

EMPLOYER NEWS

Empowering young Kiwis' economic potential

More than 5,300 young Kiwis will benefit from new funding which invests in their business potential, develops enterprise skills, and better prepares them for their future work environment, Youth Minister James Meager has announced.

Mr Meager confirmed the \$1.5 million Ministry of Youth Development (MYD) funding for 11 community-based providers, while speaking at the INVOLVE youth sector conference in Christchurch.

"The Government is focused on growing our economy for all New Zealanders, including our young entrepreneurs and emerging business leaders. This investment will enable promising young Kiwis to access financial support to develop essential skills like financial and digital literacy, learn how to create a business, and provide seed funding and mentoring to those with ones ready to grow," Mr Meager says.

To read further, please click here.

Unemployment lower than forecast

Stats NZ data released today shows the unemployment rate for the June quarter was 5.2 percent, below the Treasury forecast of 5.4 percent.

"Rising unemployment is tough on every New Zealander impacted and is the unfortunate after-effect of a historic period of out-of-control inflation, rapidly rising interest rates and stagnant growth," says Finance Minister Nicola Willis.

"Our Government has worked hard to restore responsible economic management but Treasury, in its preelection fiscal update, made clear that unemployment would peak in the middle of this year. It's of note, however, that today's data confirms 8000 fewer unemployed people than Treasury forecast would be the case in its pre-election update."



"Our Government remains focused on rebuilding the economy to deliver more and better paying jobs. A recovery is now underway with inflation back under control, interest rates falling and healthy rates of growth in the first three months of the year.

To read further, please click here.

Fisheries reforms support economic growth

The Government is progressing a package of major fisheries reforms that will remove obstacles to the fishing industry achieving its enormous potential for sustainable growth, Oceans and Fisheries Minister Shane Jones says.

"These changes are the most significant reforms to the Fisheries Act for decades and they reflect my commitment to the success of our fishing industry which generates around \$1.5 billion in exports each year."

A key feature of the reforms is more efficient and effective decision-making when setting sustainable catch limits. The changes mean specific fisheries will be able to have rules that automatically respond to changes in abundance for up to five years.

To read further, please click here.

Restoring test for Customary Marine Title

The Government has agreed to move forward with legislation that restores Parliament's test for Customary Marine Title, Treaty Negotiations Minister Paul Goldsmith says.

- "Last year we introduced legislation to overturn the Court of Appeal's ruling in Re Edwards, and amend the Marine and Coastal Area Act to restore Parliament's original test for CMT.
- "However, the Supreme Court then also determined this ruling was wrong. This was helpful, but after appropriate consideration, the Government has decided it doesn't go far enough.
- "Therefore, we will progress with the Bill currently before the House which ensures these tests for applications directly with the Crown, or through the Courts, are upheld as originally intended."

To read further, please click here.

Northland - New Zealand's economic powerhouse

Northland's economic future is on display with significant developments either underway or on the near horizon, Rail Minister Winston Peters and Regional Development Minister Shane Jones say.

- "The burgeoning energy, export and economic powerhouse of Marsden Point means New Zealand will prosper with much-needed jobs, trade, manufacturing and economic development," Mr Peters says.
- "A refurbished tank, a collaboration between Channel Infrastructure and Z Energy, will soon help power the country's aviation sector by suppyling jet fuel to Auckland Airport through the pipeline spanning Marsden Point to Wiri," Mr Jones says.



"A commercial dry dock will bring specialist skills and international customers to New Zealand, maintaining large ships in a manner that a maritime nation desperately needs," Mr Peters says.

To read further, please click here.

Energy reserve ensures security for next decade

Energy Minister Simon Watts and Associate Energy Minister Shane Jones have welcomed an agreement by Genesis, Mercury, Meridian, and Contact to establish a strategic energy reserve, which will boost energy security and support affordable energy prices.

"New Zealand needs reliable and stable power so our households and businesses can keep their lights on, even when the wind isn't blowing, the sun isn't shining, and our hydro lakes are low," Mr Watts says.

"Last year's dry winter highlighted vulnerabilities in our energy system with a shortage of fuel and generation led to high prices and unacceptable pressure on Kiwi industries, businesses, and households."

To read further, please click here.

Boosting trade ties with Thailand and Indonesia

Trade and Investment Minister Todd McClay departs today for Thailand and Indonesia to strengthen New Zealand's economic ties with two of Southeast Asia's largest and fastest-growing economies.

"Global food demand is expected to rise 47 percent by 2050, and Southeast Asia is on track to become the world's fourth-largest economy by 2040, making the region central to our ambition of doubling the value of exports in 10 years," Mr McClay says.

In the year to March 2025, New Zealand exported more than NZ\$1.6 billion to Thailand and NZ\$1.97 billion to Indonesia.

In Jakarta, the Minister will meet senior Ministers to strengthen cooperation on trade and food security. Discussions will focus on the shared goal of doubling two-way trade by 2029, supporting Indonesia's participation in the OECD accession process, and further engagement on its interest in joining CPTPP.

To read further, please click here.

Unleashing growth on conservation land

Unleashing economic growth on one third of New Zealand's land will create jobs and increase wages across the country, Prime Minister Christopher Luxon and Conservation Minister Tama Potaka announced at the National Party Conference in Christchurch today.

"The Department of Conservation manages huge tracts of New Zealand, from the most pristine parts of our National Parks and the Great Walks to areas of grassland used for grazing," Mr Luxon says.

"Many New Zealanders already run outstanding businesses on the conservation estate – from guided walks and ski fields, to filming documentaries, grazing sheep and cattle, or hosting concerts and



building cell phone towers.

"But to do any of that, you need a concession – and the concessions regime is totally broken, often taking years to obtain or renew and leaving businesses in a cycle of bureaucratic limbo."

To read further, please click here.

Protecting migrant workers - Immigration New Zealand reinforces employer responsibilities

Immigration New Zealand is urging employers and migrant workers to understand and follow visa conditions after a recent case highlighted the serious consequences of non-compliance.

SSB Group and its former Director, Amandeep Singh, were fined in the Tauranga District Court yesterday for allowing migrant workers to work outside the conditions of their visas — a breach that not only exploited vulnerable workers but also undermined the integrity of New Zealand's immigration system.

Singh faced five charges of aiding and abetting breaches of visa conditions, while SSB Group was charged with five counts of employer offences. Fines totalling NZD \$12,000 were issued: NZD \$3,750 to Singh in his capacity as former Director, and NZD \$8,250 to the company, SSB Group. As a result of these breaches, SSB Group's accreditation has been revoked.

To read further, please click here.



EMPLOYMENT RELATIONS AUTHORITY: FIVE CASES

Redundancies from closing business found to be procedurally flawed

Ms Stillman was employed as a senior chef de partie at Brother Café (the Café) in October 2023. The Café was owned and operated by Brother Coffee Ltd (Brother), and closed in February 2024, with all the workers made redundant.

Prior to the Café's closing, staff were invited to a meeting in December 2023, to discuss options for improving operations. There was no indication of any concerns about the ongoing viability of the business, and the general feel of the meeting was positive.

In January 2024, Ms Evans, the Café owner, met with an accountant. She learned that the business was heading into significant debt. Ms Evans was also contemplating a move to Wellington to be closer to her husband. On 27 January 2024, Ms Evans met with family and their accountant, and the decision was made to close the Café.

On 29 January 2024, Ms Evans invited staff to a meeting on 31 January 2024, at which staff were informed of the decision to close the Café. Ms Stillman's last day of employment with Brother was 25 February 2024. Ms Stillman raised a claim with the Employment Relations Authority (the Authority) alleging that her dismissal was unjustified. She also sought a penalty for breaches of good faith.

The Authority considered that Brother's evidence, with the Café being in a difficult financial position and Ms Evans leaving for Wellington for personal reasons, was persuasive of Brother having substantive justification to close the Café.

Brother submitted the meeting in December 2023 was an opportunity for staff to give feedback on the financial situation and ongoing viability of the Café. The Authority disagreed. Firstly, the evidence indicated that the meeting was for participants to discuss ideas for improving the business model. Secondly, Ms Evans had not, at this time, met with the accountant, nor had she firmed up plans for when she intended to move to Wellington. The Authority concluded that Brother's consideration of closing the Café took place between 23-26 January 2024, and the decision to close the business was made at the family meeting on 27 January 2024.

While legitimate collapse of a business is a genuine reason for redundancy, there remains a statutory obligation to follow a fair process when making employees redundant. In this instance, there was no consultation. The financial situation of the Café was not discussed in an open and transparent way, and there was no discussion with staff before the decision was made. Therefore, Ms Stillman had been unjustifiably dismissed.

The Authority awarded Ms Stillman \$20,000 in compensation but denied her claim for lost wages. The Authority noted that Ms Stillman received more notice than her employment agreement allowed for, and she was able to find alternative employment quickly.

The Authority considered the claim of a breach of good faith. In the Employment Relations Act 2000, when an employer is proposing to make a decision that will, or is likely to, have an adverse effect on the continuation of employment of one or more employees, the employer is required to provide the affected employees with access to relevant information and an opportunity to comment on the information before the decision is made.

Brother failed to discharge its obligation to be active and constructive in establishing and maintaining a productive employment relationship, and to disclose properly when proposing and consulting on potential redundancy. This meant it breached its good faith obligations to Ms Stillman. However, the Authority considered that Ms Stillman's personal grievance claim and the remedies awarded already covered these matters. The evidence did not support that any breaches of good faith were deliberate, serious or sustained and therefore no penalty was warranted.



Brother Coffee Ltd was ordered to pay Ms Stillman compensation of \$20,000 for humiliation, loss of dignity, and injury to feelings. Costs were reserved.

Stillman v Brother Coffee Ltd [[2025] NZERA 239; 02/05/25; N Szeto]

Employee sacked for trading favours for beer

Ms Houkamau began working for Waste Management Ltd (Waste Management) on 27 August 2009. On 3 October 2023, Ms Houkamau was summarily dismissed following an allegation of serious misconduct. She applied to the Employment Relations Authority (the Authority) disputing Waste Management's decision, and claimed her termination was unjustified.

Ms Houkamau would eventually take on the role of a team leader at Waste Management's Seaview Refuse Transfer Station (the site). Her responsibilities involved coordinating site operators and ensuring compliance with operational requirements. She was the only team leader at the site. The employment problem arose when Waste Management received a complaint about an employee who was coming onsite on weekends when they were not rostered to work. Waste Management reviewed the CCTV footage, which revealed the employee allowing a commercial customer, Junk and Dump, to unload without paying the required fees.

Waste Management began a formal investigation and interviewed four employees who worked at the site. Two of those employees stated that Ms Houkamau had granted them approval to allow Junk and Dump to unload without paying the required fees. Waste Management then arranged a meeting with one of Junk and Dump's directors, Mr Pereira, who confirmed that the arrangement had been in place since July 2022, and that the team leader at the site was responsible for the arrangement. It was also confirmed that the team leader received boxes of alcohol in exchange for allowing Junk and Dump to use the site.

On 1 September 2023, Waste Management sent a letter to Ms Houkamau setting out these allegations and invited her to a disciplinary meeting. It provided her in advance of the meeting with copies of CCTV footage as well as witness statements, emails, text messages, and call logs from other employees and Mr Pereira. Ms Houkamau responded in writing and outright denied having any knowledge of the arrangement with Junk and Dump.

A few weeks later, Waste Management obtained phone records from its communications provider for Ms Houkamau's work phone, which showed a call had been made on 22 August 2023, to a number that appeared to be Mr Pereira's mobile phone number. Again, Waste Management offered Ms Houkamau an opportunity to comment on the allegations before it proceeded to deliver its preliminary outcome. On 3 October 2023, it notified Ms Houkamau that she was summarily dismissed for breaching her employment obligations.

The Authority found Waste Management's decision to summarily dismiss Ms Houkamau was substantively justified and carried out in a procedurally fair manner. It noted that Waste Management had put forward all its evidence to Ms Houkamau and offered her the opportunity to comment on it before any decision was made. It did not find Ms Houkamau's responses to the evidence as offering a satisfactory explanation about what happened. It found Waste Management's investigation to have been comprehensive, with every step of the disciplinary process communicated through written correspondence to Ms Houkamau's lawyers, at her request. The process was detailed, careful, and provided multiple opportunities for Ms Houkamau to respond to the allegations.

The Authority went on to consider Waste Management's claim for special damages on the basis that due to Ms Houkamau's actions, the company suffered a financial loss which ought to be remedied. For an employer to be awarded special damages, it must show that the employee had breached their employment agreement, that the employer suffered financial loss, that the loss was attributable to the breaches, and that it was reasonably foreseeable the breach would result in the loss.

Ultimately, the Authority decided that Ms Houkamau should not be made personally responsible, in the form of special damages, for costs relating to what Junk and Dump should have paid to Waste Management. Therefore, it declined to award special damages.



Waste Management also claimed Ms Houkamau should receive a penalty for breaching her good faith obligations. The Authority noted that although it was relatively rare for an employee to be penalised for breaching their good faith obligations, such penalties had been awarded in the past for breaches that were considered deliberate, serious, and sustained.

It found that Ms Houkamau had breached her employment agreement by instigating the arrangement with Junk and Dump in her capacity as a team leader and knowingly involving other employees who reported to her. It also decided she had acted deliberately and dishonestly. Her breaches were considered sustained due to how long the arrangement was in place, and she had abused her leadership position. Ms Houkamau was ordered to pay \$6,000 as a penalty for breaching her good faith obligations and the terms of her employment agreement. Costs were reserved.

Houkamau v Waste Management Ltd [[2025] NZERA 263; 13/05/25; D Tan]

Commencement date essential in creating employment

Ms Yau of The Surrey Hotel Ltd (Surrey Hotel) listed a receptionist vacancy which Ms Teo applied for, and became the preferred candidate on 13 November 2023. Ms Teo could not start on 20 November 2023 due to a bereavement, and ultimately, Ms Yau did not employ her. Ms Teo argued that Ms Yau offered her the role unconditionally, making her an employee when she accepted, and that by withdrawing this, they unjustifiably dismissed her.

In an interview on 30 October 2023, Ms Yau explained the duties of the receptionist role, the hours of work, the roster system, its remuneration, and training. Ms Yau also provided an estimated window of commencement in December 2023, based on finalising the previous employee's end of employment. Afterward, the existing receptionist confirmed his final day as 24 November 2023.

On Monday, 13 November 2023, Ms Yau called Ms Teo to ask whether she was still interested in the role. Ms Teo was interested and Ms Yau said she would be happy to offer her the job. Ms Teo hoped that she could start on Monday 20 November 2023, but could not confirm, due to an unexpected bereavement, for whom the funeral was being held outside of Auckland. The parties disagreed on whether Ms Yau accepted this.

Ms Yau recalled emphasising that this start date was necessary to cover the handover. She recalled Ms Teo said something about coming back to Auckland on 20 November 2023 to receive the training, before leaving the following weekend for the tangi. Ms Yau set the preceding Thursday, 16 November 2023 as the deadline to confirm her Monday start date.

Ms Teo recalled Ms Yau saying that if she was unable to start that Monday, Ms Yau would need to sort out a plan. Ms Yau later explained that "plan" actually referred to hiring someone else. Ms Teo asked for the employment agreement to be sent, which Ms Yau did not do. Ms Yau did not send employment agreements until candidates confirmed their start dates, and as she waited for Ms Teo's confirmation she accordingly did not send any documentation.

On Thursday 16 November 2023, Ms Teo attempted to phone Ms Yau but was unable to reach her. On Friday 17 November 2023, Ms Teo emailed Ms Yau that she had to delay her start to 27 November 2023. That day, Ms Yau responded that this would not work, and that they would proceed with a different candidate.

Ms Yau emailed, "In my conversation with you over the phone on Monday, 13 November 2023, the offer was contingent to your availability to start on Monday, 20th November 2023. In addition, I did stress that we needed the position to start on Monday, 20 November 2023. [Surrey Hotel] delayed our hiring process, awaiting your response. And [your] response was very clear that you will not be able to start on Monday, 20th November. Based on your response and the urgency in filling the role, the decision was made to proceed with a different candidate." Ms Teo stressed that Surrey Hotel "never mentioned I had to start that Monday", and that she "would have if [she] knew it was a deal breaker".



The definition of employee in the Employment Relations Act 2000 (the Act) includes a person intending to work, and the Employment Relations Authority (the Authority) determined whether Ms Teo met this definition by accepting an unconditional work offer. The Authority distinguished this situation from a different case, Baker v Armourguard Security Ltd, in which people intending to work were found to be dismissed when replacements were hired. The Authority found that Ms Yau had not provided sufficient terms and conditions to Ms Teo for employment, including not providing a contract. The information Ms Yau gave earlier was when she seriously considered Ms Teo for the role, at the interview stage.

Ms Yau's email also made clear the conditional state of the offer. Ms Teo was adamant that no such condition or requirement was said in their telephone conversation, while Ms Yau claimed it clearly was. The Authority stressed that both sides were credible sources of information, and it was reasonable that they believed their own versions of events. However, the Authority noted some faults in Ms Teo's recollection, such as introducing a major witness quite late. Moreover, her email asked for a delayed start date when that had not been mutually agreed upon at any point. This suggested the possibility that Ms Teo was aware this was not an unconditional offer.

In contrast, Ms Yau was very consistent in her reasoning and recollection of events. Her emphasis on the urgency of filling the position matched why she could not accommodate a delay in the start date.

The Authority concluded that Ms Yau offered conditional employment to Ms Teo, and as Ms Teo did not meet that condition, she did not become employed by Surrey Hotel. As a result, Surrey Hotel not proceeding with her did not amount to a dismissal, and Ms Teo, not being an employee, did not have grounds for any personal grievance.

Costs were reserved. Due to winning the case, Surrey Hotel was entitled in theory to seek costs from Ms Teo, but since the circumstances were beyond Ms Teo's control, the Authority encouraged them to resolve it privately.

Teo v The Surrey Hotel Ltd [[2025] NZERA 229; 28/04/25; P Fuiava]

Grievance over unresolved issue is not time barred

Mrs Rasheed had been the principal of Zayed College for Girls (the College) for over 14 years. She alleged a personal grievance that the College had left an allegation unresolved and that its Commissioner had disadvantaged her with their inaction. The preliminary matter before the Employment Relations Authority (the Authority) was to make a determination on the challenge of the Commissioner, who held that the grievances had not been raised within the statutory 90-day timeframe.

On 18 August 2022 the College's Board of Trustees (the Board) initiated a disciplinary investigation, having received a complaint about her conduct. In March 2023, the Board was replaced by a Commissioner. In May 2023, the Commissioner met with Mrs Rasheed and undertook to review the status of the complaint.

In 31 July 2023, the Commissioner sought to use a provision in the Collective Agreement to place Mrs Rasheed on a performance management programme. At this point, the issue of the August 2022 complaint remained unresolved.

Mrs Rasheed raised her personal grievance with the Commissioner on 28 August 2023. In December 2023, the Commissioner wrote to Mrs Rasheed advising they found no evidence of wrongdoing relating to the complaint, and that the Commissioner wished to close the matter with no further action to be taken.

The Commissioner's view was that there were three points in time that a personal grievance could have been lodged. These were when the complaint first arose in August 2022, when the Board was dissolved in March 2023 with the issue unresolved, and on 17 May 2023 when Mrs Rasheed discussed the complaint with the Commissioner. Failing to raise the grievance at any of these points meant that the grievance was time-barred.



Mrs Rasheed submitted that the Commissioner seeking to place her on a performance management programme on 31 July 2023, without reference to the outstanding complaint, was the basis for her lodging her grievance on 28 August 2023. The framework for her grievance was a continuing cause of action, being the employer's conduct in initiating and failing to progress the investigation in a fair and reasonable manner.

The Authority considered that both the Board and the Commissioner had an obligation to follow through on the August 2022 complaint to a resolution. While the Commissioner was rightly able to use the terms of the collective agreement to initiate a performance management programme, this was in the full knowledge that Mrs Rasheed continued to have ongoing concerns that the complaint was still unresolved.

The Commissioner submitted Mrs Rasheed had failed to meet her obligation of good faith to be open and communicative with her employer in waiting so long to raise her grievances. The Authority, while understanding the Commissioner's desire to move forward, disagreed. The points at which the Commissioner believed the grievance should be time-barred did not take account of initiating of the disciplinary process, along with other processes allowed for by the Collective Agreement, and how these may impact on the ongoing employment relationship.

This arc was clearly described by Mrs Rasheed in the grievance raising letter of 28 August 2023. The apparent pivot away from the unresolved disciplinary investigation to a performance management process was significant for Mrs Rasheed. The Authority accepted this as the date the personal grievances crystallised.

The unjustified disadvantage personal grievances raised by Mrs Rasheed's letter of 28 August 2023 were therefore permitted properly before the Authority to investigate and determine. Costs were reserved.

Rasheed v Commissioner of Zayed College for Girls [[2025] NZERA 213; 16/04/25; M Urlich]

Authority delivers extensive remedies and critique for poor employment practices

Mr Williams initially started working with Longevity Construction Ltd (Longevity) as a contractor on 26 July 2023 before becoming a permanent employee on 30 October 2023 as a construction operational manager at the Three Kings site. He was never provided with a job description. He raised a claim with the Employment Relations Authority (the Authority) alleging he was unjustifiably dismissed when Longevity claimed to make him redundant.

Mr Corin, Longevity's director, emailed Mr Williams on 17 March 2024. The email set out that because of cost overruns at the Three Kings site, it was making labour-only contract workers and site managers redundant. The company had initiated refinancing the site and was looking to engage a fixed-price contractor. Mr Williams was told that there were no redeployment options and that he was not required to work out his notice period.

The Authority was critical of the conflicting evidence provided by Longevity witnesses. Initially, Longevity had claimed that Mr Williams had either resigned or abandoned his employment. Later on, during the Authority's investigation meeting, they reluctantly admitted that Mr Williams was dismissed by way of Mr Corin's email. In any case, the Authority confirmed that the email was a dismissal. There was no evidence Mr Williams had resigned, and at the time he received Mr Corin's email, Mr Williams was off on sick leave, so he had not abandoned his role - and Longevity knew this.

The Authority found Longevity had treated Mr Williams rather poorly. He should have received information about the proposal and been provided with an opportunity to comment. This did not happen. Rather, Mr Williams was presented with a decision that had already been made, with no discussion around possible redeployment options. These failings were considered a serious breach of good faith under the Employment Relations Act 2000.



Longevity also sought to lay the blame for cost overruns with Mr Williams by pointing to his job description requirements. However, this job description had not been provided to Mr Williams when he commenced employment. Mr Williams had even flagged concerns with Longevity around use of unskilled labour and frequent plan changes, which cumulatively added to the overall cost.

The Authority considered it more likely than not that Mr Williams was used as a scapegoat for the cost overruns. He was not responsible for the project budget; three other project managers held that responsibility. While Longevity could have had genuine reasons for the need for change, they had closed their mind to alternatives. Mr Williams' work still existed, yet Longevity dismissed him without any regard to alternative options.

The Authority observed that Longevity had not been acting as a fair and reasonable employer when it concluded that Mr Williams needed to be made redundant without consulting with him and without genuinely considering possible redeployment options. The evidence also fell short of establishing a genuine commercial reason for making Mr Williams redundant. Accordingly, Longevity's dismissal of Mr Williams on the grounds of redundancy was procedurally and substantively unjustified.

Longevity was ordered to pay Mr Williams \$67,958.67, consisting of \$10,465.44 of unpaid notice, \$30,515.63 lost remuneration, \$1,977.60 of holiday pay and \$25,000 as compensation for his distress. Costs were reserved.

Williams v Longevity Construction Ltd [[2025] NZERA 215; 16/04/25; R Larmer]



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: Twelve Bills

Employment Relations Amendment Bill (13 August 2025)

Legal Services (Distribution of Special Fund) Amendment Bill (14 August 2025)

Online Casino Gambling Bill (17 August 2025)

Healthy Futures (Pae Ora) Amendment Bill (18 August 2025)

Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters)

Amendment Bill (21 August 2025)

Local Government (System Improvements) Amendment Bill (27 August 2025)

Legislation Amendment Bill (28 August 2025)

Public Service Amendment Bill (31 August 2025)

Education and Training (Early Childhood Education Reform) Amendment Bill (1 September 2025)

Patents Amendment Bill (4 September 2025)

Electoral Amendment Bill (11 September 2025)

Review of Standing Orders 2026 (25 September 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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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'.

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

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A QUICK GUIDE TO HOLIDAY PAY PRACTICES IN NEW ZEALAND



UPCOMING PUBLIC HOLIDAYS

Labour Day - Monday, 27 October 2025 Christmas Day - Thursday, 25 December 2025 Boxing Day - Friday, 26 December 2025 New Year's Day - Thursday, 1 January 2026 Day after New Year's Day - Friday, 2 January 2026

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

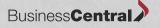
In most situations it will be clear whether the day on which the public holiday falls would otherwise be a working day for an employee.

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.

