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TOPIC 1
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NEW ZEALAND NATIONAL REPORT

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I. IDEOLOGICAL DEBATES AND THE LABOUR LAW

1. ***Does it exist in your country a debate on the reformulation of the labour law in the light of:***

   (a) *The globalization process;*
   (b) *Technological change;*
   (c) *Changes in the organization of work?*

Yes although in the case of New Zealand that debate was most intense during the 1980s and 1990s culminating in the enactment of the Employment Contract Act 1991. The overriding objective of this Act was to deunionise workplaces and to individualise employment relationships. Since the late 1990s the debate on reformulating labour law has become more muted. Following the major structural reforms of 1991 and their implementation during the 1990s the law has settled into a relatively stable pattern that it is broadly consistent with national labour market objectives and which has achieved the structural reforms thought

necessary at that time. As is explained below these reforms fit within an overall pattern of national economic restructuring that took place from the mid-1980s onwards.

The debate over labour law structures was reignited to some degree following the election of a Labour government in 1999. That government made a number of reforms intended to give greater priority to collective bargaining and to employee voice at the enterprise level. Although there was vocal employer opposition to these reforms the underlying nature of the reforms was not particularly dramatic. In summary the Employment Relations Act 2000 retained the macro level structures put in place during the 1990s but in gave greater emphasis to employee interests, both individual and collective, at the enterprise level. These reforms have not had a significant effect on labour market structures at the macro level. Since 2000 and there has been very little growth in either trade union membership or collective bargaining coverage. The major objective of the reforms was to build more positive and productive enterprise focused employment relationships, a strategy seen as essential to economic growth. The reforms were also influenced by the view that employees had a right to be informed and consulted on a business decisions impacting on their employment.

The 2000 reforms have gone a considerable distance to bring in New Zealand labour law back to a more central position which attempts to recognise that the interests of both employers and employees. In particular it gives greater recognition to the right of employees to bargain collectively. Following these reforms most of the heat has gone out of the deregulation debate. Both unions and employers seem to find the current imbalance pragmatically it acceptable and neither the mainstream union nor employer groups are currently seeking major changes. To the extent that debate continues it tends to be fomented by the more extreme fringes of neoclassical economic think tank's who would seek to impose a fundamentalist neoclassical economic vision on New Zealand labour law. These views now have relatively little mainstream acceptance.

2. ***If your answer to (1) is affirmative, could you give details on the range of this debate and the interlocutors that take part thereon (for example, if it is of an academic type or if it involves also the government, the social actors, the legislature, the financial operators, others)?***

The original debate in the 1980 was driven primarily by neoclassical economists and other free-market advocates within business think tanks (primarily the New Zealand Business Roundtable, and organisation consisting primarily of the chief executives of major New Zealand companies) and within Treasury. The neoclassical inspired reform agenda was

eventually adopted by the New Zealand Employers Federation and by the conservative National Party which came to power in 1990. Much of the resulting the law was in fact written prior to the election by of these groups. To the extent that there was a strong academic underpinning to this debate it came predominantly from researchers based within the Business Roundtable who were in turn strongly influenced the Chicago School of economics. Richard Epstein of the Chicago law school was for example a frequent visitor to New Zealand during this period as a consultant to the Business Roundtable. The reform process throughout the late 1980s and early mid-90s was driven primarily by the financial and the larger business sector together with support from within Treasury, the most influential government department. These groups effectively captured the political process for close to a decade from the mid-1980s onwards.

The reforms to labour law must be seen in the perspective of the overall liberalisation of the New Zealand economy from 1984 onwards. New Zealand is a relatively small country and has a very large degree of dependency on external trade-New Zealand's international relations are primarily trade relations. The country is therefore very susceptible to changing economic conditions globally. The The liberalisation of the economy was driven primarily by the need for the country to rapidly adapt to the changing global economic environment within which New Zealand operated. Until the mid-1970s the New Zealand economy was highly protected. At a simplistic level the New Zealand economy could be described as one where New Zealand farmers received high levels of return on the export of agricultural commodities primarily to the British market. This economic return provided the revenue for a highly subsidised and protected manufacturing and services economy within New Zealand including protection for reasonably high levels of wages and conditions for workers.

This position changed rapidly from the 1970s onwards. The initial major catalysts were the absorption of New Zealand's the main agricultural market, the United Kingdom, into the (then) EEC and as a result into the grossly protectionist CAP which severely limited New Zealand's access to its most important export market. The New Zealand economy became increasingly susceptible to adverse movements within the international economic system. The oil shocks of the 1970s, high international interest rates, and fluctuations in agricultural commodity prices all had a significant impact on the New Zealand economy. In order to protect its economic position New Zealand was forced to become more competitive in both agricultural and industrial production and to diversify its markets in order to minimise short term economic shocks. Given the size of the New Zealand economy it could not resort, at least for any significant period of time, to subsidising domestic agriculture and industry. Attempts at greater regulation, including the wage and price controls, and subsidisation during the 1970s were both economically unsound and financially unsustainable.

The major deregulation and liberalisation of the economy took place in the second half of the 1980s. The Labour government which came to power in 1984 immediately initiated a strongly neoclassical inspired deregulation/liberalisation of the New Zealand economy. This included floating the New Zealand dollar, freeing capital markets, removing most domestic agricultural and industrial subsidies and lowering tariff barriers. There was also considerable restructuring of the state-sector. These reforms led to rapid changes and adjustments throughout the economy. The main area not deregulated during this period was the labour market, primarily because the Labour government was unwilling to directly attack its main political support base. The incoming National government had no such inhibitions and indeed, somewhat cynically, it could be observed that the only targets for further deregulation by this time were the labour market and the social welfare system.

It might also be commented that both the Labour and National governments were subject to few political constraints because of New Zealand's first past the post electoral system which effectively gave governments an "executive dictatorship" in that the executive was subject to little or no effective parliamentary opposition. New Zealand's new MMP proportional electoral system now acts a major constraint on the ability of governments to undertake such far-reaching reforms with little or no consultation.

3. ***Is this debate at the origin of proposals of legislative reforms, or of recent reforms as regards the labour law? If it is, could you give details of these reforms, for example, those relating to:***

(a) *The contract of employment;*

The contract of employment is regulated primarily by the common law and a few significant changes have been made to the common law rules during the reform period. The most important change was to give the individual contract of employment legislative primacy over collective methods of determining wages and conditions. This strategy did not however involve changing the legal rules relating to the contract of employment itself. Given that the common law rules regulating the contract of employment tend to strongly favour employer interests and give considerable flexibility for the exercise of managerial prerogative significant reform was not to be expected.

The most significant practical change is that once the contract of employment gained greater prominence contracts tended to become more formalised and terms and conditions increasingly came to be more clearly specified in writing. To some degree this was a consequence of a much greater involvement of the legal profession in the labour

law after 1991. Prior to 1991 most labour law disputes were dealt with by the union officials and specialists within employer organisations. This picture changed dramatically after 1991 and employment law is now a major area of legal practice for many law firms.

(b) *Termination of employment (see also question 5, below);*

Prior to 1991 all union members were entitled to bring a claim of unjustified dismissal against their employer where they felt that this course of action was justified. Unlike many countries there was no qualifying period of employment before such a claim could be brought and there is also no statutory limit on the amount of compensation that may be claimed. At this time approximately 60% of employees would have been entitled to bring such a claim. Non-union members were forced to rely on the law of wrongful dismissal-which effectively meant dismissal at will although subject to of the employer giving the appropriate period of notice. For most employees notice periods were relatively short.

For reasons that remain unclear the National government extended unfair dismissal protection to all employees when it passed the Employment Contracts Act 1991. The reasons for this move were probably pragmatic in the that the government was unwilling to push the deregulatory reforms any further and also sought to separate unfair dismissal protection from its previous relationship to union membership. The move was nevertheless unexpected given that most neoclassical labour market economists are strongly opposed to any form of employment protection. Indeed those interest groups most vocal in implementing and supporting the Employment Contracts Act saw the failure to remove existing protections against unfair dismissal as essentially a betrayal of the deregulatory agenda. Over the next four to five years of these groups exerted considerable pressure on the government to "complete" the 1991 reforms. This pressure may eventually have succeeded except that one consequence of the introduction of the MMP electoral system in the mid-1990s was that the government was unlikely to gain a parliamentary majority to enact further reform and proposals for further deregulation quietly evaporated at that time.

In the context of a discussion of globalisation and the labour law response it perhaps should be made clear that New Zealand employers face very few constraints on dismissing employees if their position redundant. Such a dismissal will be justifiable as long as the redundancy is genuine and it is not a sham for dismissal for some other reason. The courts have taken a strong position that employers are entitled to manage their business as they feel commercially necessary and that is not for the courts to intervene to decide whether redundancies were appropriate. Moreover New Zealand

provides no statutory protection for redundancy. There is no minimum notice period or statutory determined redundancy compensation, where an employee is made redundant. Any compensation for redundancy will be dependent on the provisions negotiated in the individual contract of employment or in any applicable collective agreement. The majority of collective agreements do in fact contain some provision for redundancy compensation. The law therefore allows employers considerable flexibility in adjusting to market conditions by dismissing staff while at the same time not undermining the protection of employees dismissed for unjustifiable reasons.

(c) *Collective bargaining;*

Prior to 1991 the terms and conditions of approximately 50 to 60% of employees were determined through collective bargaining at either an occupational or industry level. The major group that fell outside the system was white-collar workers who were paid a salary greater than the maximum provided for in the Clerical Workers Agreement. Although New Zealand had had a system of compulsory arbitration for the settlement of industrial disputes since 1894 this system had effectively fallen into disuse about the end of the 1970s. By the mid-1980s the primary method of determining terms and conditions of employment had become collective bargaining. Much of the supporting legal structure, however, remained in place and in particular the structures that supported determining the wages and conditions at an industry/occupational level and usually with national coverage.

The primary objective of the 1991 Employment Contracts Act to finally repeal the structures that had existed since 1894 and to give primacy to enterprise-based determination of wages and conditions, preferably by individual were negotiation. An important objective of the Act was the deunionisation of workplaces and the individualisation of employment relationships. This was achieved by a number of mechanisms which cumulatively resulted in collective bargaining coverage falling to a little over 20% over the following five years. While coverage remained relatively high within the public sector, probably well over 40%, private-sector coverage plummeted to somewhere around 12 to 15%.

The primary methods used to achieve this result were:

- a policy of enterprise confinement so that employees were restricted to bargaining with their own employer. This policy was supported by legislative changes that made it any form of secondary or sympathy strike action unlawful. Employees could only strike against their own employer and only in relation to bargaining for a collective agreement which would cover their position.

- Voluntary union membership. Since 1936 New Zealand employees covered by a collective agreement (award) were required to be union members. This requirement was repealed in 1991 and replaced by a legislative freedom of association structure that gave some emphasis to freedom not to join unions. The immediate effect was the collapse and bankruptcy of a number of large unions who had previously relied on compulsory membership for their financial viability. Strategically this tactic gave the government the advantage of collapsing the union movement and forcing it into a major period of restructuring and reorganisation at the point they, and collective bargaining, were most vulnerable. The consequence was that union density fell from somewhere above 50% to approximately 17% with much of that membership being within the public sector.
- Legislative support for trade unions was repealed and trade unions were given no special recognition in terms of employee representation. Employees were entitled to be represented when negotiating either an individual or collective employment contract but that representation could take any form. While in many cases it remained a union the same legal rights also applied if the representative was a lawyer, independent advocate or the employee's mother-in-law.

(d) *Wage-fixing methods;*

(e) *Duration of work and organization of the working time;*

(f) *Modification of the terms and conditions of work and employment;*

After 1991 all three of the above were left to be determined by negotiation between employer and employee, including by collective bargaining, at the enterprise level. While the outcomes of these negotiations varied significantly from industry to industry the overall pattern was one of a reduction in take-home incomes (mainly achieved through the elimination of penal rates, overtime payments and the like) and the elimination or reduction of many non-wage benefits such as holidays, sick leave, and various allowances and the like. The reduction in bargaining power also led to relatively low levels of wage increases over the next decade. Hours of work became more flexible and the traditional 40 hours/5 day week disappeared in many industries.

It might be noted that New Zealand has a tradition of a relatively strong statutory law of rights including a minimum wage, annual and other holidays and wage protection legislation. The statutory floor of rights, while considerably less generous than many of the protections enjoyed in even unskilled industry agreements prior to 1991, still provides an important level of protection within the new structures.

(g) *Other-statutory floor of rights;*

It might be noted that New Zealand has a tradition of relatively strong statutory law of minimum rights including a minimum wage, provision for annual and other holidays, sick pay and wage protection legislation. There is also appropriate legislation dealing with discrimination and employment and parental leave. This statutory floor of rights, while considerably less generous than many of the protections enjoyed in even unskilled industry agreements prior to 1991, still provides an important minimum level of protection within the new structures.

(h) *Labour mobility*

Being a relatively small country New Zealand has always had a relatively mobile labour force and this pattern has not changed significantly with the labour market reforms. It should perhaps be noted that Australia and New Zealand have a common labour market in that citizens of each country are free to work on the other. There is a relatively high level of migration from New Zealand to Australia within this market. Many New Zealanders also have a dual nationality (primarily as a result of New Zealand being a nation of immigrants) and there is a significant level of short or long-term migration as a result of this factor.

(i) *2000 reforms*

As was noted above the Labour government elected in 2000 introduced a number of reforms designed partly to roll back aspects of the 1991 deregulation. While these reforms ameliorate many of the most objectionable features of the 1991 Act they do not significantly alter the basic macro level foundations of those reforms. In particular the new Act largely retains the policy of enterprise-based collective bargaining. The major reforms are as follows:

- the Act is specifically stated to promote the principles of ILO conventions 87 and 98.
- Trade unions are restored to a central position in labour law as employee representatives and given appropriate in legal powers of entry to workplaces and the sole right to engage in collective bargaining. Unlike many systems however there is no system of bargaining units or of majority unions having monopoly bargaining rights within an enterprise. New Zealand employees are free to join and to form a trade union of their choice (or to remain outside a trade union) and to have that union represent them in bargaining or otherwise with an employer. The current system might be described as "free market unionism" in that any

employee is free to join and now the union or to form their own union if dissatisfied with their current representation.

- The Act introduced a broad statutory obligation of good faith which applies not only to collective bargaining but to the workings of the employment relationship as a whole. The good faith obligation is seen as central to increasing worker voice within the workplace and allowing workers the right to be informed and to have the voice of decisions affecting their future employment. A primary aim of the new Act is to "promote productive employment relationships" and the good faith obligation is seen as the central driver to achieve in this objective.

That being said, there has been no significant increase in collective bargaining coverage under the new Act and trade union density has increased only slightly. Current density is about 22% and this figure also equates to those workers directly involved in collective bargaining. The Act has recently been amended to strengthen the good faith provisions and to provide a remedies against employer strategies such as the encouragement of freeloading but the impact of these reforms is not yet clear. As noted above the Labour government had no intention of changing the macro aspects of the 1991 reforms, its focus was on improving the nature of enterprise-based employer-employee interactions but also to provide proper recognition and protection for collective representation including a collective bargaining.

4. ***Did this debate have a bearing on:***

(a) *Court decisions;*

Traditionally most labour law matters in New Zealand were dealt with by the specialist Employment Court and its predecessors. This position slowly changed through the 1980s with the Court of Appeal becoming more active in labour law matters. During the 1990s this Court appeared to become strongly influenced by the neoclassical agenda and this significantly affected the decisions of that court in a number of crucial cases. This policy seemed to be quite deliberate as the Court, in a statement of policy in one leading case, indicated that many previous decisions needed to be re-evaluated in the light of the 1991 Act which it saw as repealing a "collectivist" approach to labour law and replacing it with one of "free contractual bargaining". The approach of the Court was apparent in two major areas:

- cases concerning collective bargaining. The Court strongly resisted any arguments that good faith was required during bargaining. Indeed the Court was reluctant to constrain a large range of an employer tactics that were intended to undermine and defeat collective bargaining so as to allow "market forces" (or more cynically economic power" to be the major determinant.

- The Court also appears to have been influenced by the neoclassical/new-right attack on employment protection. In a number of cases during the 1990s the Court reinterpreted a number of provisions in the Act which cumulatively had the effect of undermining and limiting protections against unjustified dismissal. The most important manifestations of this were
    - overruling longstanding authority that the refusal to renew a fixed term contract (usually wear that contract had been rolled over several times) might amount to a dismissal:
    - limiting the ability to challenge a dismissal for redundancy and even where there may have been a fairness in implementing a redundancy limited the ability to claim damages as a result. A number of redundancy cases included strong statements supporting employer rights to reorganise and which were strongly opposed to arguments that employees had any rights to consultation concerning the business decisions-rights being limited to the implementation of those decisions.
    - the test of justification for a dismissal was consistently weakened to give far greater weight to employer-based tests at the expense of an objective determination of the justification. As essentially the test became how would an employer if they had acted reasonably, have determined that the issue.

Following the 2000 Act some of these attitudes have continued to influence judicial decisions and a number of the amendments to that Act in 2004 were specifically intended to override aspects of decisions of the Court of Appeal.

(b) *Collective bargaining processes and issues?*

See the discussion above

II.- BUSINESS LAW AND LABOUR LAW

5. ***Have it been any modifications in the labour legislation (or the collective agreements) in connection with business law, for example with regard to the following issues:***

(a) *The legal position of employees in the event of the transfer of an undertaking or parts thereof;*

After 2000 there was a prolonged debate in New Zealand as to whether measures similar to the EU transfer of undertaking regulations should be enacted in New Zealand. No such general measures were in fact adopted and legislative reforms were limited to at attempting to protect relatively small groups of workers most vulnerable to attack on their conditions when their work was transferred or contract out. Such groups include catering employees, cleaners, hospital porters and caretakers. The number of employees concerned however is relatively low and the majority of groups are usually employed by contractors to publicly owned organisations.

(b) *The inventions of employees;*

No legal changes have occurred. The situation continues to be governed primarily by the common law which provides that most employee created IP becomes the property of the employer where of the creation of the IP is work-related or could cause a conflict of interest with work related obligations

(c) Workers' rights in the event of the insolvency of the employer;

No significant changes. Insolvency law has always given some priority to wages owing to employees and this has continued to be the position throughout the period of reform. In many insolvencies however financial institutions are normally able to gain priority through the use of fixed and floating charges to the detriment of all other creditors including employees. The one significant change has that there have been some reforms to protect the position of self-employed contractors in the event of the insolvency of the company for which they are working.

(d) *Collective redundancy procedures;*

See above. There are no statutory provisions relating to collective redundancies. The rights of employees should redundancies occur will be governed by the provisions of the applicable collective agreement.

(e) *Freedom of establishment of the workers after the end of their contract of employment (non-competition clauses);*

There have been no significant changes during that the regulation period. Freedom of establishment is determined by the common law rules on restraint of trade and these rules have remained a relatively consistent for many decades.

(f) *Others?*

III.- INTERNATIONAL TRADE AND LABOUR LAW

6. **Is your country a party to an economic integration agreement? If it is, please indicate which.**

The most important economic integration agreement involving New Zealand is that with Australia, the Australia New Zealand Agreement on Closer Economic Relations (CER) which has been enforced for over 25 years. That agreement is generally agreed to be one of the world most successful. This agreement, apart from providing for free trade in goods and services, involves a considerable degree of harmonisation of business law and regulatory activities. There is for example now a single joint Authority dealing with food safety standards and Trans-Tasman mutual recognition legislation provides that any goods or services that may be sold and the one country may also be sold and the other. This legislation also provides for mutual recognition of all professional and trade qualifications.

More recently New Zealand has entered economic partnership agreements with a number of countries such as Singapore and Chile. These partnership agreements are however considerably less ambitious than that with Australia and are primarily trade agreements.

7. ***If your answer to (6) is affirmative:***

(a) *Please indicate if the legal system set up by the agreement addresses labour issues. If so, please provide a brief description thereabout.*

(b) *Do the agreement's rules on labour issues have supranational legal effects? If they do, how are they applied? Can one draw an assessment from their implementation?*

(c) *If the agreement's rules on labour issues do not have supranational effects, please give details on their implementation machinery if such a machinery exists.*

Generally these agreements do not address labour issues in any substantial form. No agreement contains regulations that have a supranational legally affect. New Zealand and Australia constitute a single labour market in that citizens of each country are entitled to work and reside in the other. This market existed prior to CER and neither CER or any other Australia-New Zealand agreements attempt to prescribe labour law matters at a bilateral level. Both countries maintain separate labour law structures.

8. ***In developing a social dimension to trade agreements in which your country participates, was civil society (trade unions, NGOs) consulted during the stage of formulating national policy? If so, what form did the consultation take? Is there a permanent consultative role for civil society organizations in the agreement, and if so, how is the role defined and what has been the experience?***

Given that there are no substantive social clauses in New Zealand's trade agreements this question is probably not particularly relevant. New Zealand government policy is that account it should be taken of labour issues when entering trade agreements but this policy has not had any significant practical influence on trade negotiations. In formulating a policy, NGOs including the central trade union organisation, have been involved and those bodies take an active interest in trade negotiations. However given the structure of New Zealand's bilateral trade agreements there is relatively little room to negotiate labour clauses. First, New Zealand is a relatively small country and has relatively little clout in such matters. For example it is unlikely that New Zealand's current bilateral negotiations with China for a free trade agreement will see New Zealand achieving a strong labour clause!. Second, bilateral agreements are primarily with economies that are not dissimilar to that of New Zealand and therefore labour issues are not a major priority.

9. ***Were there efforts in your country in order to bring the national labour law closer to that of its principal trade partners? If so, what methodology has been followed for the law to be harmonized?***

The New Zealand reforms have been primarily directed at achieving a flexible labour market as one aspect of a national economy that is able to compete successfully at an international level. There has been no attempt to bring national labour law into closer conformity with primary trade partners. This statement must however be seen in the context that New Zealand's traditional trading partners have been the United Kingdom and Australia-the latter now being New Zealand's largest market for manufactured goods. Both these countries have labour law systems that are broadly comparable to that of New Zealand.

10. ***Do your country's law on international trade include provisions which condition the granting of commercial advantages to third states to the respect by the latter of certain basic rights of the workers? If it does, how are these provisions applied? Has your country already applied commercial sanctions pursuant to these provisions?***

No

11. *Is your country's labour law affected or is likely to be affected by provisions on the international trade of other countries with which it maintains important trade relations (for example, if your country's trade partner conditions the granting of trade advantages to third states to the respect by the latter of the internationally recognized workers' rights)?*

No. This has not been an issue in trading relationships to date. New Zealand law is generally in conformity with internationally recognised workers rights so this is unlikely to pose a future problem.

12. *If your answer to (11) is affirmative, could you indicate if your country has ever been compelled to revise its law or industrial relations practices so as to avoid losing trade advantages granted by other countries.*

IV.- *SOFT LAW* AND THE EMERGENCE OF NEW ACTORS

13. ***If your country is the seat of multinational enterprises (MNEs):***

(a) *Have MNEs operating from your country adopted codes of practices relating to workers' rights, which the MNEs subcontractors/providers must abide by? If they have:*

i. *Please provide information on the contents of these codes and their implementation machinery.*
ii. *Please indicate if it has happened that subcontractors/providers not abiding by a code have been excluded as suppliers from a MNE or have been summoned to respect the code.*
iii. *Can one draw an assessment on the implementation of these codes?*

(b) *Have MNEs operating from your country signed a world agreement with a trade-union interlocutor, aiming at the respect of the workers' rights? If they have:*

i. *Please give information on the contents of these agreements and their implementation machinery.*
ii. *Please indicate if it has happened that subcontractors who have been held in breach of the agreement have been excluded as suppliers from a MNE or have been summoned to respect the agreement.*

iii. *Can one draw an assessment on the implementation of these agreements?*

(c) *Have MNEs operating from your country adhered to a social accountability standard worked out by a NGO? If they have, please give information on these standards and the way in which their application is monitored.*

New Zealand has relatively few MNEs. To the extent that the majority of New Zealand companies operate internationally they do so in a relatively limited way with operations being confined to a small number of countries such as Australia. A very small number of companies, for example Fonterra a major international dairy company, rank as an MNE in any meaningful sense. Apparently this company has entered agreements with the trade union representing its workers to the effect that international agreements and standards will be observed in external operations. There is however little information on how this is operating in practice.

A number of New Zealand companies do however outsource production to developing countries. There is relatively little information available on the extent to which such companies and here to social accountability standards. New Zealand trade unions are however active in attempting to monitor such activities.

14. ***If in your country operate subcontractors of MNEs or other export-oriented enterprises:***

i. *Were some of these companies obliged or encouraged to adhere to a code of conduct? If so, please indicate the type of code to which they have adhered.*
ii. *Did some of these companies adhere voluntarily to a social accountability standard?*
iii. *Are there people certified by NGOs so as they can monitor the respect of a social accountability standard? If they are, are audits frequent? How are they carried out?*

Strictly the answer is no. All companies operating in New Zealand are bound by the same set of legal rules and are no specific or different provisions apply to MNEs. There are attempts by NGOs to encourage accounting standards which cover such matters as environmental and labour issues.

15. ***Is there any evidence in your country that the existence and application of one or more of the following public "soft law" instruments has had any effect on labor law or collective bargaining:***

(a) *The OECD Guidelines for Multinational Enterprises*

(b) *The ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy;*

(c) *The ILO Declaration on Fundamental Principles and Rights at Work;*

(d) *The United Nations' Global Compact*

In general New Zealand attempts to observe agreed international standards on labour rights. This is particularly so in the case of standards developed by the United Nations and the ILO. That being said however the above standards have not had any significant impact on New Zealand labour law or collective bargaining. This is perhaps not surprising given that New Zealand is a developed country with a relatively strong labour laws. The most important direct response to these instruments is that New Zealand has moved to adopt the principles of ILO conventions 87 and 98 and has now ratified the latter convention. New Zealand has yet ratify convention 87 as the law on secondary strikes is not in accordance with decisions of the ILO Committee on Freedom of Association. [New Zealand government policy is that no international instrument will be ratified unless New Zealand law is already fully in accordance with the provisions of that instrument]. There have also been some modifications to New Zealand law so that New Zealand was able to comply with the terms of the convention on the worst forms of child labour.