



**BEEHIVE to
BUSINESS**
in partnership with Allen + Clarke

WITH HON. BROOKE VAN VELDEN



Beehive to Business with the Honourable Brooke van Velden

Allen + Clarke Summary of the Key Takeaways

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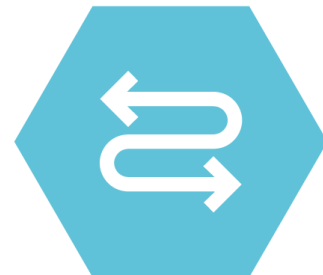


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Foreword

At the recent Wellington Chamber of Commerce Beehive to Business breakfast, the Honourable Brooke van Velden discussed several critical updates and reforms that will impact businesses across New Zealand. The session was packed with valuable insights into her portfolios: Internal Affairs and Workplace Relations and Safety. Keep reading for our key takeaways and a summary of the discussion.

Please note: This is our write up and interpretation of the key messages from the session. Whilst we aim to reflect the discussion as accurately as possible, some parts may have been recorded / understood differently versus the in-person experience.

Workplace Relations and the Holidays Act Reform

Key points

- Options for leave entitlements under consideration include weeks-based, days-based, or hours-based systems.
- The reform aims to reduce anxiety for businesses, especially SMEs, by making entitlements simpler to calculate.
- The pro-rata sick leave system is also under review to better reflect actual working hours.

Implications for Businesses:

- The reform is designed to reduce compliance complexities, particularly for small businesses.
- Organisations need to stay informed on the progress of this legislation, as its implementation will likely affect payroll systems and HR processes.

Next Steps:

- Businesses will have the opportunity to submit feedback during the select committee stage of the legislative process.

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Summary of the discussion

The discussion on the Holidays Act reform focused heavily on simplifying the current law to make it easier for businesses, particularly SMEs, to comply. Minister van Velden highlighted the importance of creating legislation that is straightforward and works well with payroll systems.

“It’s about balancing fairness with ease of use, particularly for small businesses.”

The introduction of a weeks-based accrual system for leave, as well as a shift towards prorating sick leave based on actual hours worked, were proposed as methods to ensure fairness while keeping the system manageable. The Minister noted that over 700 businesses were engaged in the consultation process, reflecting the significant interest and impact this reform could have across New Zealand industries.

Ultimately, the goal is to pass legislation that reduces the anxiety businesses face when calculating leave and sick entitlements, especially for those without dedicated HR departments.

Questions & Answers:

- **Question: What is the next step for the draft bill consultation?**
 - Answer: The government will review the feedback from the consultation and work towards simplifying the legislation before it goes to select committee.





Health and Safety Reforms

Key points

- Businesses have reported inconsistent rulings from WorkSafe, with one company receiving conflicting compliance advice in Auckland and Christchurch.
- The government's consultation is inclusive, engaging businesses of all sizes, with a focus on industries like agriculture, forestry, and manufacturing.
- The goal is to balance productivity and safety, ensuring regulations are practical and effective.

Implications for Businesses:

- Businesses should expect more consistent and clear guidance from WorkSafe, with potential changes to how health and safety laws are enforced.
- SMEs may benefit from reduced complexity in navigating health and safety regulations.

Next Steps:

- Written submissions are encouraged, with the consultation closing at the end of October.

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Summary of the discussion

The discussion around health and safety reforms focused on feedback from New Zealand businesses regarding the inconsistent application of WorkSafe standards. Minister van Velden acknowledged that businesses often struggle with the complexity of health and safety laws and stressed the need for more straightforward guidance from WorkSafe.

“ Small businesses often feel lost in a sea of compliance. ”

The government is committed to addressing these concerns through ongoing consultations, which have already revealed significant gaps in how regulations are enforced across different regions.

A key priority is to create a system that ensures worker safety without placing undue burdens on businesses, particularly smaller operators that may not have the resources to navigate complex legal requirements. The reform aims to instil confidence in both employers and employees that the laws are clear, predictable, and enforceable in a fair and balanced manner.



Questions & Answers:

- **Question:** How will the government address the inconsistency in WorkSafe enforcement?
 - Answer: The government is working with WorkSafe to create clearer guidelines and improve consistency across regions, based on feedback from the consultation process.

Contracting Models and Personal Grievances

Key points

- The gateway test will provide clarity on whether a person is an independent contractor, considering factors like the ability to work for competitors and the flexibility of working hours.
 - There are ongoing discussions about simplifying the personal grievance process, with considerations to introduce an income threshold for grievances, similar to Australia.

Implications for Businesses:

- Companies using contractors should prepare to review their agreements to ensure compliance with the new gateway test.
- These changes may also reduce the risk of exploitation claims and personal grievances.

Next Steps:

- The new regulations will apply to future contracts, not retroactively, giving businesses time to adjust.



Summary of the discussion

The conversation on contracting models centred on the government's efforts to strike a balance between flexibility and protection. Minister van Velden discussed the introduction of a gateway test designed to prevent the misclassification of workers while preserving the freedom to contract, which many workers value for the autonomy it offers. The government is also addressing the challenges around personal grievances, especially in cases where medical leave is exploited in employment disputes.



“90% of contractors report satisfaction with their worker status.”

One potential reform is to introduce an income threshold for grievance claims, similar to the approach taken in Australia. The aim is to reduce the burden on businesses while ensuring that legitimate grievances can still be pursued by workers. These reforms are part of a broader effort to streamline employment law and create a more balanced system for both employers and employees.

Questions & Answers:

- **Question:** Will the contractor gateway test apply retroactively?
 - **Answer:** No, it will only apply to new contracts.

Additional Points:

Internal Affairs Portfolio and Online Gambling Regulation

One of the attendees asked about Minister van Velden's priorities within her role as Minister of Internal Affairs. She discussed her focus on regulating online gambling, highlighting the need for consumer protections and harm minimisation. She also noted that online gambling in New Zealand is currently not well-regulated, which means that tax revenue from it is not being collected, an issue the government plans to address.

What's on next?

We always have new things coming up. Check out our next events.

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Bullying in the Workplace

A participant raised the issue of workplace bullying, specifically in the context of health and safety. While Minister van Velden acknowledged that this issue hadn't been a major focus during the consultation process, she agreed that it was important for workplaces to ensure that employees feel safe and supported. However, she also noted that the complexity of managing workplace culture made it difficult to legislate against bullying effectively.

Compliance Costs for Small Businesses

A point was raised about the compliance costs for small businesses when government reforms are introduced, particularly in relation to health and safety regulations and employment law changes (such as increases in sick leave). Minister van Velden acknowledged the burden, noting that while reforms are essential for long-term benefits, they can pose short-term financial challenges for small businesses.



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