

ADVOCACY UPDATE

MARCH 2017

BusinessNZ 

31 MARCH 2017

WORKING FOR BUSINESS IN NZ

Urban planning, tax, energy policy and employment issues featured in our advocacy in March

OUR WORK IN MARCH

ISSUE FOR BUSINESS

ADVOCACY ACTIVITY

OUTCOMES

ECONOMY

BusinessNZ - Deloitte Election Survey 2017

Preparation is again under way for the election survey BusinessNZ runs in conjunction with Deloitte that goes out to the wide BusinessNZ membership, as well as the main political parties to compare policies for the election conference. The questionnaire will go out in the field beginning 17 April for at least 3 weeks, while the political parties will receive their questionnaire in late May (Steve Summers summers@businessnz.org.nz)

Member questionnaire to go out in the field 17 April.

BusinessNZ - Corporate Taxpayers Group Large Corporate Tax Survey/Election Publication

BusinessNZ, in conjunction with the Corporate Taxpayers Group (CTG), will be conducting a tax survey amongst Major Company Group (MCG) and CTG members. The survey will be asking more technical and principled tax questions that larger corporates have both knowledge and interest in. The results will then be used for a tax election manifesto that will be co-published given the strong cross-over of MCG and CTG members (Steve Summers summers@businessnz.org.nz)

Tax questionnaire to go out to MCG and CTG members within the next 1-2 months.

Southern Cross- BusinessNZ Wellness in the Workplace Survey 2017

The bi-annual Wellness Survey is used to consider the scale of absenteeism in New Zealand, how much employers are doing to assist employees with health and wellness, and where, if any, there are gaps. Both private and public sector entities will be taking part. Given the increased focus on health and safety issues for New Zealand businesses, the survey is a proactive way in which the business community can provide insights into how they deal with issues relating to the health and wellbeing of staff (Steve Summers summers@businessnz.org.nz)

The questionnaire is currently in the field until early April.

Funding of Fire and Emergency NZ

The Minister of Internal Affairs has released a discussion paper on proposed fire and emergency services levy regulations as part of the reform of the fire services sector. Two issues will be consulted on. First, the levy on insurance policies covering different types of property. Second, transitional levy relief. BusinessNZ has maintained that funding of the fire and emergency service should be largely funded out of general taxation given that it is for the most part a public good (John Pask jpask@businessnz.org.nz)

Submissions on the discussion paper are required by 19th April 2017 and a draft submission will be forwarded to members for comment soon.

RESOURCES & ENVIRONMENT

Improving Urban Planning to provide for greater flexibility in development

The Productivity Commission's Better Urban Planning Final Report has just been publicly released and makes a number of useful recommendations to improve NZ's Urban Planning which BusinessNZ has supported through the submission process. (John Pask jpask@businessnz.org.nz)

The Government will formally respond to the recommendations made in the report and BusinessNZ will continue to advocate for the recommendations to be implemented through a number of forums.

Freshwater allocation regime in NZ needs overhaul

Officials are considering options for water allocation, including costs, benefits and impacts. A technical advisory group (TAG) has been established to advise officials on the practical impact of different options which BusinessNZ has advocated for. (John Pask jpask@businessnz.org.nz)

Recommendations from the TAG group will be made to an incoming government in November 2017.

Resource Management Act does not protect property rights; is costly & difficult to comply with

Submitted on Resource Legislation Amendment Bill. Bill sent back to the select committee for further consideration. Report back imminent. (John Carnegie jcarnegie@businessnz.org.nz)

Advocating for more protection of property rights, more national direction to Councils, and new consenting & planning processes; advocating against reduction in appeal rights.

Emissions trading scheme needs to be fit-for-purpose

Working with the Ministry for the Environment on defining phase two of the ETS review and public meetings about to commence on key issues. Liaising with the cross-party group of MPs ('GLOBE-NZ') in its work on a low carbon future. (John Carnegie jcarnegie@businessnz.org.nz)

Advocating for business competitiveness to be maintained while transitioning to lower carbon economy, and access to multiple sources of units

NZ needs a business-friendly enabling environment to unlock greater infrastructure investment

Working with the Ministry of Transport and Infrastructure Group to scope options around policy work. (John Carnegie jcarnegie@businessnz.org.nz)

The efficient provision of infrastructure (delivered at the right price, at the right time, in the right place)

NZ needs to use all available energy resources for cost-effective, sustainable energy supply

Government energy targets to be released by Government soon. BEC has commenced work on its second deep-dive on carbon emissions. (John Carnegie jcarnegie@businessnz.org.nz)

BEC continues to be influential in shaping the work being undertaken by Government on the energy sector, and on energy sector targets

New Zealand needs a transmission pricing methodology that is cost reflective and service-based

The Electricity Authority released a supplementary Transmission Pricing Methodology consultation paper on a series of proposed refinements on 6 December 2016 (John Carnegie jcarnegie@businessnz.org.nz)

Submission delivered 24 February 2017.

Energy efficiency initiatives allow business to become more productive and competitive

Submission prepared on Energy Innovation (Electric Vehicles and other Matters) Amendment Bill. This allows for levies to be paid by consumers of fuels as well as electricity to contribute towards the work of EECA. (John Carnegie jcarnegie@businessnz.org.nz)

Presented to Select Committee on 2 March 2017.

Draft Energy Efficiency and Conservation Strategy

The Government is required to regularly update the energy efficiency and conservation strategy. The latest draft strategy seeks to set the direction for government support and intervention, and to guide the work programme of EECA. (John Carnegie jcarnegie@businessnz.org.nz)

Submission delivered 7 February 2017.

SUSTAINABILITY

Delivering Paris Climate change commitments requires business leadership

Climate programme provides opportunities for businesses to collaborate on practical ways to meet Paris targets including Sustainable Cities, Transition Leadership, Low Carbon Transport, Zero Carbon and Energy Efficiency and to play a leadership role in bringing sectors together. (Kate Alcock kalcock@businessnz.org.nz)

Climate leaders from across business, government, academia and not for profit sector met in February and are considering how to progress.

Paris climate change commitments require reduced carbon intensity of transport in New Zealand

SBC has a programme of work focussed on bringing members together to develop solutions to reduce the carbon intensity of transport, including a group on freight efficiency and electric vehicle take up. (Kate Alcock kalcock@businessnz.org.nz)

Joint procurement model for Electric Vehicles being piloted with MBIE pilot in Feb 2017 starting with SBC members and businesses that made the commitment to transition 30% of their fleet to EVs.

EMPLOYER ISSUES

Appeal Court has ruled (Terranova case) that pay equity means equal pay for work of equal value (rather than the same pay for the same work), requiring a process for determining equal value

Legislation is being drafted to enact the recommendations of the government's Pay Equity Working Group. This will require pay equity claims to be bargained for in the same way that ordinary pay claims are, using the bargaining provisions in the Employment Relations Act to achieve agreements on equal value (Paul Mackay pmackay@businessnz.org.nz)

Work continues on drafting necessary amendments to the Equal Pay Act and Employment Relations Act. It is now anticipated these will be introduced prior to the election in September. Successful pay claims – there are a number in the offing starting with aged care workers - will significantly affect the state sector. It is intended to organise briefing sessions to inform interested parties of the intention of the proposed process and options available for resolving pay equity issues in the workplace. Details will be announced once draft legislation is finalised. Slow progress is being made on the current (Terra Nova) aged care workers' claim. A settlement is now taking shape. It will not only resolve the aged care workers claim but will also provide a valuable template for future state settlements. Any settlement will require worker ratification.

Issues have emerged with calculating and paying holiday pay under the Holidays Act 2003. Many employees have been underpaid, potentially over a period of years

Government has been overseeing several streams of work to address concerns: payroll systems design, best practice in payroll operations, operator standards, and effective audit and compliance. BusinessNZ is part of the steering group overseeing this work, as well as advising at a technical level. At this stage the government has resisted calls for a review of the Holidays Act itself. (Paul Mackay pmackay@businessnz.org.nz)

Meetings of the technical streams are to continue into 2017 as, while analysis is largely complete, firm conclusions are yet to be reached. Technically, the main focus remains on how to define leave entitlements (eg weeks/days/hours) and the definition of gross earnings ie what is included in the calculation of holiday pay. While government has indicated it is reluctant to change the Holidays Act itself, the conclusions reached on technical matters may strengthen calls for a simplified approach to the law.

Domestic Violence (Victims Protection Bill)

This Green Party members Bill (Jan Logie) aims to provide a separate leave entitlement for, and ability to request changes to working arrangements by, employees who are affected by domestic violence. (Paul Mackay pmackay@businessnz.org.nz)

The Bill is set down for first reading on 8 March. Indications are that it has enough support to be voted through to select committee, where it is expected debate will include the fact that both the ability to change working arrangements and to take leave for stress related reasons are available under current law.

Employment Relations (Allowing Higher Earners to Contract Out of Personal Grievance Provisions) Amendment Bill

This National Party private members Bill (Scott Simpson) aims to permit employees earning more than \$150,000 per annum to agree to relinquish the protection of the personal grievance provisions (Part 9) of the Employment Relations Act 2000. (Paul Mackay pmackay@businessnz.org.nz)

No first reading date has been set for this bill to date. The Bill is silent on what an employee may seek in return for relinquishing protection. Any employee who takes up this option will need to seek redress for any future wrongs under common law in the High Court. The provisions will enable businesses to be more agile in making changes to senior or other strategically important staff; it is reasonable to assume that such employees will seek suitable recognition for agreeing to increased exposure. Current Statistics NZ data suggests the provisions will apply in respect of less than 3% of employees if enacted.

EXPORTING & TRADE

We need more public support and understanding of the benefits of global trade, especially in a post Trump and Brexit world

ExportNZ has commissioned NZIER to do some analysis on the benefits of global trade. With anti-TPP rhetoric, growing nationalism and the increase in non-tariff trade barriers around the world, we need to remind the public what life would be like if we went back to restricting trade. (Catherine Beard cbeard@businessnz.org.nz)

This report will be released before the end of the year.

Companies are increasingly facing non-tariff barriers and market access issues into various global markets - even where we do have trade agreements.

ExportNZ has argued there should be more emphasis on NTB's and more help for exporters with market access issues. We have passed on all the info we have collected from exporters on the barriers they face to Government agencies. (Catherine Beard cbeard@businessnz.org.nz)

MFAT and MPI are putting more resource into working on the NTB's. A cross government group has been developed to prioritise and tackle issues. MPI has doubled the number of people in the market access team and are meeting regularly with exporters via our food and beverage exporters group.

ExportNZ & BusinessNZ are supporting trade in services liberalisation talks. Currently being negotiated is TiSA; also we have joined the Global Coalition of Services Organisations to give our support to services liberalisation in the APEC region. We are currently supporting the development of the APEC Services Competitiveness Roadmap 2016-2025

ExportNZ and BusinessNZ consult with services businesses and sign up to joint letters with many other countries to urge negotiators to get high quality agreements and to speed up results. The main gripes for services exporters are getting work permits/visa's for staff to do work in other countries, recognition of qualifications, ease of doing business with tax and other rules. (Catherine Beard cbeard@businessnz.org.nz)

TiSA has failed to make progress at the most recent meeting of Ministers in Europe, causing concern to services organisations. This work will be resumed in 2017 and the business lobby will continue to call for faster progress.

Innovation and R & D

NZ companies and the NZ Government underinvest in R & D and Innovation compared to other comparable countries. This is important because an innovative culture (at firm and Government level) will lead to higher productivity and a higher standard of living. More R & D will make us price makers rather than price takers.

BusinessNZ has set up a **Chief Technology Officers Group**. The group comprises some of our biggest investors in R&D and they are members of the Major Companies Group and/or ExportNZ.

This group recently had its second meeting (hosted by Sanford). Themes that were discussed included innovation collaborations, how to work better with Universities and CRI's (they need to come and look at business problems that need solving rather than coming with ideas they want to commercialise), what they are seeking when hiring talent and how to foster a culture of innovation and allow it to flourish without getting caught up in BAU. (Catherine Beard cbeard@businessnz.org.nz)

The CTO group will be working on getting some key messages agreed that will reflect business needs from the R & D system.

SKILLS & MIGRATION

Education (Tertiary Education and Other Matters) Amendment Bill

This is a Government Bill that increases funding flexibility in tertiary education system to enable tertiary education organisation to respond quickly to changes in demand, inserts a principle of consistent funding treatment into the Act. (Carrie Murdoch cmurdoch@businessnz.org.nz)

Bill has been introduced for 1st reading.

Improving immigration outcomes for New Zealand

Skills-led immigration policies enable businesses to improve their competitiveness and productivity. A key priority is to improve the demand driven approach to temporary and permanent skilled migration so that it delivers benefits to business and New Zealand. (Carrie Murdoch cmurdoch@businessnz.org.nz)

Work with MBIE and INZ to scope approach and process around review, ensuring industry input to policy and operational policy design and implementation.

Improve how the Immigration Accredited Employer Scheme operates for employers, making it more accessible for SMEs.

Employers seek a more risk based approach to the Accredited Employers Scheme. This includes streamlining the application process, the period of accreditation better reflecting risk, making it possible to submit applications and supporting documents online, and being able to recall previous employer information as part of Re-Accreditation Processes. (Carrie Murdoch cmurdoch@businessnz.org.nz)

Work continues - slowly - to improve the Accredited Employer Scheme.

Tertiary education needs to better support the economy and industry

Working with Ministry of Business, Innovation, and Employment, the Tertiary Education Commission, the Ministry of Education, and the Treasury on investment approach/decision making framework in tertiary education. Submitted to NZPC on New Models of Tertiary Education. Meet with OECD on improved skills matching and reducing skills mismatches. (Carrie Murdoch cmurdoch@businessnz.org.nz)

Productivity Commission's final report on New Models of Tertiary Education is due with Government February 2017. Final report likely to be released week of March 6.

Recruiting & retaining diverse employees can support business success

1 in 4 New Zealanders report having a disability. Convened governance group of businesses, govt agencies & disability service providers to take demand-led approach to attracting & retaining talent with disabilities at work. . (Carrie Murdoch cmurdoch@businessnz.org.nz)

Final report received. Priorities for next steps include scoping up deliverables addressing key priorities for action.

Employers value more than qualifications.

Reset the employability skills agenda with focus on skills and behaviours that are valued by employers. Vocational pathways were intended to inspire real-world learning beyond the classroom to unlock a person's potential. (Carrie Murdoch cmurdoch@businessnz.org.nz)

This work will continue through 2017 and will focus on the implementation of the vocational pathways and raising awareness of the Employability Skills Framework.

NZ needs ongoing investment in lifting the literacy and numeracy skills of the workforce to support business competitiveness and expand the pool of potential talent

NZ has large numbers of adults without skills needed to understand health and safety information, engage with customers, follow procedures, or respond to technology or operational change. Investment needs to be proportionate to need in workforce. (Carrie Murdoch cmurdoch@businessnz.org.nz)

Investment in workplace literacy programmes continues. Advocating for further research and analysis to gain workforce insights and support evidenced based policy development, to identify priorities and a revised action plan

Increasing participation and retention of talent in engineering through Engineering Education to Employment Group

The Engineering to Employment Group is investigating a range of demand and supply issues and practical solutions around attracting, retaining and developing talent in engineering. (Carrie Murdoch cmurdoch@businessnz.org.nz)

This work continues throughout 2017. Key projects include piloting Advanced Apprenticeships, providing practical guidance to firms on options to attract and retain talent in a competitive market, raising awareness of the career opportunities around engineering, and improving the quality and relevant of engineering programmes and how they are delivered.

LEGAL

Affco NZ Ltd v NZ Meat Workers and Related Trades Union SC 131/2016 [2017] NZSC 30

The Supreme Court has granted leave to appeal the Court of Appeal's conclusion that the company breached the Employment Relations Act's lockout provision when it required seasonal workers to enter into new individual employment agreements before commencing work for the 2015/16 season. The Court of Appeal had concluded, contrary to generally accepted understanding, that over the off-season the workers were still employed, making it, in the Appeal Court's view, a breach of the lockout provision to refuse to take them on other than on individual agreements. (Barbara Burton bburton@businessnz.org.nz)

For information

REGULATORY SYSTEMS (WORKPLACE RELATIONS) AMENDMENT BILL

The bill has returned from the Select Committee and amends the Employment Relations and Parental Leave and Employment Protection Acts

New cl3A (not in the original bill): Expands the grounds on which 90-day trial period employees may take a personal grievance to include:

- any requirement to perform work additional to any guaranteed hours where there is no availability provision providing for the payment of reasonable compensation
- failure to give the employment agreement's shift cancellation notice or to pay reasonable compensation if a shift is cancelled without notice
- adverse employer conduct for a prohibited health and safety reason (e.g. treating the employee adversely for proposing to become a health and safety representative or for raising health and safety concerns)
- inducing or coercing the employee to perform or not to perform a function under the Health and Safety at Work Act, thereby contravening that Act

Employment Relations Act 2000

Some concern has been expressed that the select committee has extended the grounds on which employees on a 90-day trial period may take a personal grievance to cover the recent availability and shift cancellation requirements. Because this amendment was made at the select committee stage there was no opportunity for employer/business input.

The provisions will come into force on the date after the date of the Royal assent.

New clause 3B (also not in the original bill): Applies the employer defences to allegations of adverse employer conduct for a prohibited health and safety reason to all the above additional situations, allowing employers to argue that:

- the conduct was reasonable in the circumstances, or
- compliance with the Health and Safety at Work Act was a substantial reason for the conduct

Clause 4: Previously there was concern that the way this provision was worded might have meant a third party's 'non-officers' could be held liable for a breach of employment standards in some other employing organisation. This problem has been addressed, making it clear that only those in positions of responsibility in the particular entity can be held liable. (Barbara Burton bburton@businessnz.org.nz)

REGULATORY SYSTEMS (WORKPLACE RELATIONS) AMENDMENT BILL

The keeping-in-touch day provision now provides that an employee on paid parental leave who works for the employer for more than 40 hours will be treated as having returned to work. Any subsequent parental leave payments will be recoverable.

Parental Leave and Employment Protection Act

These provisions are to come into force on 1 June 2017

Employees entitled to a pre-term baby payment are able to return to work and:

- if they have been receiving the pre-term payment, the pre-term baby payment period will end on their return
- if they haven't received the payment, the parental leave payment period will be suspended when they return. (This would apply to employees already on parental leave prior to a premature birth)

The parental leave payment period resumes when the employee goes back on parental leave - i.e. no later than the date the baby was expected to arrive had the birth not been premature.

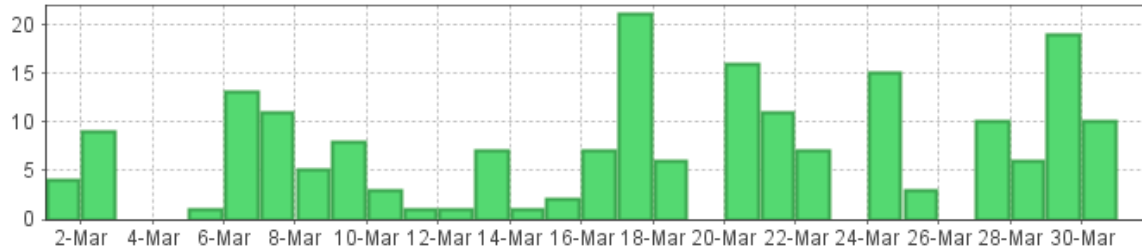
An employee who takes a period of paid leave at the start of the parental leave period can choose to start the parental leave payment period when the paid leave period ends.

If an employee becomes entitled to a pre-term baby payment before the parental leave payment period begins, the parental leave payment will be payable at the earlier of:

- the start of the employee's parental leave, or
- the original expected date of delivery (Barbara Burton bburton@businessnz.org.nz)

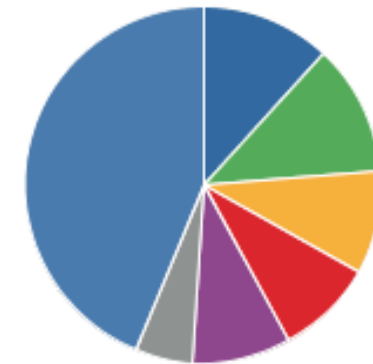
MEDIA ADVOCACY

March 2017 – 197 media mentions



Employability skills framework welcomed
 Farms are making progress on water quality, now towns must do their bit
 As workers get older, is business ready for the grey tide?
 Extra leave proposed for victims of violence
 Your working life is two years longer
 Pratfall season in full swing here too
 Change to super backed by business sector
 Research shows gap is hindering transformation of NZ businesses
 Growth strategies for your business
 NZ on top of the world for ease of doing business
 The way to value water rights might be to allow them to be traded
 PM announces appointment to APEC council
 Small business and ecommerce
 Manufacturing activity rose in February
 Govt seeking to close multinational tax loopholes
 NZ services sector strong in February
 Service sector activity eases slightly, but still elevated
 Shadow board says market should prepare markets for future hikes
 NZ business welcomes cross-party climate change report
 Innovation in trade strategy
 Cross-party agreement positive
 Higher spend needed than under Labour/Green rules
 The longer game that will reach through the election
 New directions in urban planning positive
 RMA in sights of planning report
 NZ economy on track
 Tax should fund fire service
 Parliament to allow dumping?
 Replacing the RMA is a job that shouldn't wait any longer
 New requirements for employers

Sources



- Dominion Post: 20
- Stuff.co.nz: 16
- Taranaki Daily News: 15
- Voxy: 8
- ShareChat: 7
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- Radio New Zealand Audio: 4
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