

EMPLOYER BULLETIN

12 May 2025
A Weekly News Digest for Employers

EMPLOYER NEWS

Unemployment rate remains at 5.1% in the March 2025 quarter

The seasonally adjusted unemployment rate was 5.1% in the March 2025 quarter, unchanged from last quarter, according to figures released by Stats NZ last week.

In the March 2025 quarter:

- the unemployment rate was 5.1%
- the employment rate was 67.2%
- annual wage inflation was 2.9%
- average ordinary time hourly earnings were \$42.79.

“Seasonally adjusted levels of unemployment remained at 156,000 between the December 2024 and March 2025 quarters,” labour market spokesperson Abby Johnston said.

“While unemployment was unchanged over the quarter, longer-term trends mean the labour market appears quite different to the same quarter last year.”

Annually, unemployment rose by 22,000 to 156,000, as measured by the Household Labour Force Survey.

[To read further, please click here.](#)

Changes to improve pay equity process

The government is amending the Equal Pay Act [the Act] to make the process of raising and resolving pay equity claims more robust, workable and sustainable, Workplace Relations and Safety Minister Brooke van Velden announced today.

Pay equity is achieved when women and men are paid the same for work that is different but of equal value: for example, care and support workers and mental health assistants perform work that is different but is of equal value.

“It is clear the current Act is not working as intended, and amendments made by the previous government in 2020 have created issues,” says Ms van Velden.

“Claims have been able to progress without strong evidence of undervaluation and there have been very broad claims where it is difficult to tell whether differences in pay are due to sex-based discrimination or other factors.

“The government is committed to addressing these issues. The new and improved pay equity system will provide greater confidence that genuine pay equity issues will be correctly identified and addressed.

“New Zealand’s pay equity regime is an outlier internationally. The Act allows employees and unions to bargain a pay equity settlement with multiple employers. In most countries we compare ourselves to, people raise pay equity claims against their own employer only, or there are legal requirements on employers to proactively take steps to achieve pay equity.”

Pay equity claims have been concentrated in the public sector, with a recent increase in the number of claims in the publicly funded sector. Costs to the Crown have become significant, with the costs of all settlements to date totalling \$1.78 billion per year.

To read further, please [click here](#).

Trade negotiations with India commence

Following significant engagement over the last month, the first in-person round of negotiations towards a comprehensive India New Zealand Free Trade Agreement (FTA) will take place in India this week.

This follows the highly successful visit to India last year by Deputy Prime Minister, Winston Peters and the formal launch of negotiations by Minister for Trade and Investment, Todd McClay and Indian Minister of Commerce and Industry, Piyush Goyal during the Prime Minister’s large trade mission to New Delhi in April.

“This is an important step in our trade relationship with India and signals the two governments’ intent to deliver a high-quality outcome that benefits both countries,” Mr McClay says.

“With a population of 1.4 billion and a GDP estimated to grow to USD \$5.2 trillion by 2030, India offers significant opportunity for New Zealand exporters,” Mr McClay says.

“Strengthening ties with India across the board is a key part of the government’s broader strategy to diversify and grow New Zealand’s export markets and double trade by value in 10 years.”

To read further, please [click here](#).

NZ-EU trade deal delivers export growth

The early entry into force of the New Zealand–European Union Trade Agreement (FTA) is paying off, with Kiwi goods exports to the EU surging by 28% during the first year.

“In the last 12 months our goods exports to the EU surged from \$3.8 billion to over \$4.8 billion,” Trade and Investment Minister Todd McClay says.

“This is good news for all New Zealanders, especially our sheep farmers, kiwifruit growers and machinery exporters. Sheep meat was up 29% adding an additional \$216 million, kiwifruit has increased by 69% contributing a further \$316 million, and machinery was up an impressive 104% providing \$173 million more compared to the previous year.

“Strengthening ties with trading partners is crucial to growing the New Zealand economy and driving up incomes for Kiwis. Better market access, lower costs, and fewer trade barriers with the EU are key to delivering the Government’s ambitious goal of doubling the value of New Zealand’s exports in 10 years.”

The NZ-EU FTA removed 91% of duties on New Zealand exports immediately, climbing to 97% after seven years. Wine, seafood, and a range of other products are also benefiting from significant tariff reductions.

“Our growing network of trade agreements means exporters now have more choices about where to sell their world-class products,” Mr McClay says.

To read further, please [click here](#).

Developing a new Action Plan for unpaid carers

The Government is taking action to better support unpaid and informal carers, Associate Minister for Social Development and Employment Penny Simmonds says.

Every morning across New Zealand, unpaid carers are helping loved ones get ready for the day — preparing meals, arranging medication, assisting with transport, and offering vital support, all while juggling jobs, study, and family life.

“Each day, around 500,000 unpaid carers provide essential support for New Zealanders with disabilities, illnesses, injuries, or addictions,” Ms Simmonds says.

“It’s critical work that often leads to better outcomes than clinical or residential care — and it eases the burden on our health and social services.

“But it’s tough work. Many carers are balancing these responsibilities with little formal recognition or support. They deserve better, and that’s exactly what this new Action Plan aims to deliver.”

Government agencies already provide targeted assistance for carers, including financial support, respite subsidies, and practical help. The Action Plan will build on this foundation and ensure carers’ needs are better understood and addressed.

The Ministry of Social Development is leading development of the Plan, working closely with the Carers Alliance, relevant government agencies, and a new Carers Advisory Group.

To read further, please [click here](#).

Unsafe quad bike killed farmhand

A quad bike rollover which cost a Taranaki farmhand his life could have been avoided if the farm manager had kept the bike in good working order, WorkSafe New Zealand says.

Worn brakes, uneven tyre pressure, and poor suspension were among the defects found on the bike that flipped at low speed and killed 31-year-old Ethen Payne at an Eketāhuna dairy farm in November 2022.

The bike was purchased second-hand and had no crush protection device installed. The farm manager and bike owner, Dane Hemphill, has now been sentenced for health and safety failures uncovered by a WorkSafe investigation. A victim impact statement read in court said Mr Payne’s mother has since died of a broken heart.

“This tragedy should be the lightning rod the agriculture sector needs to up its game on quad bike safety,” says WorkSafe’s central regional manager, Nigel Formosa.

“First and foremost, WorkSafe strongly recommends installing a crush protection device on the back of a quad bike.”

Pre-start checks are important, primarily to check tyre pressure and brake function before setting off.

Regular servicing in line with the manufacturer's recommendation is also a must. This may include oil changes and filter replacements. A checklist can be handy to document the frequency of servicing, what was looked at, and any fixes undertaken.

Any issues identified during pre-start checks or servicing should be addressed promptly to avoid further problems or potential hazards.

“We know life is busy for farmers, but there’s no excuse for letting your quad bike maintenance slide – especially when the consequences can be catastrophic. Ideally maintenance checks are done by a mechanic. If you are too busy to take your quad bikes in for a service, arrange for a mobile mechanic to come out to you. The cost is nothing compared to having a preventable death on your conscience,” says Mr Formosa.

To read further, please [click here](#).

EMPLOYMENT RELATIONS AUTHORITY: THREE CASES

Employee fails to prove they were coerced to resign

In June 2022, Ms Leaupepe began working with Tamaki Health Services (Tamaki Health) as a part-time medical receptionist at one of its Auckland clinics. She worked two night shifts per week and occasionally took on additional shifts. She lodged a claim with the Employment Relations Authority (the Authority) alleging that she had been constructively dismissed and unjustifiably disadvantaged by Tamaki Health.

Issues began to emerge in April 2023. Ms Leaupepe had raised ongoing concerns about how payroll had sorted her wages. She also raised a complaint about one of the doctors who worked at the clinic.

In June 2023, Tamaki Health issued Ms Leaupepe a letter of expectations that addressed several matters, including her inappropriate use of ACC leave, concerns over medical certificates she provided, her use of inappropriate language, and sleeping during her shifts.

Tensions escalated in October 2023, when Tamaki Health undertook a disciplinary process for two further incidents where Ms Leaupepe had been found sleeping at work. The day before the scheduled disciplinary meeting, Ms Leaupepe sought the assistance of the clinic manager in preparing and submitting her resignation. Despite that, the meeting went ahead without the clinic manager’s help, and Ms Leaupepe was issued a final written warning.

At the time, Ms Leaupepe had been seeking help from her colleagues with her CV. She clearly indicated that she wished to leave in order to spend more time with family and reduce her night work commitments. She provided a formal notice of resignation on 17 October 2023, with her final day of work being 31 October 2023.

On her final day of work, Ms Leaupepe sought to retract her resignation. Tamaki Health did not agree and instead indicated that, after the required stand-down period of four to six weeks, she would be eligible for contract work. Ms Leaupepe emailed a week later, claiming she was pressured to resign by the clinic manager. However, when directly asked whether the manager had requested her resignation, she confirmed that was not the case.

Tamaki Health agreed to shorten the stand-down period so that Ms Leaupepe could start contract work immediately. Things appeared to be going well, until January 2024, when Ms Leaupepe raised a personal grievance asking for her permanent role back and alleged her resignation had been orchestrated, thereby creating a constructive dismissal.

The Authority found no evidence to support the claim that Ms Leaupepe had been coerced to resign. The parties still had an employment relationship, and following the matters of June 2023, Tamaki Health sought to reset things with a letter of expectation without going through a disciplinary response. The Authority also observed that the claim only arose in early November, after Ms Leaupepe had left. She had failed to raise a claim when she asked Tamaki Health to retract her resignation.

The Authority found that Ms Leaupepe had voluntarily chosen to resign. She was unhappy working night shifts, wanted to spend more time with her family, and had expressed that view frequently to the clinic manager, who agreed to help her prepare a resignation letter.

The Authority also did not find evidence of a breach of good faith. The April 2023 claims relating to wages and the complaint about the doctor were dismissed by the Authority as being outside the statutory time limit. Regardless, Ms Leaupepe's concern regarding her wages in April 2023 was addressed at the time, and no further wage issues were brought to the employer's attention. Regarding Ms Leaupepe's complaint about the doctors, she had not used the appropriate systems available to lodge it.

The authority determined that the clinic manager writing Ms Leaupepe's resignation did not place pressure on her. The help provided was within the context of a friendly and supportive relationship, and at the request of Ms Leaupepe. The Authority found that Ms Leaupepe had not been constructively dismissed. Tamaki Health did not follow a course of conduct with the intention of coercing her to resign.

Ms Leaupepe sought disadvantage claims relating to the issues with her wages, the unresolved complaint about a clinic doctor, communication issues as English was not her first language, and being coerced to resign. Since the Authority had already found that Ms Leaupepe had not been coerced to resign, the claim was not upheld. The evidence suggested that Ms Leaupepe had commonly used English at the clinic, and this had not presented an issue for her either verbally or in written form. Costs were reserved.

Leaupepe v Tamaki Health Services Ltd [[2025] NZERA 45; 29/01/25; E Robinson]

Employer ordered to pay outstanding wages and annual holidays

Mr Sevimay was employed by FML Engineering Ltd (FML) between 10 January 2022 and 27 December 2022 as a mechanical engineer. He claimed in the Employment Relations Authority (the Authority) that he was not paid the relevant notice period and outstanding annual leave upon the termination of his employment. He added that FML had agreed to make such payments in mediation.

FML did not meaningfully engage in the Authority's investigation other than broadly asserting that Mr Sevimay had performance issues.

Mr Sevimay claimed his employment ended with his resignation after being presented with an ultimatum to either resign or face dismissal. He claimed that FML instructed him not to work during his notice period on the basis that he would be paid one month's notice plus any outstanding annual leave. Mr Sevimay said those payments were never made.

To support his claim, Mr Sevimay provided the Authority with a pay record for the period 1 September to 30 September 2022, noting that he had not received other payslips. He asserted that the pay record was representative of his usual hours of work and pay. During the relevant four-week period, he earned \$9,583.33 based on an hourly rate of \$55.29 per hour for 173.33 hours of work.

The Authority found that Mr Sevimay was entitled to payment for the one-month notice period as outlined in his individual employment agreement, amounting to \$9,583.30. It also accepted, based on his evidence and in the absence of any contrary evidence from FML, that Mr Sevimay was entitled to payment of annual leave. Given he was also entitled to the relevant period of annual leave of 50.6 weeks and earned \$9,583.33 per four-week period, his total gross earnings amounted to \$121,229.13. Mr Sevimay was entitled to payment on termination based on 8% of his gross earnings.

Overall, FML Engineering Ltd was ordered to pay Mr Sevimay his notice period of \$9,583.33 and \$9,698.33 of unpaid annual holidays.

Sevimay v FML Engineering Ltd [[2025] NZERA 23; 17/01/25; R Anderson]

Failure to adhere to contractual obligations leads to unjustified dismissal

Ms Piacun worked for Cooper No. 1 Ltd (Cooper) from 2016 until being notified of her redundancy in June 2023 following the sale of the business. She raised a claim with the Employment Relations Authority (the Authority) alleging an unjustified dismissal. She sought compensation, lost wages, and repayment of annual leave used to top up payments during COVID-19 lockdowns. Cooper denied all the claims, submitting it was not responsible for the purchaser's decision not to retain Ms Piacun during the business sale negotiations.

On 12 June 2023, Ms Piacun received an invitation to meet with Cooper about her employment situation, as the business had been sold. Ms Piacun had been on ACC leave for nearly two years and had no knowledge that the business was being considered for sale. Whilst on ACC, she had been allowed the ongoing use of a work car, laptop, and cell phone.

On 15 June 2023, Ms Piacun met with Cooper. She was advised that her employment was terminated, as the new owner of the business did not wish to employ her. She was also told she was not due for any compensation as there were no redundancy provisions in her employment agreement.

The Authority reviewed email communications between Cooper and the purchaser from June 2023. In one of those emails, the purchaser noted that they were yet to receive a signed letter of offer back from Ms Piacun, as well as from a list of others. In response, Cooper said that Ms Piacun had been removed from the list as she had been made redundant from its end. That response flew in the face of its claim that the purchaser had declined to employ Ms Piacun.

Ms Piacun's employment agreement had an employment protection provision that set out that the employer would use its best efforts to negotiate with the purchaser about the transfer of employment. The Authority found that Cooper had fallen short of its contractual obligations when it advised the purchaser that Ms Piacun had been made redundant. The Authority also observed that when ACC contacted Cooper in May 2023 about a possible return to work plan for Ms Piacun, Cooper replied that they had no work for her as her role had been made redundant.

The Authority was heavily critical of the lack of information provided to Ms Piacun about the upcoming sale of the business. Further criticism was directed at the inaccurate information given to Ms Piacun, suggesting that the purchaser had not agreed to take her on when, in reality, Cooper had made her role redundant. If Cooper had concerns about Ms Piacun's ongoing incapacity, it had the means within the employment agreement to address the matter as early as six weeks into her incapacity. However, it did not initiate any process to consider that option.

The Authority found Ms Piacun had established a claim for unjustified dismissal and was entitled to remedies. In considering a compensation payment, Cooper submitted that allowing Ms Piacun to use company resources while on ACC should be weighed against any award made. The Authority did not agree. Rather, the Authority considered that fact most likely gave Ms Piacun a reasonable expectation of ongoing employment. In a blunt assessment, the Authority observed that Cooper had done nothing about Ms Piacun's situation until 15 June 2023, when she was immediately dismissed, based on reasons that were not wholly correct.

Despite that, the Authority declined Ms Piacun's claim for lost wages and payment of notice period. She was due for surgery at the time of her dismissal, so she would not have been in a position to work.

The Authority declined to advance the claim for topping-up COVID-19 payments. The evidence to clarify what happened at the time was sparse. The claim had arisen too late. If Ms Piacun was not happy with the circumstances, she should have raised the matter with Cooper at the time.

Finally, Ms Piacun had named Cooper's sole director and shareholder, Mr Cooper, as a second respondent to the claim. The Authority identified procedures under the Employment Relations Act 2000 for joining third parties to proceedings that had not been followed. The Authority declined to take that matter further.

Cooper was ordered to pay Ms Piacun \$18,000 as compensation. Costs were reserved.

Piacun v Cooper No 1 Ltd [[2025] NZERA 32; 22/01/25; A Baker]

LEGISLATION

Note: Bills go through several stages before becoming an Act of Parliament: Introduction; First Reading; Referral to Select Committee; Select Committee Report, Consideration of Report; Committee Stage; Second Reading; Third Reading; and Royal Assent.

Bills open for submissions to select committee: Seven Bills

[Plain Language Act Repeal Bill](#) (14 May 2025)

[Medicines Amendment Bill](#) (19 May 2025)

[Juries \(Age of Excusal\) Amendment Bill](#) (22 May 2025)

[Employment Relations \(Termination of Employment by Agreement\) Amendment Bill](#) (22 May 2025)

[Sale And Supply of Alcohol \(Sales on Anzac Day Morning, Good Friday, Easter Sunday, And Christmas Day\) Amendment Bill](#) (22 May 2025)

[Anzac Day Amendment Bill](#) (22 May 2025)

[United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill](#) (23 May 2025)

Overviews of bills-and advice on how to make a select committee submission-are available at: <https://www.parliament.nz/en/pb/sc/make-a-submission/>

[CLICK HERE](#)

**A QUICK GUIDE TO
HOLIDAY PAY PRACTICES
IN NEW ZEALAND**



The purpose of the Employer Bulletin is to provide and to promote best practice in employment relations.

If you would like to provide feedback about the Employer Bulletin, contact: comms@businesscentral.org.nz or for further information, call the AdviceLine on 0800 800 362



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ADVICELINE

AdviceLine is your link to first-rate employment relations advice. Business Central understands the difficulties employers can have with managing employees, so supports you with dedicated employer advisors.



TRAINING SERVICES

Our training team provide you with practical training solutions across various employment topics to help upskill your staff, giving your business a competitive edge.



OCCUPATIONAL HEALTH AND SAFETY CONSULTANTS

Health and Safety and the well-being of your employees should be of paramount importance to any employer. To help you along the way, we have a friendly and knowledgeable Health and Safety Consultant.



EMPLOYMENT RELATIONS CONSULTANTS

Employment Relations can be a difficult area to navigate. When you need close guidance on employment matters, you can rely upon our seasoned ER Consultants to be there to help.



LEGAL

When employees test the waters with a personal grievance, Business Central Legal are here to help. We offer representation in all employment law matters.

ENTERPRISE SERVICES

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businesscentral.org.nz

ADVICELINE

AdviceLine is your link to first-rate employment relations advice. Business Central understands the difficulties employers can have with managing employees, so supports you with dedicated employer advisors.

This service is 100% inclusive of your membership. There is no time limit to your call, and the team is available 8am–8pm Monday to Thursday and 8am–6pm Friday.

Our Employer Advisors are well trained and comprise a mixture of legal and business backgrounds. They understand your issues and can help advise you on legal requirements and best practices. They are backed up by a large resource base they can call on to support with you with written resources, guides, and templates.

TRAINING SERVICES

Our training team provide you with practical training solutions across various employment topics to help upskill your staff, giving your business a competitive edge.

Whether it be best practice processes under the Employment Relations Act and the Health and Safety at Work Act, leadership training or personal development, the Business Central training team are dedicated to facilitating your business's professional learning.

For more information about Business Central's public and customised in-house courses, or to register for a course, contact the team today.

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OCCUPATIONAL HEALTH AND SAFETY CONSULTANTS

Health and Safety and the well-being of your employees should be of paramount importance to any employer. To help you along the way, we have a friendly and knowledgeable Health and Safety Consultant.

Adrienne has extensive experience with helping companies navigate Health and Safety requirements. She understands companies need to see sound return on investment for their well-being initiatives. Adrienne offers full support with compliance issues such as induction training and hazard identification and management. Additionally she can help with preparation for ACC 'Workplace Safety Management Practices'.

EMPLOYMENT RELATIONS CONSULTANTS

Employment Relations can be a difficult area to navigate. When you need close guidance on employment matters, you can rely upon our seasoned ER Consultants to be there to help.

Having someone equipped to help you do the work can take the stress out of a tricky situation.

Our Consultants have a wide range of experience and are prepared to help. Whether you need to update your agreements or policies, or embark on performance management, they have the experience to make a difference. There are so many areas they can help; it may be union issues and managing a difficult relationship or it could be confirming a restructuring selection matrix.

LEGAL

When employees test the waters with a personal grievance, Business Central Legal are here to help. We offer representation in all employment law matters.

Business Central Legal provides you best return on investment for legal advice on employment law matters. Our team of lawyers are only available to members, and can help solve your tricky issues.

While you may think of lawyers as representing people in court, this is far from everything they do. Employers take advantage of the value of the Business Central Legal team to help in drafting documents such as tailored employment agreements and offers of employment. Additionally they can help with key guidance on difficult issues as restructuring processes and rock solid performance management plans.



A QUICK GUIDE TO HOLIDAY PAY PRACTICES IN NEW ZEALAND



NATIONAL PUBLIC HOLIDAYS 2025

New Year's Day - Wednesday, January 1

Day after New Year's Day - Thursday, January 2

Waitangi Day - Thursday, February 6

Good Friday - Friday, April 18

Easter Monday - Monday, April 21

ANZAC Day - Friday, April 25

King's Birthday - Monday, June 2

Matariki - Friday, June 20

Labour Day - Monday, 27 October

Christmas Day - Thursday, 25 December

Boxing Day - Friday, 26 December

PUBLIC HOLIDAYS

All employees for whom the day would otherwise be a working day and do not work on that day, will be entitled to a paid public holiday not worked.

All employees for whom the day would otherwise be a working day and do work on that day, will be entitled to at least time and a half for the hours worked on that day and an alternative holiday.

Employers therefore need to consider whether the day on which the public holiday falls is otherwise a working day for each employee in order to determine public holiday entitlements. The otherwise working day test applies to all employees regardless of whether they are permanent, fixed term or casual employees, or have just commenced employment.

OTHERWISE WORKING DAY

In most situations it will be clear whether the day on which the public holiday falls would otherwise be a working day for an employee.

However, if it is not clear an employer and employee should consider the following factors with a view to reaching an agreement on the matter.

- The employee's employment agreement;
- The employee's work patterns;
- Any other relevant factors, including:

- whether the employee works for the employer only when work is available;
- the employer's rosters or other similar systems;
- the reasonable expectations of the employer and the employee that the employee would work on the day concerned;
- Whether, but for the day being a public holiday, the employee would have worked on the day concerned.

CHRISTMAS/NEW YEAR CLOSEDOWN AND PUBLIC HOLIDAYS

If a public holiday falls during a closedown period, the factors listed above, in relation to what would otherwise be a working day, must be considered as if the closedown were not in effect. This means employees may be entitled to be paid public holidays during a closedown period.

ANNUAL HOLIDAYS, PUBLIC HOLIDAYS, TERMINATION OF EMPLOYMENT

A public holiday that occurs during an employee's annual holidays is treated as a public holiday and not an annual holiday.

An employee who has an entitlement to annual holidays at the time that their employment ends will be entitled to be paid for a public holiday if the holiday would have:

- Otherwise been a working day for the employee; and
- Occurred during the employee's annual holidays had they taken their remaining holidays entitlement immediately after the date on which their employment came to an end.

When applying the provision, you are only required to count the annual holidays entitlement an employee has when their employment ends (not accrued annual holidays). Employees become entitled to 4 weeks annual holidays at the end of each completed 12 months continuous employment.

PUBLIC HOLIDAY TRANSFER

The Holidays Act 2003 allows an employer and employee to agree in writing to transfer a public holiday to any 24-hour period.

This means, with agreement, a public holiday may be transferred:

- By a few hours to match shift arrangements; or
- To a completely different day

In the absence of a written agreement, a public holiday is observed midnight to midnight.

Please note that this guide is not comprehensive. It should not be used as a substitute for professional advice. For specific assistance and enquiries, please contact AdviceLine.