential for inequality
- Seasonal workers covered up to original intended end date

However...

- The goal of the scheme is to work towards a more productive, sustainable and inclusive economy
- Workers that are financially supported after losing a job are demonstrated to find new jobs that are higher paid and better match their skill set



3 Modern Slavery



What is modern slavery?

Modern Slavery includes: slavery, servitude, forced or compulsory labour, human trafficking, debt bondage, child labour and sexual exploitation.

Modern Slavery is a global issue and it involves fundamental breaches of both human and labour rights.

40.3 million “modern slaves” in the world, **10 million** of which are children.
 $\frac{2}{3}$ live in Asia Pacific, a region where many of our products come from.

3.1 billion “risky goods” are imported to New Zealand per year.

US\$150 billion
in illegal profits annually.

A number of countries have introduced Modern Slavery legislation.

New Zealand has just closed public submissions on proposed legislation.



What can we do now?

What can organisations do now?

- Supplier due diligence
- Supplier code of conduct
- Staff training
- Implementing organisational policies
- Supply chain reporting

What are growers already doing?

- HortNZ submission on Modern Slavery and Worker Exploitation (supported by NZ Apples & Pears)
- New Zealand Good Agricultural Practice (NZGAP)

Thank you



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