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The major parties: National's and Labour's employment relations policies

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Abstract

This has already been an unusual election campaign with the two major parties sporting new leaders and a growing diversity in the two parties' employment relations policies. There seems to be no major employment relations changes planned by the National Party and instead the National-led government's recent *reactive* legislative interventions are overviewed. The Labour Party will support collective bargaining but its approach is short on practical details. It also plans more interventions and funding to support low paid workers and combat youth unemployment. An apparently dysfunctional labour market has highlighted immigration dependency, skill shortages, limited wage movements and youth unemployment and these issues will be confronting any new government after this general election.

Introduction

This is an election campaign where a rather dull prospect has been set alight by leadership changes and where the electorate will be faced with some clear choices in respect of employment relations. Leadership changes have influenced the election campaign with Prime Minister John Key suddenly standing down in December 2016 and with Jacinda Ardern, surprisingly, becoming the Labour Party leader in August 2017. There has been a major shift in economic and political context since the 2014 General Election and this shift has influenced the policy agenda and the major parties' policy differences. Furthermore, recent public policy announcements by the Labour Party have highlighted the public policy differences between the two parties. In particular, the Labour Party's support of collective bargaining and industry-based collective agreements constitute a major difference though it is unclear how these agreements will be implemented. Another difference is the Labour Party's stronger focus on low paid workers though the government's recent reactive interventions, such as the tripartite agreement on low paid work in age-care sector and abolishing 'zero-hour agreements', have reduced the public policy difference.

Both parties are faced with a dysfunctional labour market where employers have come to rely on immigration and short-term visa holders to plug skill and staff shortages, where wages are not responding to a tight labour market, where youth unemployment is stubbornly high, and where income inequality and low productivity growth cloud the economic growth story. Stronger government intervention is on the agenda as the National-led government has become more reactive to public debates and the Labour Party has announced a number of interventions to enhance labour market 'inclusiveness' (see Tables 1 and 3).

While there are significant public policy differences, there has also been a contest for winning the mainstream public policy debate, including debates on economic, welfare and employment reforms. This will cloud the policy debate as will the probable 'kingmaker' role of New Zealand

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First. Thus, the electoral and political volatility of the current election campaign could continue for some time.

Context and history: employment relations 2008-2017

There has been a considerable shift in the employment relations context since the 2014 General Election. The Global Financial Crisis is now a distant memory and a construction sector boom on the back of the Christchurch earthquakes has morphed into a more widespread economic upswing. This has created many new jobs, skill shortages are embedded in several occupations, and employers are supporting high levels of net migration. Unemployment has dropped below five per cent and the focus has now shifted towards 300,000 jobless and how to overcome, what employers and commentators have called, a skill and attitudinal mismatch. This mismatch already appeared before the last general election: "The usual inverse relationship, where rising unemployment makes it easier for employers to find skilled labour, has broken down because the skills of the unemployed no longer match the skills that employers need" (Collins, 2015: p. A14).

As the economic upswing has continued and unemployment has fallen the skill mismatch and the labour market's ability to balance effectively workforce demand and supply has gained notoriety. There is now an emphasis on how to accommodate higher economic activity levels and, especially, dealing with social and structural issues. As detailed below, this image of an 'inefficient' labour market has directed attention to systematic problems: slowly rising wage levels – including the 'living wage' debate – skill shortages, the lop-sidedness of the Auckland housing and labour markets, the embeddedness of youth and NEET (Not in Employment, Education or Training) unemployment and several sectors' reliance of short-term overseas labour. There is also the perennial problem of low productivity growth. Regardless of who forms the next government, these labour market problems are major obstacles to be tackled and are bound to highlight crucial public policy differences between the major parties.

The employment relations context has also witnessed considerable public policy changes and there are now many differences between the two major parties (see Table 1 below). These differences include several major election issues in this general election, such as immigration, low paid work, employee participation in occupational health and safety, youth unemployment and equality and pay equity (see below).

Table 1. Employment Relations context: policy positions		
Policy	National (Policies for 2017)	Labour
Social welfare benefits, employment assistance and assistance for Youth (including Youth NEET – Not in Employment, Education and training)	Nothing on their website	Boosting its dole for apprenticeship scheme by extending eligibility to all 18 to 24 years not earning or learning Give unemployed young people a job for six months doing work of public value, so they can gain work experience and avoid long-term unemployment.
Family assistance, child poverty	More funding for insulation of rental homes for low income families Families on benefits receive an extra $25 per week in 2016 The Family Incomes Package will increase the $14,000 income tax threshold to $22,000, and the $48,000 tax threshold to $52,000	Boost Working for Families in addition to the 2017 Budget. Introduce Best Start payment to assist in a child's early years. Introduce a Winter Energy Payment for people receiving superannuation or a main benefit. Reinstate the Independent Earners Tax Credit
Vocational education and training	Established three primary industry trades academies to train more young people with the skills they need to succeed in the rural sector, with 850 places available each year, and increased tuition subsidies for agriculture-related tertiary qualifications	Labour's Working Futures Plan provides three years of free post-school education over a person's lifetime. It can be used for any training,
Education & teachers	Investing a record $10.8 billion a year into early childhood, primary, and secondary school education. Investing $359 million to keep the best teachers in classrooms and share leadership and expertise across schools.	Invest an extra $4b over 4 years to deliver a modern education system Reinstate extra funding for ECE centres who the majority of the teachers are fully registered. Ensuring every student has a personalised career development plan
Immigration	Introduced a 3-year cap on migrant workers for anyone earning over $41,898 a year or $20 per hour.	Introduce the KiwiBuild Visa to help address the growing shortages in skilled tradespeople and facilitate Labour's KiwiBuild housing programme.

Research & development (R&D)	Will invest $372.8 million of new operating funding in the second round of the government's Innovative New Zealand programme	Reintroduce R&D tax credits
Taxation	While possible future tax cuts are still emphasised the 2017 Budget increased tax thresholds for low incomes, Working for Families benefits and accommodation benefits.	Abolish secondary tax as it denies many New Zealanders access to wages they need to make ends meet. Will ensure a progressive taxation system that is fair, balanced, and promotes the long-term sustainability and productivity of the economy.
Housing	Create special housing areas across NZ. A $1b housing infrastructure to accelerate new housing. Setting up Independent Urban Development Authorities to speed up housing. Low and middle-income couples can now apply for government grants of up to $20,000 to put towards a deposit for their first home.	Build more affordable houses. Crack down on speculators. Support those in need.
Transport	$267 million investment for commuter rail in Auckland and Wellington. $2.6 billion election transport package for Auckland would include a new highway alongside the Southern Motorway.	Build light rail from the CBD to Auckland Airport. This will be part of a new light rail network that will be built over the next decade with routes to the central suburbs, the airport, and West Auckland, and will later be extended to the North Shore. Allow Auckland Council to collect a regional fuel tax to fund these investments
Regional Development	Regional Growth programme, working with local communities to develop and implement economic growth Action Plans	New Zealand's regions have a chance to thrive, beginning with the establishment of a new Centre of Digital Excellence to be based in Dunedin

Sources: Labour Party and National Party web sites.

Besides the changing economic and employment relations contexts, there appears to have been a shift in the National Party's willingness to address employment relations issues. While the National Party has kept a low profile in previous general elections, it is noticeable how little the party has addressed employment relations issues in the run up to this general election[1].

[1] After this article was finished, the National Party published its policy platform on employment relations and health and safety. See: https://www.national.org.nz/workplace_relations_safety

Since the National Party decided to continue with the Employment Relations Act prior to the 2008 election, it has normally suggested very specific changes to improve the 'flexibility' of employment processes (see Rasmussen, 2010; Rasmussen, Fletcher, & Hannam, 2014). Besides the rather low public profile of the suggested changes to the employment protection of high wage earners (see below), there is, at the time of writing, nearly a total dearth of any specific public policy initiatives in employment relations coming from the National Party. Instead it appears, as argued below, that either the National Party is relying on very general suggestions or, in practice, it has implemented a *reactive* public policy approach to neutralise any politically controversial employment relations topics.

The National Party's website talks about a clear plan to make New Zealand stronger but its four major goals are very general and their aspirational tone makes it difficult for many voters to disagree with them.

1) Responsibly managing the Government's finances by maintaining operating surpluses, reducing crown debit, tackling welfare dependency and delivering better results for families and better values for taxpayers.
2) Building a more competitive and productive economy through their Business Growth Agenda with six critical areas; export markets, infrastructure, capital markets, innovation, skilled and safe workplaces and natural resources.
3) Delivering better public services with specific targets, lifting student achievement across our education system, reducing crime, delivering a better, sooner and convenient health care, ensure welfare is there for those who need it, while helping people back into work.
4) Continuing to support the rebuilding of Christchurch.

These aspirational goals will probably prompt a detailed public policy discussion if the National Party does not secure a firm majority. This will then open for more debate about, for example, the appropriate size of operating surpluses or whether the focus on operation surpluses is preventing an efficient tackling of 'welfare dependency'. As discussed below, there are also concerns whether the National-led government has done enough to secure "skilled and safe workplaces" or has done enough to "helping people back into work" during this election cycle.

Besides these aspirational goals, a *reactive* approach of the National-led government has become more pronounced. This reactive approach has characterised the recent major public policy changes in employment relations. As detailed below, there have been three significant examples of such a reactive approach – the changes to occupational health and safety, the intervention against so-called 'zero hours agreements', and the approach to pay equity and low wage labour in the age-care sector.

The Pike River disaster in 2010 was a driving force behind rethinking the approach to occupational health and safety (OHS). The Pike River explosion, together with a dismal accident record in other sectors, put the spotlight firmly on the ineffectiveness and chronic underfunding of OHS regulation (Lamm, Rasmussen, & Anderson, 2013; Lamm, Moore, Nagar, Rasmussen, & Sargeant, 2017). It prompted the resignation of Kate Wilkinson as the Minister in charge, and the establishment of a Royal Commission into the Pike River disaster. All the recommendations from the Commission appeared accepted by the National Government when they presented the Health and Safety Reform Bill. In particular, a new independent regulator for OHS would be separated from the Ministry of Business, Innovation and Employment.

The new Health and Safety in Work Act 2015 constituted a major divergence from the National Party's low level of regulation preference. It has increased employer responsibilities and potential penalties and this has propelled OHS to become a major executive responsibility. However, it has also attracted a fair amount of criticism for not going far enough (see Sissons, 2016; Pashorina-Nichols, 2016; Tipples, 2015). A major issue is how effective the 'worker engagement' would be (even though the Act reduced the threshold to 20 employees or more) and another issue is the lack of focus on dangerous sectors. If a small employer is not listed on the so-called 'high risk' list then they are exempt from the legislative duty of having OHS representatives. In particular, the many small employers in agriculture is not on the 'high risk list', although many fatalities have occurred in the agriculture sector (Tipples, 2015). It is also problematic that there is no requirement to provide training for OHS committee representatives.

The changes surrounding the so-called 'zero hours agreements' was another demonstration that the National Government is reacting to public opinion. The Unite Union and the Labour Party ran a high profile campaign to eliminate these types of agreements during 2014-2015. In late 2014, the Labour MP for Palmerston North, Iain Lees-Galloway, announced the tabling of a private members bill to make 'zero hour agreements' unlawful. Media reports suggested that the Government were slow in reacting to this practice but the Minister of Workplace Relations, Michael Woodhouse, defended the government position by saying: "the government had to examine the issue carefully before making any decisions" (Radio New Zealand, 2015). In September 2015, the Government tabled the Employment Standards Bill, which sought, amongst other changes, to prohibit 'zero hours agreements' though it did not stipulate any minimum guaranteed hours of work. However, when the Bill was finally enacted in April 2016, employees were to be given guaranteed hours and stronger enforcement efforts were also included (see Table 2).

Finally, the National-led government decided to revive a tripartite approach to employment relations as it reacted to the likelihood of a string of pay equity court cases following a Court of Appeal decision in December 2014. The Court of Appeal decided in the so-called Terranova case to uphold the Employment Court decision that favoured the pay equity claim of Kristine Bartlett and the Service and Food Workers Union. Besides opening for other pay equity cases, it also put the spotlight firmly on low pay issues in the aged-care sector; a sector where many employers were reliant on government contracts and subsidies. In October 2015, a Joint Working Group on Pay Equity was tasked with recommending principles for dealing with pay equity claims under the Equal Pay Act. The Joint Working Group included employers, unions and government representatives who presented a set of recommendations in May 2016. The recommendations included:

- A set of principles to provide guidance to employers and employees in implementing pay equity, including criteria for considering whether a claim has merit as a pay equity claim and high-level guidance on how pay equity rates are established.
- A process for employers and employees to follow to address pay equity, which sets out a bargaining process based on the Employment Relations Act framework.

In April 2017, the National Government announced a $2 billion pay equity settlement for 55,000 health care workers in the aged-care sector, effective from 1 July 2017. In announcing the deal, the Minister of Health, Jonathan Coleman, thanked the unions and the industry sector for their constructive and positive approach throughout the negotiations over the last 12 months (Coleman, 2017). Interestingly, several representatives of employers' associations, who have previously opposed union claims for pay equity, applauded the settlement and its recognition of the contributions of low paid workers.

Likewise, many major aged-care sector employers highlighted the positive staff implications of increased government funding in terms of recruitment, turnover and staff morale.

As a result, the National-led government tabled the Employment (Pay Equity and Equal Pay) Bill in July 2017. While the Bill was heralded a major step forward for low paid workers, it has also been criticised by several unions and the Labour Party. According to CTU Vice-President Rachel Mackintosh: "It seems that, at the very least, it would have been much more difficult for Kristine Bartlett and the 55,000 other care workers to have achieved their recently won equal pay settlement had this Bill been the law" (NZCTU, 2017).

The big question is whether this settlement will have flow-on effects. Is it likely to see claims from other employee groups, particular public sector groups, such as nurses, mental health workers and teacher aides? Business New Zealand's Chief Executive, Kirk Hope (2017), has suggested that this settlement could affect businesses in two ways:

- First, it could affect the normal process of wage bargaining, making it more complicated because of the requirement to bargain over job comparisons, and thus lead to more regulation and compliance for businesses.
- Second, pay increases in the public sector gained through pay equity bargaining could have a knock-on effect on wages in the private sector more generally and thereby fuel wage inflation in related sectors.

Interestingly, Hope also said: "as a result of this court decision and ensuing legislation we will certainly have a changed industrial relations environment" (Hope 2017).

Finally, one of the few new National Party public policy initiatives has been an interesting new employment relations Bill on employment-at-will for high wage earners in March 2017 (Jones, 2017). Initially, the Private Members Bill was under the name of Paul Goldsmith (now a Minister for Science and Innovation and Tertiary Education, Skills and Employment) and subsequently promoted by Coromandel MP Scott Simpson (2017) (recently appointed to Minister of Statistics and Associate Minister of Immigration and for the Environment). The Private Members Bill – Freedom of Contract for Higher Earners Amendment Bill – has been through the first reading stage. Whether the Bill will reappear after the election is unclear; it has been opposed by the Labour Party, the Green Party and New Zealand First.

Table 2: Major employment relations policy changes 2008-2017

Legislation	Legislative purpose and details
ER Amendment Act 2008	Introduce 90-day probation/trial period for small businesses (one-19 employees)
ER Amendment Act 2010	Extend 90-day trial period to all organisations, reduced union access rights, reinstatement is no longer primary remedy in dismissal cases, change dismissal test from what a reasonable employer 'would' instead of 'could' have done
Holidays Amendment Act 2010	Employers can require proof of sickness from the first day, allow employees to trade for cash their fourth week of annual leave
ER (Film Production Work) Amendment Act 2010	'Hobbit' legislation prescribes 'contracting' for film production workers
ER (Secret Ballots for Strikes) Amendment Act 2012	Before taking strike action, unions need to conduct secret ballots of members
ER Amendment Bill 2013 (implemented after the 2014 General Election)	Changes good faith duty to conclude collective bargaining, allow opting out of multi-employer agreement bargaining, meal and refreshment breaks can be removed, allow pay reduction for partial strikes, changes transfer regulation (Part 6A), strike notice requirements changed
Minimum Wage (Starting-out Wage) Amendment Act 2013	Reduce starting-out wages for 16-19 years employees to 80 per cent of adult statutory minimum wage (applies only to 18-19 years olds if they have been on benefit prior to starting job)
Health and Safety legislation	The Health and Safety Reform Bill in March 2014 extends the duty of care to all persons in control of a business or undertaking, worker participation is strengthened. New enforcement agency Worksafe NZ. The Accident Compensation Act underwent two amendments in 2008 and 2010. The amendments were primarily concerned with reducing the number of claims and associated costs.
ER Amendment Act 2016 (Employment Standards)	Increased Parental Leave to 18 weeks. 'Zero hours' abolished by preventing employers altering shifts at short notice and guaranteeing minimum number of hours. Increasing recording obligations (wage and hours) for employers and more regulatory powers of Labour Inspectors.

Source: Rasmussen et al., 2014: 24 and government websites.

Current public policy position and election promises

At the time of writing (with one month to Election Day), The National Party has yet to publish a detailed employment relations policy platform. As mentioned, there is not anything unusual in this approach since the National Party has downplayed its employment relations changes in the last three general elections (see Rasmussen, 2010; Rasmussen et al., 2014). It also fits with the intention of the National Party to 'run on its record', emphasising a growing economy with many job opportunities, low unemployment and interventions in low paid sectors. After nearly a decade in power, the National Party has a well-established approach to employment relations as can be seen from the many changes in Table 2.

However, as discussed in the previous section, the low profile of employment relations policies can arguably be said to hide some differences compared to previous general elections. Although employment relations changes were downplayed in previous general elections there were significant changes proposed and subsequently implemented by the National Party. This does not appear to be the case in this general election and, importantly, recent public policy changes appear to have been more *reactive* – mediating public concerns – and less in line with the party's mantra of 'flexible labour markets' and reducing restrictive legislation.

While the National Party appears reactive and devoid of new major policy reforms, this cannot be said of the Labour Party that has announced a number of new policies over the last months, including public policy changes influencing the wider employment relations context (see Table 1). The key policy positions can be found in Table 3 though we will focus our detailed policy discussion on three areas: supporting collective bargaining, supporting employment relations fairness (including a lift in the income of low paid workers), and extending information and participation rights in occupational health and safety.

The Labour Party seeks to support collective bargaining in several ways. Bargaining rights will be extended to all workers, including dependent contracts. Fair Pay Agreements (FPAs) are promoted as industry-based agreements that will cover all workers in a particular industry. While the actual implementation of the FPAs would be developed subsequently by a Labour-led Government the recent tripartite aged-care settlement was heralded a possible scenario. Thus, it is unclear when negotiations can start – whether negotiations could only start if a certain number/percentage of employees already covered, whether it would involve employers or employer associations, whether it would involve a particular range of conditions or whether the content of FPAs would be negotiable, and whether the government could implement FPAs which had not been settled in employer-union negotiations.

The '90-day trial period' has been controversial in previous general elections (see Rasmussen 2010; Rasmussen et al., 2014). The trial periods were promoted as having a positive employment impact by making hiring less risky for employers. This claim was disputed in a 2016 report commissioned by the Treasury (2016) that found "no evidence that the ability to use trial periods significantly increases firms' overall hiring; or assisted in firms hiring disadvantaged job seekers" (Chappell & Sin, 2016). The report concluded the main benefit was "a decrease in dismissal costs for firms". While the Government has been firm in its support of the '90-day trial period', the Labour Party has moved from its outright opposition in previous elections. The Labour Party position is now that '90-day trial period' will no longer be abolished; instead it will be subject to prescriptive employer performance feedback and any worker who is dismissed will have access to a free mediation service to test whether they have been unjustifiably dismissed.

While there will be further workplace information and participation rights in respect of occupational health and safety under a Labour-led government, it has not been announced whether such a government will pursue other information and participation rights through mechanisms such as workplace councils or employee directors.

Table 3. Employment relations policy positions, August 2017

Policies	National Party	Labour Party
Collective bargaining	Collective bargaining is not discussed on their website	Introduce Fair Pay Agreements that are industry based. Restore and improve bargaining rights for all workers. Extend bargaining rights to dependent contractors.
90 Day-Trial Periods	Continue 90 trial period	Retain trial periods but remove the fire-at-will provision with referee system that is fair and simple.
Enforcement of legislation	Increased powers for Labour Inspectors.	Double the number of Labour Inspectors from 55 to 110.
Statutory Minimum Wage	Continue 'responsible' rises in statutory minimum wage.	Increase minimum wage to $16.50. Work toward a minimum wage of two thirds of average wage. Abolish youth rates.
Occupational Health & Safety	In the 2017 Budget, $36.3m extra funding for Worksafe was allocated over the next four years	Extending worker representation to all workplaces regardless of size or industry
Equity	Rest home workers receive increases as stipulated by Joint Working Group on Pay Equity. Extended Parental Leave to 18 Weeks	26 weeks paid parental leave. Ensure NZ employment laws extend to everyone working in NZ. Restore protections for vulnerable workers in cases of sale or transfer of business or proposed outsourcing.
Living Wage		Ensure all workers in the core public service are paid at least the Living Wage.
Dismissal	No change	Restore reinstatement as primary remedy
Best practice		Implement HPES by encouraging employer/union participation and engagement. Expand and enhance skill and industry training

Source: Labour Party and National Party web sites.

The labour market is not working?

Several of the recent public policy issues mentioned above – zero hours agreements, the 'living wage' campaign, high net migration levels, widespread skill shortages, persistent high youth unemployment – have often been portrayed as being part of a *dysfunctional labour market.* It has become a frequent media theme that the *current* New Zealand labour market is behaving in a rather unusual fashion.

> New Zealand's economy has thrown up an apparently bizarre mix of very strong jobs growth with virtually no fall in the various unemployment rates and fall in wage inflation. It seems to make no sense. How can an economy be growing strongly at 3.5 per cent plus and not be heating up wage inflation or lowering unemployment? The simple answer is that almost all that jobs growth over the past two years was soaked up by net migration of 131,188 and an increase of 28,200 in the number of people over the age of 65 who are working (Hickey, 2016: 28).

The current labour market is clearly influenced by a very high economic activity level, with the creation of over 200,000 new jobs in this election cycle. There has also been a significant rise in employment participation with the current 76.1 per cent of the workforce in paid employment being over eight per cent higher than when the Global Financial Crisis struck in 2008-2009. As discussed below, immigration is bound to one of the major policy issues in this general election. The dependency on high levels of net migration, (including short-term visa holders), is seen as a major indication of the labour market's inability to deal with the current level of economic activity. With skill shortages being manifest in several sectors, this has also highlighted the importance of having a more active labour market policy and considerable stronger investment in vocational education and training (Trevett, 2016). It has also raised the issue of wage increases which have been rather low during the current upswing (Dann, 2017a & 2017b). Besides pointing to the negative impact on wages of high levels of net migration, the low wage rises have been seen as another indicator of a dysfunctional labour market.

The 'future of work' concept has caught the imagination of many commentators and the Labour Party's Future of Work Commission had a long-running investigation that produced a major report (Future of Work Commission, 2016). A core idea is that the 'future of work' will produce a more fluent labour market with many non-standard/atypical employment situations and with fluent employment patterns becoming the norm for many workers (being an employee may become less prevalent). This has prompted calls for changes to the tax system, having more flexible welfare provisions (Fletcher, 2015) and allowing more intermittent and individualised participation in education and vocational training (see Table 1). While there has clearly been a move towards a 'post-industrial' labour market, where service jobs dominate new jobs creation, it is unclear (to us) how well this covers recent employment changes in New Zealand. It appears there has been a very strong growth in workforce participation rates and in full-time employment during the current economic upswing. "The New Zealand economy created 181,000 additional jobs over the past two years, with 93 per cent of these being full-time employment and the remaining 7 per cent part-time" (Gaynor, 2017: C4). This is very different from many other OECD countries where, for example, a recent UK labour market analysis found that most new jobs were in part-time work or self-employment (Sentence, 2017).

A particular issue is the low productivity growth – real GDP per hour worked – associated with the current economic upswing (Fallow, 2017). Productivity growth has been a long-term problem and it has become a well-established fact that New Zealand has experienced a relative, long-term decline since the 1960s. This has prompted many different 'recipes' or interventions

and employment relations changes have often been highlighted as a core part of any solutions to the productivity 'problem' (Haworth, 2010). As a result, the National-led government established the New Zealand Productivity Commission in April 2011 in order to provide analyses and advice on ways to improve productivity growth.

While the Productivity Commission seems vetted to a market-orientated approach – making markets, sectors, industries and occupations more efficient – it appears that this is going against the grain of the current public policy debates. This is highlighted by the reluctance of the National-led government to implement many of the suggestions in various Productivity Commission reports. The Productivity Commission's inability to influence the productivity debate can also be associated with this article's discussion of concerns about a dysfunctional labour market. Recent regulatory employment relations interventions and the opposition parties' suggestions of new regulatory interventions indicate a broader acceptance that new interventions are necessary in combating skill shortages, youth unemployment, and low paid work. This is a long way from the 1980s public policy beliefs of 'trickle down' effects of market liberalisation. Still, it is also unclear whether this amounts to a fundamental change in public policy, as suggested in media reports: "After decades moving away from Government intervention, times have changed. National and Labour have different approaches but their policies suggest a grudging consensus the market is failing for many people and exacerbating inequality" (Dann, 2017c: 17).

The BIG policy issues in this election campaign

Immigration is clearly going to be a major issue in this election. This is mainly associated with a fundamental shift in the level of net migration during this electoral cycle. Prior to 2013, it was common for net migration to oscillate in a band between plus and minus 20,000 net migrants. In the last couple of years, net migration has been two to three times this level. While the Labour Party has clearly stipulated that they want to reduce annual immigration by something like 30,000 it is probably more interesting to look at the position of New Zealand First (the likely 'kingmaker' after this election) and the changing policy position of the National Party. New Zealand First has called on their website for a "strictly applied immigration policy" that does not "undermine New Zealanders' pay and conditions". Thus, New Zealand First is aligned with the Labour Party and the Green Party on the immigration issue.

The National-led government has overseen a major influx of migrants in this election cycle and, reacted to public concerns about the high net migration level by announcing several interventions to curb low skilled and short-term immigration in April 2017. In particular, the government introduced a three year cap on immigrant workers unless they were paid more than $48,839 a year or $23.50 per hour. However, the Government is currently 'fine-tuning' this policy position following major pressure from business and industry groups as well as individual employers and employees. In July, it was announced that the threshold would be reduced to $41,859 or $20.00 per hour. While the government would like to neutralise the immigration issue this would impact on business interests. As succinctly put by commentator Brian Gaynor (2017: C4):

> Most New Zealand business owners and managers, particularly those in the building, information technology, hospitality and horticulture sectors support the current immigration policies. This is because they face serious labour market shortages that can only be resolved by attracting foreign workers.

Thus, immigration will be a current and future public policy focus and the debate has also highlighted major issues surrounding vocational training and education and youth unemployment.

The Auckland housing and labour markets have become the stuff of media and folklore speculations, and there is no doubt that there are shortages and supply issues in public services, such as nursing and teaching. The so-called Auckland exodus of skilled labour has been highlighted in several articles but it is often disputed or downplayed by various government spokespeople (for example, see Persico, 2017: A4). Likewise, calls for an 'Auckland allowance' has also been stymied by ministers and government spokespeople (Editorial, 2015). While the two major parties are taking a different approach – the National Party is keen to downplay the labour market issues and the Labour Party is highlighting the labour market issues – this is something that will influence the national debate beyond this general election.

Wage levels have become a continuous media story and there seems to be at least four recurrent focal points or policy concerns: how to deal with low paid labour – including the statutory minimum wage and the 'living wage' – sectoral recruitment and retention problems (with the construction sector hocking the headlines), the tripartite agreement on low wages and pay equity has set a new precedence, and the 'exodus' from the Auckland labour market. As discussed above, the underlying theme of these media reports is a call for more government intervention. The tripartite agreement in the aged-care sector shows that government intervention can be a circuit breaker and deliver significant wage rises. The Labour Party's support of the 'living wage' as well as its plan for sectoral collective bargaining indicate how this party will address some of the wage issues. However, the entrenched wage issues will probably need wider, more complex public policy changes as indicated by the persistent debates about immigration, the Auckland housing and labour markets, skill shortages and youth unemployment.

Conclusion

In a very unusual election campaign, there are many and stark policy differences between the two major political parties. The National Party has implemented many changes to the Employment Relations Act that seemed to undermine the Act's emphasis on collectivism, power balance and mutual employer-employee trust. The National Party's emphasis on legislative changes to enhance labour market flexibility appears to have ended and instead there has been several reactive interventions to overcome major employment relations issues. These reactive interventions have had major impacts since the 2014 general election.

The election campaign has highlighted that there are many embedded employment relations problems. The concerns about income inequality, low productivity growth and a reliance on immigrant labour will probably last much longer than the current electoral cycle. These concerns are associated with systematic imbalances in the labour market and it appears that enhanced government interventions have become part of the two major parties' public policy positions.

There are many general statements on the political parties' websites and their policy announcements are also very elastic, and often relies on future announcements. Furthermore, at the time of writing, it is unlikely that the major parties will be able to govern without the support of New Zealand First. This opens for negotiations and 'horse trading' following the general election. Thus, the spectacular political volatility could continue for a while, thus

making it unclear whether the significant public policy differences in employment relations will be part of major public policy changes.

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