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LH News

THE NEWSLETTER OF LANGTONHUDSON

Ch-Ch-Ch-Ch-Changes The employment relations amendment bill

On entering Parliament in 2023, the coalition Government made some immediate changes to the employment law landscape, including restoring the ability to use 90-day trial periods to all employers, and abolishing fair pay agreements. A reform of the Holidays Act 2003 is slow-going but underway, and the coalition has recently completely reshaped the pay equity framework.

Throughout the coalition's term, the Minister for Workplace Relations and Safety Brooke van Velden has been signalling significant changes to the Employment Relations Act 2000 ("Act"). The Employment Relations Amendment Bill ("Bill") finally landed on 17 June 2025 and seeks to deliver on the changes foreshadowed by Minster van Velden.

Though these proposed changes certainly align with the Government's aims to increase efficiency and flexibility for employers, they do not remove the employment institutions' obligation to act in accordance with equity and good conscience. Employers shouldn't rush to rash decisions in the hopes that these new changes will be a safety net to poorly thought out choices – particularly before the changes are tested in front of the Employment Relations Authority and Employment Court.

We set out below a summary of the proposed changes in the Bill.

CONTRACTOR "GATEWAY TEST" – ARE THEY AN EMPLOYEE?

In September 2o24, the Minister flagged that changes to the independent contractor regime would provide greater certainty for contractors and businesses. She indicated that the legislative amendments would involve a "gateway test" to determine whether someone was an independent contractor.

The Bill proposes to amend the meaning of employee under section 6 of the Act by excluding a *"specified contractor"* from that definition, and define *"specified contractor"* as:

- a natural person (person A) who has entered into an arrangement to perform work for another person (person B); and
- that arrangement includes a written agreement that specifies that person A is an independent contractor; and
- person A is not restricted from performing work for any other person, except while performing work for person B; and
- either—
    - > person A is not required to perform, or be available to perform, work for person B at a specified time or on a specified day or for a minimum period; or
    - > person A is allowed to sub-contract the work for person B to another person (who may be required to undergo vetting by person B to ensure compliance with any relevant statutory requirements before being sub-contracted by person A); and
- the arrangement does not terminate if person A declines any work offered to them by person B that is additional to the work that person A agreed to perform under the arrangement; and
- person A had a reasonable opportunity to seek independent advice before entering into the arrangement.

The test would mean that someone who meets all five requirements would be deemed a *"specified contractor"* and would not therefore meet the definition of employee under the Act.

While this may provide some businesses with reassurance, many organisations will still need certainty around hours and may object to contractors subcontracting work. If the arrangement doesn't meet one of the requirements, the current test will apply which looks at the real nature of the relationship.

CONTRIBUTION – NO REWARD FOR BAD BEHAVIOUR

Guidance released by MBIE show that there is strong incentive for employers to settle employment relationship disputes, even where a case is "low merit", which in turn incentivises employees to raise low merit claims due to a perception of making a windfall. There was also concern as to inconsistencies in remedy reductions made by the Authority and the Court. In recent years, MBIE data showed that there had been a decrease in the percentage of remedy reductions.

In December 2024, the Minister said that it was *"important employees are not rewarded... for bad behaviour or performance"*. The Bill therefore seeks to amend the Act by:

- preventing the Authority or Court from awarding any remedies where the employee's actions amount to serious misconduct;
- preventing the Authority or Court from awarding reinstatement or compensation under section 123(c) if the employee contributed to the situation that gave rise to the personal grievance; and
- confirming that the Authority or Court can reduce any other remedy (such as lost wages) by up to 100% if the employee's actions contributed to the situation that gave rise to the personal grievance.

If the Bill is enacted, employers (particularly those with a high-risk appetite) might opt not to follow any formal process when dismissing employees for serious misconduct. However, the Bill currently does not define *"serious misconduct"*. So caution is recommended until there is more clarity (either in an amended Bill or case law).

TRIAL PERIODS – NO MORE LOOPHOLE

The Bill proposes to broaden the protection afforded by a trial period by also prohibiting personal grievances of unjustified disadvantage. A disadvantage grievance will be prohibited if it relates to:

- the employee's dismissal under the trial period; or
- any condition of employment (including post-employment conditions) that was affected to their disadvantage during the now-ended employment.

JUSTIFICATION TEST – OBSTRUCTION!

The Bill proposes to make minor changes to the justification test in section 103A of the Act, which guides the Authority or Court in deciding whether an employer's actions were justified. The proposed changes are:

- considering whether the employer was obstructed by the employee in carrying out its process;
- prohibiting the Authority or Court from finding an employer's actions to be unjustifiable before of defects in process, where those defects did not result in the employee being treated unfairly.

The Act currently refers to the Authority and Court disregarding "minor" defects in process. However, the Bill removes the word "minor" which appears to be an attempt to lower the threshold from the current position.

INCOME THRESHOLD FOR UNJUSTIFIED DISMISSAL CLAIMS

The Bill proposes to introduce a new income threshold ($180,000) above which employees would be prevented from raising personal grievance claims in respect of dismissal.

The income threshold is defined as including the total amount of wages or salary payable to the employee each year, and excludes any other form of remuneration or a variable payment, such as allowances, commission, overtime, penal-rates, employer contribution to superannuation, or a payment received by the employee as an owner of the business.

Employers and employees can agree in the employment agreement that to "opt in" to the usual right to raise a personal grievance for unjustified dismissal.

The changes would apply immediately to new employees once the Bill is enacted. For existing employees who earn above the specified threshold, there will be a 12-month transition period. During this time, they can still raise a personal grievance for unjustified dismissal, and may negotiate with their employer alternative arrangements (e.g. that the employer can only dismiss "with cause" and after following a "fair process", extended notice periods, termination payments).

Employers should also be prepared for high-earning employees to attempt to raise other types of personal grievance claims, such as unjustified disadvantage (unrelated to the dismissal), discrimination, or harassment.

30-DAY RULE (SAYONARA)

The Bill proposes to remove the "30-day rule", which currently requires new employees to be put on the terms and conditions of an applicable collective agreement for their first 30 days of their employment — even if they're not union members. Instead, employers and new employees will be free to agree on individual terms from the start, even if these differ from the collective agreement.

Employers would still need to inform a new employee:

- that a collective agreement exists and covers the work to be done by the employee;
- that the employee may join a union that is party to that collective agreement;
- how to contact the union; and
- that, if the employee joins the union, the collective employment agreement will bind the employee.

There are also proposed changes to reporting requirements for employers when it comes to union membership. Employers would no longer be required to use an "active choice" membership form to indicate whether an employee intends to join a union, and unions are no longer able to specify information that an employer must provide to the employee about the union.

However, employers must also give the employee

a copy of the collective agreement, and if the employee agrees, inform the union as soon as practicable that the employee has entered into an individual employment agreement with the employer.

This is likely to be seen by unions as "anti-union" and could well see a decrease in membership uptake. For employers, however, it would remove the significant administrative burden of the current 30 day rule which is likely to be a welcome change for unionised businesses, if and when the Bill is enacted.

The Bill has passed its first reading and has been referred to Select Committee for public consultation. Submissions on the Bill due by 13 August 2025 and can be made at **https://www.parliament.nz/en/pb/sc/make-a-submission/document/54SCEDUW_SCF_ED5DD988-F79A-4FC8-ECDA-08DDAD149FB0/employment-relations-amendment-bill**

If you have any questions or would like assistance drafting submissions on the Bill, please get in touch with one of the team.

Case Notes

ROSTERS DO NOT CREATE SHIFT WORKERS

The Employment Relations Authority ("Authority") recently determined that although a group of employees' days and hours of work varied according to a roster, this did not make them shift workers under section 67G of the Employment Relation Act 2000.

Section 67G prohibits employers from cancelling shifts, except where the employees are provided either reasonable notice of the cancellation, or reasonable compensation for the cancellation, or where they are paid in full for the cancelled shift.

In this case, a dispute arose over whether the shift cancellation rules in section 67G applied, and this turned on whether the employees were working shifts.

The employer, Mt Rex Shipping Limited, operates a sand dredging business based in Helensville. The employees were crew members on Mt Rex's barges, which would sail out to collect sand from an extraction site in the Kaipara Harbour. Sailing times were set according to the tides. Each barge could make two trips a day, but sometimes would not operate due to circumstances such as adverse weather conditions.

Mt Rex successfully argued that the employees were not shift workers according to the definition of "shift" in section 67G of the Act, because that definition requires that *"a system of work in which periods of work are continuous or effectively continuous"*. The Authority found that each barge trip was a discrete event, and not part of a continuous system of work.

KEY TAKEAWAYS

There are very few cases on the meaning of "shift" under section 67G of the Act. It therefore provides some much needed guidance for employers who are unsure if their employees are shift workers and therefore unsure whether the shift cancellation rules in section 67G apply to them.

To read the full decision, see: **https://determinations.era.govt.nz/assets/elawpdf/2025/2025-NZERA-288.pdf**

DUTY TO CONSULT IN BUSINESS TRANSFERS

In *Abernethy v Kono NZ LP* [2025] NZERA 268, the Employment Relations Authority found that an employer was not obliged to consult with its employees about a proposed sale of its business due to the risk of unreasonable prejudice to its commercial position.

The employer, Kono, operates food and beverage businesses, and this included a Marlborough based mussel business. Poor performance became increasingly problematic due to the impact of Covid. Consultants advised Kono to divest its mussel business. Talley's Limited approached Kono with an expression of interest to buy the mussel business and Kono decided to explore this.

Kono knew it had obligations to consult with its employees under the Employment Relations Act 2000 and its collective agreement about a pending sale. However, it was concerned that this would have a destabilising impact on its employees, and it might cause key employees to resign. It was also concerned that for consultation with employees to be effective it would require disclosure of highly confidential information and, if that information became public, it might negatively impact its supply chain. These scenarios all risked jeopardising the potential sale to Talley's, and risked leading to an outcome where the mussel business would have to close down. As result, Kono decided that it could not consult with employees about a proposed sale.

Kono and Talley's entered into an unconditional sale and purchase agreement ("SPA") on 21 April 2023. Only then did Kono announce the sale to its employees and commence consultation with them about the impact of the sale.

After the sale went ahead, over 100 employees sued Kono in the Authority for failing to consult with them about the proposed sale. Kono argued that it was not obliged to consult prior to signing the SPA because it could rely on the "commercial prejudice" exception to the good faith consultation obligation in section 4(1B)(c) of the Act.

The Authority referred to the test laid down by the Employment Court in *Birthing Centre v Matsas* [2023] NZEmpC 162, which is whether objectively good reasons exist (i) for not consulting; and (ii) for not going ahead with an alternative means of consulting. The Authority found that the test was satisfied in this case.

OUR VIEW

The bar for relying on the "commercial prejudice" exception to the duty to consult in section 4(1B)(c) of the Act remains high following the *Birthing Centre v Matsas* case, and this continues to have wider implications for employers beyond business transfers. It may also extend to other decisions impacting employees' employment, such as proposals to shut down specific business sites, branches, or entire businesses. We recommend seeking advice.

You can read the decision here: **https://determinations.era.govt.nz/assets/elawpdf/2025/2025-NZERA-268.pdf**

EMPLOYER SUCCEEDS IN SUMMARY DISMISSAL CASE IN COURT

The Employment Court has upheld the summary dismissal of a senior Wairoa District Council employee, finding it was justified and procedurally fair in all the circumstances.

The employee, Simon Mutonhori, served as a Group Manager at the Council. A disciplinary process was initiated after he repeatedly failed to comply with lawful and reasonable instructions, including instructions to provide information about his pool car use for Fringe Benefit Tax (FBT) purposes. Other concerns included dismissive attitudes to compliance obligations, posing a risk to the Council's accreditation, and complaints from staff about his conduct.

When informed of the concerns in writing, Mr Mutonhori improperly circulated the letter to 12 colleagues. Upon learning of this, the Council proposed to suspend him. Mr Mutonhori gave no response, and the Council proceeded with the suspension. He then escalated matters by emailing staff, elected members, and the Mayor, claiming he was being "blackmailed and bullied" and labelling the process as "vexatious".

Throughout the disciplinary process, Mr Mutonhori delayed matters, including by taking an unauthorised overseas trip despite clear instructions not to do so. When the Council eventually managed to meet with him, he refused to respond to the allegations. The Council issued tentative findings of serious misconduct, including that his conduct undermined trust and jeopardised regulatory accreditation, and proposed to terminate his employment. Mr Mutonhori did not respond, despite being reminded to do so. The Council confirmed his dismissal.

Mr Mutonhori later brought a personal grievance, claiming the suspension and dismissal were unjustified and procedurally flawed. The Employment Court disagreed, finding the Council's actions were what a fair and reasonable employer could have done in the circumstances.

The Court held:

1. if there had been any procedural deficiencies, they may only have amounted to unjustified disadvantages, and Mr Mutonhori's contribution to the situation would have significantly reduced any compensation;
2. the test of justification is not to put an employer's conduct under a microscope, nor is it to impose unreasonably stringent procedural requirements. Slight or immaterial deviations from the ideal are not to be visited with consequences for the employer wholly out of proportion to the gravity, viewed in real terms, of the departure from procedural perfection; and
3. Mr Mutonhori's defiance and refusal to engage in the process were key factors that reasonably led to a loss of trust and confidence, justifying his dismissal.

OUR VIEW

This case demonstrates a win for employers. It provides reassurance that the Court will look at the overall situation, and not impose an overly stringent interpretation of the justification test outlined in s103A of the Act.

To read the full decision, see: **2025-NZEmpC-44-Mutonhori-v-Wairoa-District-Council.pdf**

DISCRIMINATION FOR MORNING SICKNESS

In *Doria v Diamond Laser Medispa Taupo Limited* [2025] HRRT 12, Zelinda Doria successfully sued her former employer, Diamond Laser Medispa Taupo Limited ("Diamond Laser"), for discrimination on the basis of sex (pregnancy) or disability under the Human Rights Act 1993.

Ms Doria had been working for Diamond Laser as a beauty therapist for nearly a year when she found out she was pregnant. Fifteen days after finding out, and seven weeks into her pregnancy, Ms Doria was directed to commence her primary carer leave early and effective immediately pursuant of s14 of the Parental Leave and Employment Protection Act 1987 ("PLEPA"). Requests by Ms Doria for cancellation of the direction, and for further investigation were rejected.

Ms Doria attempted to obtain alternative work, finding only some casual work. She also struggled to obtain income support from Work and Income New Zealand due to her still being employed by Diamond Laser at the time of applying, and did not qualify for paid parental leave.

The Human Rights Review Tribunal ("Tribunal") found that Ms Doria, who was unwell for only around 10 days before being directed to take early parental leave, was treated unfairly by her employer. She was placed on extended leave for over seven months, without prior notice, meaningful discussion, or pay.

Instead of exploring alternative ways to accommodate Ms Doria's pregnancy, e.g., adjusting her hours or facilitating breaks, the employer told her she could not return to work and barred her from the premises. There was no real effort to consider options like special leave under PLEPA, or annual leave.

Although the Diamond Laser claimed it hoped to discuss these options in a meeting, it didn't. It also refused a further opportunity to do so, following a request from Ms Doria and her mother.

Diamond Laser asserted that the actions were not undertaken because of Ms Dora's pregnancy, instead it was because of her symptoms. It argued that any connection between Ms Doria's pregnancy and Diamond Laser's actions was too remote.

The Tribunal did not accept Diamond Laser's arguments, and was satisfied that the detrimental actions were taken because of Ms Doria's pregnancy. It held that non-pregnant female employees would not have been subjected to the same actions in these circumstances.

Finally, the Tribunal found that Diamond Laser failed to properly exercise its right under s14 of PLEPA to place Ms Doria on early leave. This right is limited by s56 of PLEPA, which prohibits employers from placing an employee on primary carer leave early without reasonable justification.

In these circumstances, the Tribunal found that to exercise its right to place her on early parental leave the absence of any consultation with Ms Doria and in the absence of any independent medical and health and safety information was not justified

As a result, Ms Doria was awarded a significant windfall: $15,467.00 in pecuniary loss, $9,303.30 for the loss of a benefit, and $75,000.00 for humiliation, loss of dignity, and injury to feelings. Costs were reserved.

OUR VIEW

This case provides some helpful guidance on what has not been a highly litigated aspect of PLEPA. Employers should be careful to undertake a reasonable enquiry and consultation before exercising this power, and take advice before making any final decisions.

You can read the decision here: **2025-NZHRRT-12-Doria-v-Diamond-Laser-Medispa-Taupo-Limited-Ors.pdf**

Laws, Laws, Laws – an Employment Legislation Round-up

LEGISLATION	DESCRIPTION	STATUS
Employment Relations Amendment Bill	The Government has introduced a bill proposing a suite of changes to the Employment Relations Act 2000. See a description of the proposed changes in our lead article above.	The Bill passed its first reading on 17 July 2025 and has been referred to the Select Committee. Submissions to the Select Committee are due by 13 August 2025.
Equal Pay Amendment Act 2025	The changes to the Equal Pay Act 1972 include: • increasing the threshold for treating work as "female-dominated" from 60% to 70%, and for at least 10 consecutive years; • increasing the threshold for claims from "is arguable" to "has merit" and is supported by evidence; • allowing an employer to opt out of multi-employer claims without having to provide reasons for doing so; and • introducing a hierarchy of comparators. All current pay equity claims that had not yet been settled or determined have been discontinued. New claims can be raised if they meet the new evidential threshold. Review clauses in existing settlements will, however, become unenforceable.	The Act came into force on 13 May 2025.

Employment Relations (Pay Deductions for Partial Strikes) Amendment Act	This Act reinstates the ability for employers to make pay deductions when employees undertake partial strike action. Employers can either make a proportionate deduction based on identifying the work not performed, or deduct 10%, subject to first notifying employees of the deduction. Unions can apply to the Employment Relations Authority for a determination on whether the deduction has been calculated correctly.	This Act came into force on 1 July 2025.
Employment Relations (Termination of Employment by Agreement) Amendment Bill	This Bill seeks to protect negotiations between an employer and an employee to terminate the employee's employment, whether or not there is a dispute on foot. The fact an exit offer is made by an employer would not constitute grounds for a personal grievance and evidence of the negotiations would be inadmissible, except in limited circumstances.	This Bill was introduced to Parliament in November 2024. The Bill passed its first reading on 9 April 2025. It was referred to the Select Committee on 9 April 2025. Submissions were due by 22 May 2025, and the Select Committee's report is due by 9 October 20205.
Privacy Act Amendment Bill	This Bill proposes to amend the Privacy Act 2020 in several ways, including: • by creating a new information Privacy Principle (IPP 3A) that requires agencies to notify individuals when they collect personal information about the individual indirectly, subject to certain limited exceptions; and • extending the grounds upon which requests for access to personal information can be refused where the individual concerned is under the age of 16 or disclosure would be likely to prejudice the safe custody or rehabilitation of the individual.	The Select Committee report was released on 25 October 2024. The Bill was reported by the Committee of the Whole House on 27 March 2025 and is now awaiting its third reading. The Member in charge of the Bill has proposed amendments to the Bill that would delay the commencement date of the legislation (from 1 June 2025 to 1 February 2026), to ensure agencies have sufficient time to modify their systems and processes before having to comply with the new Information Privacy Principle 3A.
Employment Relations (Restraint of Trade) Amendment Bill	This Bill seeks to amend the law on restraint of trade clauses, including by prohibiting restraints of trade for low and middle income employees, requiring employers of higher income employees subject to a restraint of trade to compensate for the restraint, and to cap all restraints at 6 months in duration. See our August 2023 Stop Press for more information.	This Bill passed its first reading in July 2023. The Select Committee released its report on 24 May 2024. It made a number of recommended amendments, but recommended by majority that the Bill not proceed. The Bill is still awaiting its second reading and is unlikely to pass.

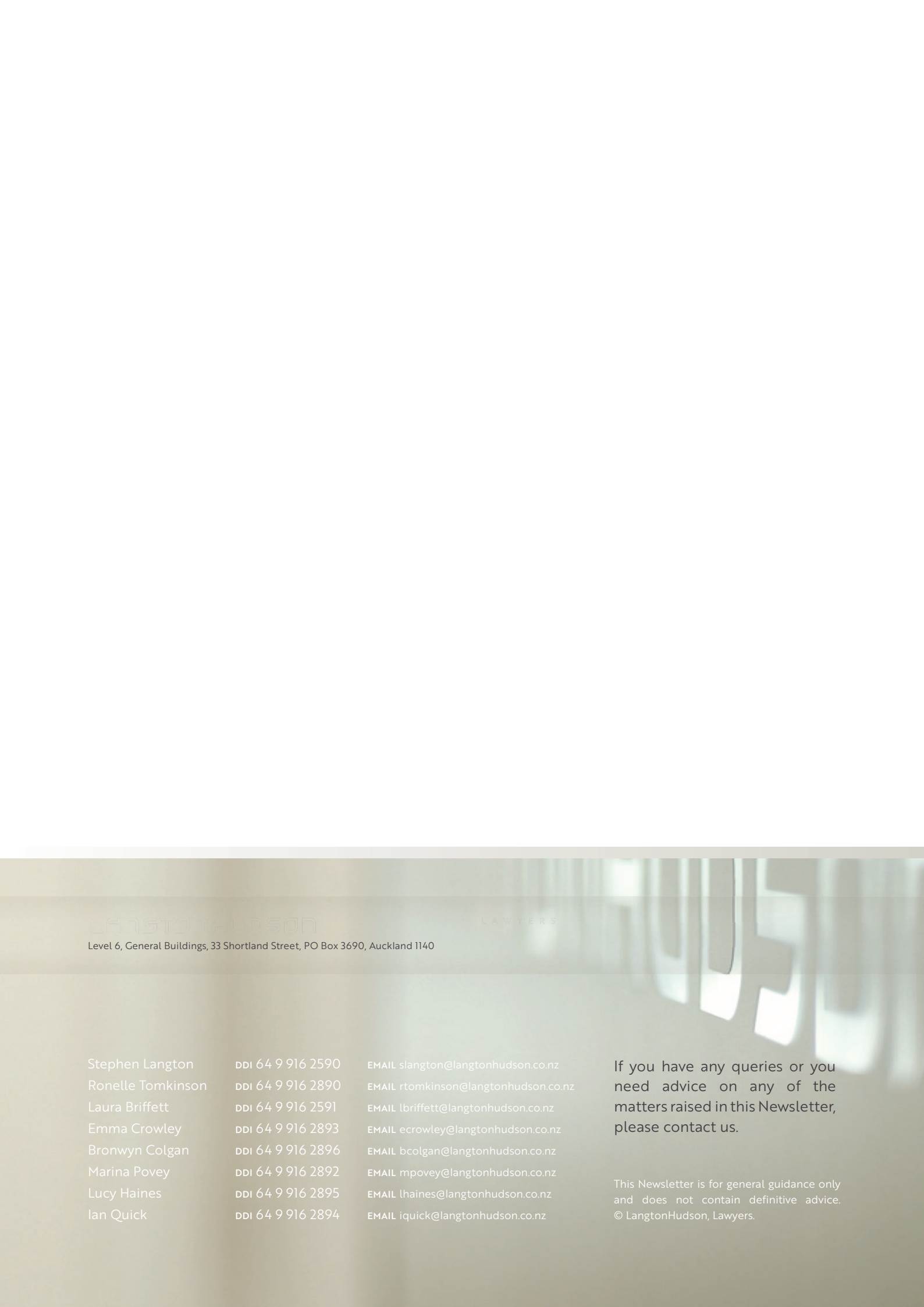
Regulatory Systems (Immigration and Workforce) Amendment Act 2025	This Act makes minor changes to several Acts, including the Employment Relations Act 2000, the Health and Safety at Work Act 2015 and the Parental Leave and Employment Protection Act 1987. Key changes include: Employment Relations Act 2000: • introducing requirements that an employer keeps a copy of an employment agreement and individual terms and conditions of employment, and ensures that the copy is readily accessible; and • introducing an infringement offence for an employer failing to ensure an employment agreement is in writing. Health and Safety at Work Act 2015: • widening the definition of "notifiable incident" to include unplanned or uncontrolled incidents that are declared by regulations to be a notifiable incident; and • giving the regulator the ability to refuse to accept an enforceable undertaking where the undertaking does not provide for reimbursement of the regulator's reasonable costs and expenses. Parental Leave and Employment Protection Act 1987: • amendments to ensure that any periods in which preterm baby payments are made are not counted towards primary carer leave or extended leave, and that the weeks such payments are made are additional to the duration of parental leave payments; • amendments to allow primary carers who are partners or spouses to designate the date on which parental leave payment periods begins; and • amendments to set the start date for parental leave payment periods for primary carers who are neither the biological mother of the child or her partner/spouse.	The Act passed its third reading on 25 March 2025, and received royal assent on 29 March 2025. Most of the Act came into force on 30 March with some exceptions. Sections 19, 64 and 65 (which relate to certain levies) came into force on 1 April 2025. Sections 47 to 53 will come into force on 1 July 2025. These sections amend certain provisions of the Parental Leave and Employment Protection Act.

WorkSafe guidance on managing psychosocial risks	WorkSafe have released a new version of guidelines to assist PCBUs in managing psychosocial risks at work. The guidelines defines a psychosocial risk as risk to a "worker or other person's health and safety", arising from a psychosocial hazard. There are three categories of a psychosocial risk: • How you work. • Who you work with. • Where you work. The guidelines recommend a four-step approach to safeguard worker mental health. 1. Identify hazards 2. Assess psychosocial risks 3. Manage the risk 4. Review control measures	The guidelines were released in April 2025 and can be found on the WorkSafe website: Managing psychosocial risks at work | WorkSafe.
Human Rights (Prohibition of Discrimination on Groups of Gender Identity or Expression and Variations of Sex Characteristics) Amendment Bill	This Member's Bill aims to uphold Te Tiriti O Waitangi by prohibiting discrimination against takatāpui and rainbow (LGBTIQ+) individuals or expression and variations of sex characteristics under the Human Rights Act 1993. This Bill would ensure that this community has increased human rights protections including the ability to take cases of the above nature to the Human Rights Commission.	This Bill is awaiting its first reading.
Employment Relations (Employee Remuneration Disclosure) Amendment Bill	This Bill intends to protect employees who discuss or disclose their remuneration, by enabling an employee to raise a personal grievance if they are subject to "adverse conduct for a remuneration disclosure reason", including discussing or disclosing their remuneration.	This Bill passed its first reading in November 2024. The Select Committee returned its report on 20 May 2025, recommending by majority that the Bill be passed. The Bill passed its second reading on 16 July 2025.
Holidays Act Reform	The Government announced at the beginning of its term that it would be looking to make a large number of changes to the Holidays Act to make it more streamlined and easier for businesses to use and understand. For more information, see our August 2024 newsletter.	Cabinet approved the consultation document in September 2024 and targeted consultation on a draft Bill took place. Feedback received indicated that the draft was not a significant improvement. The Minister announced that a revised draft Bill will be prepared and issued for further consultation in 2025.

Health and Safety at Work Act reform	On 14 June 2024, the Government announced substantial consultation on work health and safety. Key points of consultation include: • whether health and safety requirements are too strict or too ambitious to comply with; • difficulties caused by work health and safety legislation overlapping with other requirements; • actions taken by business, the reasons behind them and their effectiveness; • the reasonableness of consequences for non-compliance with health and safety obligations; and • risk management thresholds. In April 2025, the Minister announced proposed changes to the health and safety regime, including: • carve outs for "low risk" businesses; • increased reliance on approved codes of practice ("ACOPs") in specific sectors and industries; • allowing individuals and groups to develop ACOPs; • leaving day-to-day management of health and safety risks to managers (rather than directors and boards); • "sharpening" the purpose of the Health and Safety at Work Act to focus on critical risks; • clarifying boundaries between the Act and regulatory systems; and • reducing notification requirements to the regulator to only significant workplace events.	Feedback on the health and safety regulatory system has been sought by MBIE, and consultation closed on 31 October 2024. The feedback received will now be reviewed by MBIE and used to inform its advice to the Government.

WorkSafe shift in focus from compliance to advisory	On 3 June 2025, Minister for Workplace Relations and Safety Brooke van Velden announced changes to WorkSafe, in line with the Government's planned reform to the health and safety landscape. WorkSafe will shift its focus from enforcement to advisory and guidance work. In May 2025, WorkSafe released an operational policy titled "Our Regulatory Approach", laying out its new approach to regulation under the Health and Safety at Work Act 2015. The main points in the policy are: • **engagement**: helping duty holders understand how to meet their responsibilities; • **enforcement**: taking action against those who fail to meet their responsibilities; and • **permitting**: allowing businesses and individuals to carry out high-risk work activities that require permission to do so.	These changes are intended to come into effect later in 2025.
Use of Biometric Information in New Zealand	The Privacy Commissioner sought public submissions on whether further regulations are necessary in respect of the use of biometric information in New Zealand, such as verifying people's identities online, border control, security, and policing and law enforcement. Key considerations for the Privacy Commissioner include proportionality, transparency, and limitations.	The Privacy Commissioner announced his intention to issue a Biometric Processing Code of Conduct in December 2024, and released a draft for public consultation. Consultation ended on 14 March 2025. A final Code has yet to be released.
Potential changes to DEI policy in the public service and amendments to the Public Service Act	NZ First introduced a Member's Bill on 7 March 2025, that aims to remove "woke" Diversity, Equity and Inclusiveness ("DEI") regulations from the public sector. The Bill would amend the provisions in the Public Service Act that mandate the sector prioritises diversity and inclusiveness. For example, the Bill would: • remove the Public Service Commissioner's duty to develop a workforce that reflects societal diversity; • repeal section 75 entirely, which mandates promoting diversity and inclusiveness in public service workplaces; and • exclude workforce diversity and inclusiveness from government workforce policy considerations.	A draft of the Bill has not been published and it has not been drawn from the Ballot. The Prime Minister has said he is "open" to adopting some of NZ First's ideas, and that Judith Collins had been tasked with overhauling the Public Service Act to ensure a "meritocracy".

Higher penalties for Modern Slavery and Worker Exploitation	The Crimes (Increased Penalties for Slavery Offences) Amendment Bill proposes to amend the Crimes Act 1961 to increase the maximum prison term and fine for slavery offences.	The Bill passed its first reading on 17 December 2024, and the Select Committee's report is due by 17 June 2025. The report has still not been presented. We are yet to see any substantive progress from the new Government on modern slavery topics, and the leadership group established to provide advice on the topic was disbanded in May 2024. This work is now reported to be 'on hold.' However, National MP Greg Fleming appears to still have an interest in modern slavery more broadly, and has introduced a member's bill focusing on the disclosure of matters relating to modern slavery. The details of this are in the following line.
Modern Slavery Reporting Bill	National MP Greg Fleming has introduced a member's bill focusing on the disclosure of matters relating to modern slavery. The Bill would require reporting entities to report on how they identify, address, mitigate, and remediate incidents of modern slavery (including trafficking in persons) within their operations and supply chains. The Bill would require reporting entities to publish an annual 'modern slavery statement'.	The Bill has not been drawn from the member's ballot. If drawn, it is unclear whether it will pass given the aforementioned pause in the Government's work on modern slavery initiatives.
Gender Pay Gap	The Ministry for Women has created a voluntary calculation tool for businesses to calculate their own gender pay gap.	The Ministry confirmed it will work with business leaders on an approach to voluntary gender pay gap reporting to support organisations to measure, understand, share, and take action to close the gender pay gap.
KiwiSaver contributions update	Significant changes to KiwiSaver were announced as part of the government's 2025 budget. The default employee and employer contribution rate will rise from 3% to 4% by 2028. Specifically, from April 2026, contributions increase to 3.5%, and from April 2028 to 4%. Employees will have the temporary option to remain on 3% contribution rates and remain matched at that rate by their employer.	This change was announced in Budget 2025. There have not yet been any amendments to the KiwiSaver Act 2006.



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If you have any queries or you need advice on any of the matters raised in this Newsletter, please contact us.