

**Joint Minutes of the 1st UK-New Zealand Labour Sub-Committee**

**11 April 2024**

The United Kingdom (UK) and New Zealand held the first meeting of the Labour Sub-Committee under the Free Trade Agreement (FTA) between the United Kingdom of Great Britain and Northern Ireland and New Zealand (the Agreement) via videoconference on 11 April 2024.

1. **Greetings and opening remarks**

The UK opened the meeting by highlighting synergies in the approach on labour and employment issues between both countries and thanking New Zealand for its support throughout the UK’s accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and its chairing of the CPTPP Labour Council last year.

New Zealand thanked the UK for hosting and chairing the 1st Labour Sub-Committee and welcomed the broad range of topics presented on the agenda. New Zealand referred to new government priorities on labour policy and welcomed the sub-committee as a foundation for shared work going forward.

1. **Approval of the Agenda**

Both Parties formally adopted the agenda with no revisions.

1. **Adoption of the Rules of Procedure**

The UK and New Zealand agreed to use the Rules of Procedure for the Joint Committee as a basis for the Labour Sub-Committee, making tweaks where appropriate. On meeting frequency, both Parties reaffirmed, in line with the requirements of the Agreement, that the Sub-Committee meet once every two years unless otherwise decided, but accepted that a meeting next year could be beneficial, with the timing, scope and format of the meeting to be decided as needed.

1. **Presentation on progress towards ratification of fundamental ILO conventions; Discussions on other ILO Conventions of mutual interest**

The UK presented on recent progress on the implementation of the International Labour Organisation (ILO) conventions. The UK reiterated its commitment to the ratification of all fundamental ILO conventions and to enhancing labour standards globally through negotiating and implementing ILO standards. The UK highlighted its leading role in negotiating the ILO convention on Violence and Harassment, being the 3rd country in Europe (11th in the world) to ratify the convention in March 2022.

New Zealand updated on progress achieved in relation to New Zealand’s ILO ratifications. New Zealand confirmed that it has ratified seven (7) of the ten (10) fundamental ILO conventions and updated on the ratification of Protocol of 2014 to the Forced Labour Convention in 2019. Although Convention 87 on Freedom of Association and Protection of the Right to Organise has not yet been ratified, New Zealand is closely monitoring the case at the International Court of Justice.

1. **Information exchange on key legislation regarding policy covering increasing labour market participation.**

The UK gave an overview of legislative changes relating to labour market participation. This included measures to help provide new parents, unpaid carers and hospitality workers with easier access to flexible working and a right to request a more predictable working pattern.

New Zealand updated on its new government’s workplace relations and safety priorities, which included reviewing its Employment Relations Act, health and safety law and regulations, improving the effectiveness, efficiency and responsiveness of frontline services within its Employment Relations and Standards system, Health and Safety system, and making improvements to its Holidays Act. The UK requested to be kept informed on developments relating to the review of the Employment Relations Act and New Zealand requested further information regarding the UK’s experience on classification of employment status.

1. **Holidays legislation challenges and information exchange**

Parties exchanged information on respective approaches to legislation governing holidays, with New Zealand talking through approaches to payment and safeguards to ensure workers have weeks with no work, specifically when rolled-up holiday pay is in use. The UK outlined recent reforms to Holiday Pay and Entitlement legislation, which covered developments relating to holiday entitlements, including how workers accrue leave when on maternity/family related leave or sick leave and provisions for part-year and irregular hour workers.

New Zealand requested clarity on the definition of ordinary/normal pay and about what classifies as a ‘regular’ commission or overtime payment and calculating what must be included. New Zealand updated on plans to further develop its Holidays Act and asked for more details on the UK’s consultation process for the recent holiday pay reforms, particularly regarding the feedback from the consultation and the level of stakeholder engagement experienced. New Zealand also asked for more detail about the UK’s impact analysis undertaken to inform decisions on the reforms.

1. **Future of the living wage and lessons learnt to date**

The UK reported on progress achieved on the new National Living Wage (NLW) rate, where the UK target of two-thirds of median hourly earnings has been reached as of 1 April 2024. This has met the ambition to end low hourly pay for those on the NLW, which is almost all workers aged 21 and over. There are separate minimum wage rates for those aged 18-20, aged under 18 (but at least school leaving age), and for apprentices. The UK highlighted its priority to continue monitoring and evaluating the impact of recent increases to the NLW, and to protect progress already secured on low pay. The UK detailed the work of the Low Pay Commission, a tripartite social partnership organisation and advisory body, in undertaking econometric analysis and comprehensive stakeholder consultations to support decisions on the minimum wage rates.

New Zealand provided a brief update on its legislative progress in raising the minimum wage. New Zealand’s experience with legislated minimum wage rates dates back to at least the mid-twentieth century, and the legislation requires the rate to be reviewed annually. Unlike in the UK, there is no independent body advising the Government. Since the early 2000s, the value of the minimum wage has increased significantly in real terms, and decisions by successive governments resulted in the phasing out of youth rates. New Zealand now has only one adult rate for over 16s (with some limited exceptions). The impact of minimum wage changes since 2000 has been assessed by an independent firm, which did not identify large-scale impacts on employment levels (although a range of subtle impacts were identified, for example in relation to youth employment).

Parties compared experiences on state enforcement of the minimum wage. The UK’s enforcement is carried out by His Majesty’s Revenue and Customs (HMRC) through investigating complaints and targeted enforcement. The Department for Business and Trade (DBT) works closely with HMRC on enforcement, and DBT publishes a Naming Scheme that lists employers who do not comply with the rules. New Zealand utilises similar methods to the UK, with serious breaches going to its Employment Court.

1. **Tackling Modern Slavery in Global Supply Chains**

The UK presented on its approach to tackling modern slavery in global supply chains particularly focusing on its transparency approach and identifying lessons learned. The UK pointed to section 54 of the UK’s Modern Slavery Act 2015 that requires businesses with a turnover of £36 million or more to publish modern slavery statements, and to the number of guidance tools available to supporting businesses in combatting forced labour in their supply chains.

New Zealand noted that progressing modern slavery legislation has not been identified as a current priority. New Zealand highlighted existing tools that collectively address modern slavery in supply chains (including offences and penalties regimes) and ongoing non-statutory work to address modern slavery. This includes the publication of ethical and sustainable work practices, guidance and capability building for employers, workers and others to achieve systemic change in employment practices. It has commissioned research to identify and evaluate domestic and international examples of supply chain mapping and risk identification tools. The UK commended the research initiative and asked for sight of the completed product.

1. **Health and safety regulation information exchange**

The UK and New Zealand exchanged information on their respective regulatory frameworks relating to workplace health and safety. This addressed risk-based approaches to regulation, including applying different approaches to small and large enterprises. The UK presented on its well-established system of occupational safety and health (OSH) regulation. This included an overview of the legislation and duties on employers covering OSH risk management in the UK and the advice and tools available to businesses to help them assess and manage risks in their workplaces.

New Zealand highlighted that reforming its health and safety law and regulations is a key priority for the Government and that it intends to assess whether the current health and safety system is fit for purpose. New Zealand intends to start a public consultation to hear from businesses and workers on their experiences with health and safety law. New Zealand also expressed interest in learning further about the approach to work health and safety regulation in the UK, and what lessons it can learn for the reforms.

1. **Approaches to cooperation**

The UK outlined its early approach to cooperation, demonstrating a focus on establishing relationships with partners, exchanging information on domestic initiatives and identifying areas of mutual interest. The UK highlighted that the Labour Sub-Committee was an opportunity for both Parties to work collectively to develop policy for implementation, in a way that is mutually beneficial and welcomed New Zealand’s reflections on its experiences and approach to cooperation with other FTA partners including any lessons learnt.

New Zealand acknowledged the strong synergies between the UK and New Zealand’s approach on cooperation and suggested a range of topics for further collaboration, including holiday regulations and health and safety policy. Both Parties decided to continue discussions to identify mutual topics of interest for further collaboration.

1. **Coordination of Joint Public Session**

Both Parties reiterated their consensus on combining the stakeholder forums of the Environment and Labour chapters into one Joint Public Session. Parties decided to begin the coordination of the session.

1. **Closing Remarks**

Parties thanked each other for a productive and engaging discussion which would inform ongoing labour policy implementation. Parties reiterated the importance of the UK-New Zealand FTA and highlighted the considerable potential for successful future collaboration.

**Annex A – UK-New Zealand Labour Sub-Committee Agenda**

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| **№** | **Agenda item** |
| **1.** | * **Greetings and opening remarks**
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| **2.** | * **Approval of the Agenda**
* **Adoption of the Rules of Procedure**

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| **3.** | * **Presentation on progress towards ratification of fundamental ILO conventions**
* **Discussions on other ILO Conventions of mutual interest**
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| **4.** | * **Information exchange on key legislation regarding policy covering increasing labour market participation**
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| **5.** | * **Holidays legislation challenges and information exchange**
 |
| **6.** | * **Future of the living wage and lessons learnt to date**
 |
| **7.** | * **Tackling Modern Slavery in Global Supply Chains**
 |
| **8.** | * **Health and Safety regulation information exchange**

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| **9.** | * **Approaches to cooperation**
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| **10.** | * **Coordination of Joint Civil Society Forum**
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| **11.** | * **Next Steps**
 |
| **12.** | * **Closing Remarks**
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