### Business**Central**

# EMPLOYER BULLETIN

30 June 2025 A Weekly News Digest for Employers

### **EMPLOYER NEWS**

### NZ law change restores balance - fairer rules for partial strikes

The Government has passed a change to the Employment Relations Act that reinstates the ability for employers to make pay deductions during partial strikes – making the system fairer for all, Workplace Relations and Safety Minister Brooke van Velden announced today.

"These changes will help both employers and unions to return to the bargaining table and restores the law to what it was before the previous government removed this option in 2018.

"I acknowledge the right of workers to strike in support of their collective bargaining claims, the right to strike remains," says Ms van Velden. "The changes were needed to ensure a fairer bargaining process and minimise the disruption partial strikes have caused to public and customer services.

"The key benefit for all workers and the public is less disruption to our communities – partial strikes had serious impacts on Kiwi families, students, patients, and other workers across our workplaces," says Ms van Velden.

Some of the impacts included MRI and nuclear medicine technologists limiting scans, around 50 percent fewer procedures were done. That meant delays in early cancer treatment, growing waitlists, increased outsourcing costs and pressure on front-line staff to pick up the work of others participating in the partial strikes.

To read further, please click here.

### **Invest New Zealand legislation passes**

Parliament has passed legislation to formally establish Invest New Zealand, clearing the way for the new investment attraction agency to begin operations on 1 July 2025.

"This marks a major step in the Government's plan to grow the economy by attracting more international capital, businesses and talent into New Zealand," Trade and Investment Minister Todd McClay says.

"Invest New Zealand will have a clear commercial focus - working directly with global investors to unlock opportunities that create jobs, boost innovation, and lift our long-term productivity."

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Budget 2025 committed \$85 million over four years to support the agency's establishment as an autonomous Crown entity.

To read further, please click here.

### **Changes coming to modernise ACC regulations**

Upcoming changes to ACC regulations will help ensure the Accident Compensation Scheme is fair and accessible.

Accident Compensation Policy Manager Bridget Duley says four key changes will modernise ACC regulations that are outdated and ensure they meet the needs of claimants and the Scheme.

"ACC regulations are routinely updated but some regulations have not been significantly updated since the early 2000s, meaning they no longer reflect current scientific evidence or the real costs claimants are paying," says Ms Duley.

One of the changes will see twelve new additions to ACC's list of occupational diseases, known as Schedule 2, which provides a more direct route to accessing ACC cover where there is a link to workplace exposure.

"Additions to the Schedule 2 list may lead to some people receiving their claim decision faster, as it acknowledges a strong proven link between their work and their illness."

To read further, please click here.

### Gross domestic product: March 2025 quarter

National labour force projections indicate the future size and age-sex structure of the labour force usually living in New Zealand, based on assumptions about labour force participation and average hours worked, and current policy settings.

All data cited here relate to June years. Data before 2024 is sourced from the Household Labour Force Survey (HLFS, year ended June, unless otherwise stated).

The projections indicate that:

- New Zealand's labour force will continue to grow, but the growth rate will slow in the long-term.
- The labour force will age, reflecting increasing labour force participation rates among males and females aged 50 years and over (50+), and the general ageing of the population.

To read further, please click here.

### Strengthening integrity of immigration system

The Government is taking another step to strengthen the fiscal sustainability and integrity of the immigration system following the successful first reading of the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill.

"Our immigration system needs to be smart, responsive and flexible to keep pace with the changing geopolitical context. The changes proposed will help ensure our settings appropriately respond to risk and are sustainable," Immigration Minister Erica Stanford says.



"The Bill introduces appropriate safeguards in the system for vulnerable people and implements legislative recommendations from two independent King's Counsel (KC) reviews of the immigration system. It also offers pragmatic updates to keep the Act current and support efficient visa processing."

Changes include:

- Introducing appropriate safeguards in the system for vulnerable people, including refugees and protection claimants, as recommended in the 2022 Victoria Casey review.
- Introducing a requirement for a judicial warrant for any 'out-of-hours' compliance activity, as recommended in the 2023 Micheal Heron review.

To read further, please click here.

### Endeavour Fund 2025: Announcing Smart Ideas research projects

New funding supports 46 early-stage research initiatives with strong potential for national impact and economic growth.

The Ministry of Business, Innovation and Employment (MBIE) has confirmed funding for 46 research projects through the 2025 Endeavour Fund – Smart Ideas investment round, with a total investment of around \$46 million.

The selected projects span a wide range of disciplines and sectors, including MedTech, quantum computing, climate resilience, sustainable agriculture and advanced manufacturing. Each project has been selected for its potential to deliver significant scientific, environmental and economic benefits for Aotearoa New Zealand.

The Smart Ideas investment mechanism supports early-stage research with high potential to address national challenges and create new opportunities. This year's funding round includes initiatives focused on developing point-of-care cardiac diagnostics, scalable quantum computing components and innovative approaches to environmental monitoring and climate adaptation.

To read further, please click here.

### Horticulture sector in the spotlight

Inland Revenue (IR) says it is seeing a few concerning practices in the horticulture sector, including people being paid under the table.

Most people do the right thing and pay the right amount of tax, however in the past 10 months IR has found \$45m of undeclared tax in the horticulture industry.

Inland Revenue spokesperson Tony Morris says with some in the sector still recovering from the devastation of Cyclone Gabrielle, and dealing with increasing compliance costs and labour shortages, paying tax has often become an afterthought.

"Along with paying people under the table, IR is seeing cash sales not being reported correctly (including payments to contractors) and withholding tax not being deducted on schedular payments made, deducted at incorrect rates or not being reported to Inland Revenue," Tony Morris says.

To read further, please click here.

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### Supermarkets warned about unfair practices

Economic Growth Minister Nicola Willis has written to the major supermarkets to restate the basic expectation that they take all steps needed to comply with the Fair Trading Act and ensure Kiwi shoppers are not subjected to misleading price claims.

"Supermarkets have statutory obligations under the Fair Trading Act to ensure that pricing information is accurate and does not mislead consumers. New Zealand's biggest retail operators should have in place processes to prevent inaccurate pricing, institute and publicise refund policies, and train staff to ensure that when errors are reported, fixes occur system-wide.

"I am concerned to hear from the Commerce Commission and Consumer New Zealand that misleading promotional practices and common pricing errors are still occurring within New Zealand's major supermarket chains.

"I have asked the major supermarket chains for an update on the actions they are taking to address these issues.

"I am considering introducing tougher penalties and potential changes to ensure the provisions of the Fair Trading Act are more readily enforced. I note that the maximum penalty for a breach of the Fair Trading Act in New Zealand is a fine of \$600,000 whereas in Australia the courts can impose a penalty of up to \$A50 million."

To read further, please click here.



### **EMPLOYMENT RELATIONS AUTHORITY: FOUR CASES**

### Employer wrongly relied on abandonment to end employment

Mr Richards began working as a gardener for Lawns Trees and Gardens Ltd (Lawns Trees) around mid-December 2022, having previously worked for the company intermittently over several years. Lawns Trees said it offered him the same terms that he was previously employed under. Mr Richards said he asked repeatedly for an employment agreement which was not provided to him. Mr Richards raised a claim with the Employment Relations Authority (the Authority) alleging that he was unjustifiably dismissed after an accident that left him unable to work. He sought compensation and penalties against Lawns Trees.

Mr Richards had an accident in February 2023. Unsuccessful attempts were made by him to return to work. His last medical certificate signed him off from working up until 18 June 2023.

On 22 June 2023, Mr Richards' ACC occupational therapist told him that, through their communications with Lawns Trees, they learned his role had been filled by another person. Over the course of the next few weeks, Mr Richards sought a letter of termination from Lawns Trees so he could receive support from Work and Income. Finally, on 26 July 2023, he heard from Lawns Trees' sole director and shareholder, Mr Dahm, advising him his employment had ended on 18 June 2023 due to his own actions which included him not having a current driver's license. Mr Richards was firmly of the view that his role did not require him to hold a driver's license.

Lawns Trees believed that Mr Richards would return to work when his medical certificate expired. It tried to contact him without success. However, Mr Dahm had heard from Mr Richards' occupational therapist. In a short phone call, Mr Dahm admitted telling them there was currently no work for Mr Richards. However, he denied saying his role was terminated. He also noted Lawns Trees had not received a medical clearance for Mr Richards.

The Authority considered the conversation between the occupational therapist and Mr Dahm fell short of establishing that Mr Richards had been dismissed at that time. While it was likely that Lawns Trees had concerns about not being able to reach Mr Richards, and Mr Dahm had said as much to the occupational therapist, Mr Richards had not sought clarification from Lawns Trees directly nor had he tried to reach out to the company until five days after learning about the discussion that was had between Mr Dahm and the occupational therapist.

The Authority considered whether Mr Richards had abandoned his employment on 26 July 2023. The Authority observed that Mr Richards' absence from work did not occur in a vacuum. Lawns Trees was on notice that he had been medically unfit for work, so it could be reasonably considered his ongoing absence related to his incapacity. Lawns Trees did not provide enough evidence to support its claims that it made reasonable efforts to contact him. The Authority found Mr Richards' employment had not ended for reason of abandonment.

Assessing the justification for the dismissal, the Authority found the dismissal to be both procedurally and substantively flawed. Lawns Trees had not properly investigated the reason for Mr Richards' absence, nor had it raised its concerns with him and given him a chance to respond before his employment was terminated. The Authority considered that Lawns Trees was aware that Mr Richards did not have a driver's license during his employment, and that it did not raise this issue with him. The driver's license was not considered material to the dismissal.

Mr Richards was awarded \$12,000 in compensation for hurt and humiliation. That amount was reduced by 20 percent to reflect Mr Richards' contributory conduct. The Authority was critical of his lack of communication with Lawns Trees about his situation and ongoing absence from work. While Mr Richards argued it was ACC's responsibility to keep his employer updated, the Authority was not satisfied with that explanation.

Lawns Trees was ordered to pay Mr Richards \$9,600 as compensation for hurt and humiliation and a penalty of \$1,000 for failing to immediately provide a copy of Mr Richards' wages and time record. Costs were reserved.

Richards v Lawns Trees and Gardens Ltd [[2025] NZERA 147; 10/03/25; R Anderson]



### Migrant exploitation punished by Authority

In 2023, Ms Cuc came to New Zealand from Vietnam and began working for Ms Huynh at her nail salon. In December of that year, Ms Cuc and several other employees were dismissed with Ms Huynh asserting that the dismissals were made under their trial period provisions. Ms Cuc subsequently raised a personal grievance with the Employment Relations Authority (the Authority), that her dismissal under the trial period was invalid. She also claimed that she was disadvantaged during the employment and that Ms Huynh breached good faith obligations due to violating the employment agreement which warranted a penalty.

Upon discussing the matter with a local employment agent, Ms Cuc and others met with Ms Huynh in Vietnam regarding openings at her salon in New Zealand. They were also asked to demonstrate their skills. Ms Huynh offered employment to Ms Cuc, which included a fee paid to her and the agent. Ms Huynh said she told Ms Cuc that she would need to do other work such as massage and waxing and maintained that Ms Cuc had agreed to that arrangement.

Ms Cuc received a copy of the employment documents, including her employment agreement, from the agent before boarding her flight. The agreement contained a trial period and already had her name written on it. She assumed that the agent had filled it in, as she had never seen the documents before. The document stated she was employed as a nail technician for 40 hours a week and there was no job description. Ms Cuc was not fluent in English. Ms Huynh had asked the agent to provide a copy of the agreement to Ms Cuc, to explain it to her, and get her to sign it. She did not question the document she received back.

On 28 October 2023, Ms Cuc started work when she entered the salon and was asked to do hairdressing. On 5 November 2023, Ms Huynh gave Ms Cuc a second employment agreement that reduced her weekly hours from 40 to 30 and included a job description that referred broadly to other tasks such as massage and waxing. Ms Huynh sent this agreement to the agent to get Ms Cuc's signature as well. However, Ms Cuc never became aware of the revised agreement and the agent returned a completed document back to Ms Huynh.

Ms Cuc was outspoken, asking about her rights and raising complaints about her employment. In one incident, a client asked her for an intimate massage. Ms Huynh agreed that was unwelcome and instructed that the staff could refuse such requests, but they were not to offend customers who would also be free to return.

Ms Cuc also raised concerns that she was only getting paid \$350 per week and requested to be paid her full wages. In response, Ms Huynh claimed that the amount was an advance on her wages while Ms Cuc's bank account was being set up. Ms Huynh also claimed that the employees owed her for the shared accommodation she arranged for them and that full wages would only be paid if their employment continued beyond three months. The employees' payment of rent for their accommodation was inconsistent and not widely established. Ms Cuc herself was reassured by Ms Huynh to not worry and that their accommodation would be taken care of.

One day, Ms Huynh visited Ms Cuc's home and told her to go back to Vietnam and do more training. This was to be at Ms Cuc's expense, with no wages paid during that time. Ms Cuc was worried that Ms Huynh was threatening to deport her. She was concerned about how it would affect her family, who were also now living in New Zealand.

Ms Cuc visited Community Law but maintained that the visit was only to discuss the rights of her family who were on visas. A lawyer directly contacted Ms Huynh and explained that visas had a process if they were to be varied. Ms Cuc and other staff also went to an advocate, but Ms Cuc maintained that while the other staff were discussing their labour rights, she only asked about her family's visas.

On 17 December 2023, Ms Huynh held a meeting to declare that "those who are going against me, I will fire them". She later admitted that even though she knew the dismissals would be distressing, she said the employees were creating trouble, including filming in the salon which cost her customers, public raising of voices and quality issues. She indeed ended Ms Cuc's employment and that of the other staff. Ms Huynh gave Ms Cuc a letter claiming she was dismissed in accordance with the trial period and so would receive one week's notice.



Ms Cuc did not work again and never received any further payments. Ms Huynh maintained that the money she had already paid was a loan that Ms Cuc owed and she directly put payslips from the company into her own account as repayment.

The Authority decided that the trial period clauses were invalid as Ms Huynh had failed to strictly adhere to the wording of the clause by failing to pay the one week's notice which she said had been deducted to pay rent. It did not consider that Ms Cuc consented to the deduction or that the evidence established that rent was due.

The Authority found the dismissal did not have a substantive basis of "good cause", in that it needed to be related to performance or poor behaviour. Ms Huynh did not thoroughly investigate her claim of employees "going against her". She did not raise these or other claimed performance concerns with Ms Cuc. She did not explain her accusation of what Ms Cuc had done wrong or the employment obligations she said Ms Cuc breached. Ms Cuc was not given a reasonable opportunity to respond. Without the trial period being valid, having followed no process, Ms Huynh's dismissal was unjustified.

The Authority considered that Ms Huynh unilaterally changed Ms Cuc's job description from nail technician work upon her start since she had been assessed and trained in that. Therefore, Ms Huynh's criticism of Ms Cuc, failure to pay wages in full, and failure to respond sufficiently to sexual harassment as required in the Employment Relations Act 2000, were all unjustified disadvantages to Ms Cuc's employment. For Ms Cuc's personal grievances, the Authority awarded eight weeks of lost wages totalling \$9,491.20 and \$20,000 in compensation for hurt and humiliation.

Finally, the Authority also identified the breaches of Ms Cuc's employment terms was a breach of good faith, which warranted a penalty due to the power imbalance and Ms Huynh's deliberateness. It balanced Ms Huynh's financial inability to pay a penalty and settled on a figure of \$2,500. Costs were reserved.

### Cuc v Huynh [[2025] NZERA 68; 14/02/25; C English]

#### Dismissal justified but with \$20,000 compensation awarded for disadvantage claims

Ms Making was employed at the Horseman Café until her employment was terminated for medical reasons on 20 July 2021. She claimed that her dismissal was unjustified because she was suffering from acute stress caused by her employer's inadequate response to the bullying she was experiencing at work. She also alleged that she was disadvantaged by her employer's failure to adequately address her complaints, and by the unilateral removal of her supervisory responsibilities. Additionally, she claimed she was discriminated against because of her dyslexia, was unjustifiably suspended, and that the investigation into her conduct was unfair given the circumstances.

Mr Windle, the owner of the Horseman Café, claimed that Ms Making was not bullied. Instead, others had complained about her conduct at work and that she was rather the one who engaged in bullying behaviour. He had no knowledge of her having dyslexia, so he could not have discriminated against her because of a disability. Mr Windle said her termination for medical incapacity was after an eight-month absence from work and was, therefore, both substantively and procedurally justified.

In September 2020, Ms Making raised a personal grievance claiming discrimination, bullying, and harassment. She also recorded that she felt fear, anxiety, and extreme stress at work. She referred to a meeting at the start of August 2020, where bullying and harassment were discussed but nothing changed following that meeting.

Mr Windle acknowledged receipt of the personal grievance and told Ms Making he had contacted his lawyer and wanted to get the issues resolved. However, no meeting took place. Several other things had happened with allegations now being made against Ms Making, whereby Mr Windle then proposed suspension. Ms Making became unwell due to the stress and did not return to work. Medical certificates were provided and in July 2021 Ms Making's employment was ended based on medical incapacity.



The Employment Relations Authority (the Authority) said it was not clear that the allegations against Ms Making were serious enough, or that her part in the whole picture was blameworthy enough, for a suspension to be justified. It found that she was unjustifiably suspended. Ms Making claimed she was disadvantaged by being demoted, which Mr Windle contested. The Authority preferred Ms Making's evidence that the supervisory role was removed from her with no consultation or explanation. She was disadvantaged, and the employer's actions were not justified.

The Authority also found that Ms Making was unjustifiably disadvantaged by her employer's failure to address her personal grievance email adequately and at the same time commencing an investigation into her conduct. The interpersonal matters were all intertwined and partly caused by Mr Windle's decision to demote Ms Making.

In relation to the discrimination claim, the Authority accepted Mr Windle's evidence that he was not aware Ms Making had dyslexia. Therefore, as an employer, he was unaware of what steps he could take in support until he received the personal grievance. Ms Making's discrimination claim was not successful.

The Authority then considered the termination of employment on the grounds of medical incapacity. Mr Windle was rightly concerned about the amount of time Ms Making had been unable to work which was approximately eight months and consideration of termination was reasonable in the circumstances.

The employment agreement contained a process to be followed in the event an employee was unable to work because of a long-term illness. The employer was permitted to require the employee to undergo a medical examination for the purposes of providing a report before a final decision was made on medical disengagement. At the time the decision to terminate the employment was being considered and was made, it was clear Ms Making was suffering from a long-term illness, and the communications between the parties showed all efforts to have a medical report prepared failed. Mr Windle was left with a situation where little, or no information was provided about Ms Making's prognosis, and when she might be able to return to work. Ms Making was informed at each step of the process and was invited to participate.

The Authority determined Mr Windle was justified in bringing the employment relationship to an end, in circumstances where no information was provided to the employer, and there was a refusal to undergo a medical assessment as provided for in the employment agreement.

The Authority awarded Ms Making one globalised amount of \$20,000 compensation for the separate but interrelated disadvantage claims.

### Making v Windle [[2025] ERERA 137: 05/03/25; S Kennedy-Martin]

### Employee claim for unpaid notice period successful

Ms Shen was employed by Supreme Huang Ltd (Supreme) as a café assistant from 17 October 2021 until the café closed on 24 July 2024. Ms Shen sought orders for contractual notice, holiday and sick leave arrears and interest from her former employer and its director, Mr Huang. Neither Supreme nor Mr Huang engaged in the Employment Relations Authority's (the Authority) process.

The Authority first considered the notice claim. Supreme had not kept on file a copy of the employment agreement, and Ms Shen had not retained her own copy, and she could not recall what the notice provision stated. The Authority found, based on her payslips and unchallenged evidence, that Ms Shen was a part-time employee rather than a casual employee, and usually worked three days a week with hours that fluctuated from 16 to 30 hours per week.

The Authority was satisfied Ms Huang was entitled to \$370.40 for a one week notice period once her employment ended, because she was paid weekly and was a permanent employee.

Ms Shen next claimed payment for sick leave taken during her employment. The evidence established she took seven days of sick leave on days she would otherwise have worked. Supreme was ordered to pay Ms Shen \$784.40 gross for sick leave, based on her average hours paid, at the applicable minimum wage rate.



Ms Shen was also entitled to be paid termination holiday pay when her employment ended. Supreme was ordered to pay her \$3,294.99 gross in holiday pay entitlement. Ms Shen had also been deprived of the use of money, so the Authority ordered Supreme to pay interest on the wage, sick leave and holiday pay arrears awarded.

The Authority outlined in its orders that if Supreme failed to make the payments required to Ms Shen, Mr Huang was liable to pay her, as well as pay interest, from the date of the determination until the sums were paid in full.

Shen v Supreme Huang Ltd [[2025] NZERA 155; 14/03/25; M Urlich]

### 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: Eight Bills

Financial Markets (Conduct of Institutions) Amendment (Duty to Provide Financial Services) Amendment Bill (4 July 2025)

Public Finance Amendment Bill (7 July 2025)

Climate Change Response (Emissions Trading Scheme—Forestry Conversion) Amendment Bill (7 July 2025)

Inquiry into Ports and the Maritime Sector (13 July 2025)

Overseas Investment (National Interest Test and Other Matters) Amendment Bill (23 July 2025)

Game Animal Council (Herds of Special Interest) Amendment Bill (24 July 2025)

Immigration (Fiscal Sustainability and System Integrity) Amendment Bill (28 July 2025)

Inquiry into the harm young New Zealanders encounter online, and the roles that Government, business, and society should play in addressing those harms (30 July 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/

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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 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

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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.

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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.

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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

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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.