



COVERSHEET

Minister	Hon Brooke van Velden	Portfolio	Workplace Relations and Safety
Title of Cabinet paper	Freedom of Choice and Cutting Red Tape at the Beginning of Employment	Date to be published	21 May 2025

List of documents that have been proactively released

Date	Title	Author
April 2025	Freedom of Choice and Cutting Red Tape at the Beginning of Employment	Office of the Minister for Workplace Relations and Safety
27 April 2025	Freedom of Choice and Cutting Red Tape at the Beginning of Employment ECO-25-MIN-0046 Minute	Cabinet Office
25 March 2025	Regulatory Impact Statement: Removing the 30 day rule and reducing the related information disclosure and reporting requirements for employers	MBIE
30 January 2025	BRIEFING-REQ-0008194: Initial process options for considering changes to the 30 day rule	MBIE

Information redacted

YES / NO (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of privacy of natural persons and confidential advice to government.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Freedom of Choice and Cutting Red Tape at the Beginning of Employment

Portfolio **Workplace Relations and Safety**

On 2 April 2025, the Cabinet Economic Policy Committee:

- 1 **noted** that the '30-day rule' refers to the current requirement that if an employer is party to a collective employment agreement that covers the work of a new employee, an employee's individual employment agreement terms must reflect the terms of the collective employment agreement for the first 30 days of their employment (as if the employee were a member of the union);
- 2 **agreed** to amend the Employment Relations Act 2000 by removing:
 - 2.1 the 30-day rule;
 - 2.2 the employer's obligation to provide an active choice form to a new employee;
 - 2.3 the employer's obligation to convey the completed active choice form (if the employee returns it), or a notice that the employee did not complete and return the form, to the union;
 - 2.4 the ability for unions to specify to an employer the information that is provided to the employee and the form in which it is provided;
- 3 **noted** that minimum disclosure and related employer obligations (those that existed between 2015-2019) are to remain, meaning the employer would still need to inform a new employee, where relevant:
 - 3.1 that a collective employment agreement exists and covers the work to be done by the employee;
 - 3.2 that the employee may join a union that is a party to the collective employment agreement;
 - 3.3 about how to contact the union;
 - 3.4 that, if the employee joins the union, the collective employment agreement will bind the employee;

- 4 **noted** that the employer must also give the employee a copy of the collective employment agreement, and if the employee agrees, inform the union as soon as practicable that the employee has entered into an individual employment agreement with the employer;
- 5 **agreed** that the above policy changes be given effect through the Employment Relations Amendment Bill, which holds a category 3 priority on the 2025 Legislation Programme (a priority to be passed by the end of 2025);
- 6 **invited** the Minister for Workplace Relations and Safety to issue drafting instructions to the Parliamentary Counsel Office to give effect to paragraph 2 above;
- 7 **authorised** the Minister for Workplace Relations and Safety to make decisions, consistent with the policy in the paper under ECO-25-SUB-0046, on any issues that may arise during the drafting and parliamentary process.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Simeon Brown
Hon Brooke van Velden
Hon Shane Jones
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Todd McClay
Hon Tama Potaka
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Officials Committee for ECO