

DRAFT FOR CONSULTATION

Employment Relations (Collective Agreements in Triangular Relationships) Amendment Bill

Member's Bill

Explanatory note

General policy statement

This Bill seeks to ensure that employees employed by one employer but working under the control or direction of another business or organisation are not deprived of the right to coverage of a collective agreement covering the work being performed for that other business or organisation.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause and provides for the Bill to come into force on the day after it receives the Royal assent.

Clause 3 identifies the Employment Relations Act 2000 (the **principal Act**) as the Act being amended by the Bill.

Clause 4 amends section 56 of the principal Act to add a new category of employees who are bound by and can enforce a collective agreement. The new category is employees who carry out work for a controlling third party if:

- their work is within the coverage clause of any collective agreement to which the controlling third party is a party; and
- they are members of the union with which that controlling third party has a collective agreement; and
- they are not bound by another collective agreement to which their employer is a party.

Rt Hon Adrian Rurawhe

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Employment Relations (Collective Agreements in Triangular Relationships) Amendment Act **2020**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the Employment Relations Act 2000 (the **principal Act**).

4 Section 56 amended (Application of collective agreement)

(1) Replace section 56(1)(b) with:

(b) an eligible employee.

(2) After section 56(3), insert:

(4) In this section, **eligible employee** means:

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- (a) an employee—
 - (i) who is employed by an employer that is a party to the collective agreement; and
 - (ii) who is or becomes a member of a union that is a party to the agreement; and
 - (iii) whose work comes within the coverage clause in the agreement:
- (b) an employee—
 - (i) who is working under the control or direction of a controlling third party that is a party to the collective agreement; and
 - (ii) who is a member of the union that is a party to the agreement; and
 - (iii) whose work is within the coverage clause of the agreement; and
 - (iv) who is not bound by another agreement to which their employer is a party.