MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Personal grievances: A threshold for unjustified dismissals

Date:	29 August 2024	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	2425-0867

Action sought		
	Action sought	**Deadline**
Hon Brooke van Velden **Minister for Workplace Relations and Safety**	**Agree** to the key policy settings for a threshold for unjustified dismissal personal grievances. **Agree** to seek Cabinet's approval to introduce a threshold for unjustified dismissal personal grievances.	6 September 2024

Contact for telephone discussion (if required)				
Name	**Position**	**Telephone**		**1st contact**
Beth Goodwin	Manager, Employment Relations Policy	04 901 2009	Privacy of natural persons	✓
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Justine Khayat	Policy Advisor, Employment Relations Policy	–	–	

The following departments/agencies have been consulted
-

Minister's office to complete:

- ☐ Approved
- ☐ Noted
- ☐ Seen
- ☐ See Minister's Notes
- ☐ Declined
- ☐ Needs change
- ☐ Overtaken by Events
- ☐ Withdrawn

Comments

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Personal grievances: A threshold for unjustified dismissals

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Purpose

We seek your agreement on:

- the key policy settings for a threshold for unjustified dismissal personal grievances, and
- whether to seek Cabinet's approval to introduce a threshold for unjustified dismissal personal grievances.

Executive summary

Officials have concluded targeted engagement on the New Zealand National – ACT New Zealand coalition agreement commitment to consider introducing an income threshold above which a personal grievance could not be raised.

We heard from stakeholders that some employers and senior executives are already contracting out of unjustified dismissal protection in a mutually beneficial way. Employers are able to quickly dismiss senior executives, who receive severance agreements that mitigate the impacts of job loss.

This practice does not appear to extend to highly paid non-executives (e.g. technical experts and middle managers). There would be risks in extending the practice to this group, as they generally have a comparatively smaller impact on organisation performance to senior executives, and there is a greater risk that it includes employees with lower ability to negotiate mutually beneficial contracting out arrangements, and less resilience to job loss than senior executives.

We propose that the objective for this work is to provide certainty about when mutually beneficial contracting out agreements can be used between senior executives and employers.

We recommend the following key policy settings:

- the threshold applies to senior executives (which would be defined by law) earning $200,000 or above. An alternative approach is to have an income-only approach, but this would cover a significant number of non-executives.
- if the threshold is met, employers and senior executives may contract out of unjustified dismissal protections, allowing both parties to agree to a mutually beneficial arrangement. An alternative approach is to automatically exclude any employee who meets the threshold.
- there are no mandatory minimum severance pay requirements, as we consider that senior executives have sufficient bargaining power to negotiate their own severance agreements.

Overall, we consider these policy settings best meet the objective. The key benefit of the proposal is providing greater certainty, which may encourage greater use of contracting out. We consider the proposed settings are, on balance, preferable to the status quo.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

a **Agree** to seek Cabinet's approval to introduce a threshold for unjustified dismissal personal grievances (recommended)

Agree / Disagree

b **Select** which test the threshold will be based on:

Income-based threshold	Income and occupation-based threshold (recommended)
Agree	*Agree*

c **Select** the initial income level of the threshold:

$150,000	$200,000 (recommended)	$250,000
Agree	*Agree*	*Agree*

d **Select** whether employees are automatically excluded or can contract out of raising an unjustified dismissal claim:

Automatic exclusion	Contracting out (recommended)
Agree	*Agree*

e **Select** if there would be minimum severance payments for dismissed employees:

No minimum requirements (recommended for a threshold $200,000 or higher)	Mandatory minimum severance payment
Agree	*Agree*

Beth Goodwin
Manager, Employment Relations Policy
Labour, Science and Enterprise, MBIE

29 / 8 / 2024

Hon Brooke van Velden
Minister for Workplace Relations and Safety

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Background

We advised that the costs and benefits of unjustified dismissal settings appear to differ for high-income earners compared to the wider workforce

1. In May 2024, we provided you with initial advice on the coalition commitment agreement to consider introducing an income threshold above which a personal grievance could not be raised [2324-3227 refers]. We advised that the relative costs and benefits of unjustified dismissal settings may be different for high-income earners:

    a. Managers have a significant impact on firm performance.

    b. High-income earners generally have greater bargaining power than lower-income earners.

    c. High-income earners may be better able to mitigate the negative impacts of job loss, though concerns of the impact remain.

2. We concluded that there was a good case to continue policy work and noted there were gaps in our knowledge that materially affected our analysis. You agreed that we should undertake targeted engagement to help fill these gaps, including on 'strawman' policy options. We met with 20 groups of stakeholders and completed this engagement in August 2024 (see **Annex One** for a list of stakeholders). Those stakeholders' views are described throughout this briefing, in relation to each topic.

3. This briefing provides our updated advice and seeks your decision on whether to proceed with an income threshold and, if so, the key policy settings.

The problem: the law does not support the mutually beneficial practice of senior executives and employers contracting out of unjustified dismissal protection

4. We have further deepened our understanding of the problem through stakeholder engagement, and this section steps through it.

Engagement affirmed that the costs of unjustified dismissal protection for senior executives are higher than for the wider workforce

5. Targeted engagement affirmed that senior executives[1] have a significant impact on organisational performance, and having a poor performer has a significant negative impact. We heard that there are particular performance management challenges for senior executives, for example relative costs (as underperformance is more costly due to the impact on organisational performance), and the importance of 'fit' of a senior executive, either from a skills or personality perspective, which is less suited to performance management processes.

6. This suggests that the costs of going through a fair and reasonable performance management process are generally higher for senior executives.

The market appears to address these costs through 'contracting out' of unjustified dismissals

7. To address these costs, we heard that some senior executives and employers contract out of unjustified dismissal protection through 'no-fault termination' or 'face-doesn't-fit' clauses,

[1] We understand senior executives to include those who report directly to the board, such as chief executives and managing directors, and those with a significant influence over the management of the organisation, such as general managers. It does not include technical experts who are not managers (e.g. engineers or doctors).

despite such clauses not being enforceable in law. These clauses provide that employers may dismiss senior executives without fault (i.e. without a performance management process or ability to raise an unjustified dismissal), in exchange for a severance agreement, which generally include:

a. a severance payment (we heard these are generally six to twelve months of salary), and

b. 'leaving with dignity' provisions, which can cover a range of matters, for example how an exit will be communicated and providing a reference for future employment.

8. Stakeholders with experience with these clauses said that they are working well. For employers, they provide a route to quickly dismiss senior executives (in a matter of days or weeks), whilst the severance agreements mitigate the impacts of job loss.

9. Although we cannot estimate the exact coverage of these clauses, all employer groups, employment lawyers, and dispute resolution experts were aware of the practice, and that such clauses were unenforceable. We heard that these clauses were used for chief executives, and those who report to chief executives.

Some stakeholders see value in unjustified dismissal protection for senior executives

10. Some employment lawyers, academics, and employee groups noted that unjustified dismissal settings provided benefits for senior executives, despite the existence of contracting out. Employment lawyers who had represented senior executives noted that they could be subject to poor workplace practices, such as bullying, or an unfair dismissal that causes significant reputational damage. In this context, unjustified dismissal protection provided access to justice to address unfairness, even though personal grievances were rarely raised.

11. Some employment lawyers and academics considered that unjustified dismissal protection provided senior executives with leverage to negotiate severance agreements. They raised concerns that removing access to unjustified dismissal would shift this power balance and undermine this practice. Other stakeholders disagreed, with employer representatives noting that the ability to negotiate for favourable terms is a pre-condition for being a senior executive, and some employment lawyers and dispute resolution experts noting that both sides understand that an unjustified dismissal would not be raised for reputational reasons, so did not provide real leverage.

12. Despite the severance agreements and higher levels of financial resilience amongst senior executives, many employment lawyers and technical experts highlighted that job loss could still negatively impact senior executives, for example where they:

a. are in 'thin' labour markets where there are fewer job opportunities, meaning there may be longer period of job search and they may need to relocate (domestically or internationally), and the reputational damage of job loss may be significant, and/or

b. have significant fixed costs (particularly mortgages), debt, and/or caring responsibilities.

The legislation does not allow contracting out, raising potential risks for employers

13. Whilst we heard that contracting out is working well, such clauses are unenforceable, as section 238 of the Employment Relations Act 2000 (the Act) prevents contracting out. The inconsistency with legislation could:

a. disincentivise senior executives and employers from contracting out, even if it is mutually beneficial to do so, and

b. lead to a personal grievance being established after the employer has paid out in accordance with a contracting out clause. This risk has never crystallised, as far as we are aware. Stakeholders highlighted the significant reputational costs of raising a personal grievance, and that employers and senior executives are strongly incentivised to agree to a settlement. We expect the risk of a personal grievance being raised in this scenario to be low.

Highly paid non-senior executives do not appear to contract out

14. All stakeholders considered that the target group for a threshold should be senior executives, and that there were different considerations for other highly paid non-senior executives.

15. Stakeholders indicated that contracting out occurs with chief executives and those who report to chief executives, but not with other highly paid non-senior executives (e.g. middle managers[2] and technical experts). Compared to senior executives, we heard that highly paid non-senior executives do not appear to generally have comparable:

    a. impact on organisational performance as senior executives, as senior executives generally have a significant influence over major functions of the organisation and therefore productivity (e.g. via formulating policy and managing via subordinate managers), whereas non-senior executives generally have a narrower influence.

    b. challenges and costs in performance management, with some employment lawyers and human resource professionals noting performance management was more common and can lead to improved performance. The risk of introducing a threshold is that some employees who would otherwise be successfully performance managed would instead be dismissed.

16. We also heard from employment lawyers, dispute resolution experts, and employee groups that highly paid non-senior executives have a greater diversity of negotiating skills and bargaining power. This includes some employees with comparable levels of skill and bargaining power to senior executives, particularly where they have specialist skills that are in high demand. In these scenarios, employees feel confident that they can negotiate beneficial agreements, or walk away from negotiations and find other employment.

17. However, we also heard that this group includes those with less ability to negotiate mutually beneficial contracting out arrangements. Examples we heard during engagement were:

    a. technical experts on collective agreements, who do not have sufficient bargaining power to negotiate better individual conditions, and

    b. employees in thin labour markets, including where there are few employers, for example employees in the education or science sectors or in small New Zealand markets. In this scenario, we heard that the impact of job loss is significant and bargaining power is lower than senior executives.

18. We cannot estimate the size of each group or the balance between them.

19. We heard widespread concern amongst employee groups, employment lawyers, and other technical experts of the impact of job loss on all employees (including senior executives), including the concerns raised in paragraph 12.

20. On balance, we consider that there are greater risks in extending a threshold to highly paid non-executives, as they are likely to have a smaller impact on organisational performance

[2] We consider middle managers are managers who are in-charge of sub-parts of a function of the organisation, who manage staff.

and are likely to include employees with less ability to negotiate mutually beneficial agreements. We therefore recommend that a threshold not cover them.

Objective: To provide certainty about when mutually beneficial contracting out agreements can be used

21. Overall, senior executives and employers are already negotiating out of unjustified dismissal protection. We heard that contracting out happens in a mutually beneficial way, underpinned by senior executives' high levels of bargaining power and financial resilience. However, these clauses are not enforceable.

22. We therefore propose that the objective for this work is to provide certainty about when mutually beneficial contracting out agreements can be used between senior executives and employers. There are three key elements to this objective: **certainty** and **targeting** the policy to the identified problem, to ensure the agreements are **mutually beneficial**.

23. Providing **certainty** means that agreements to not raise an unjustified dismissal personal grievance would be legally enforceable. This enables employers to dismiss poor performing employees who have a significant impact on organisational performance, without the risk that an unjustified dismissal claim will be successfully raised. It also signals to employers and relevant employees that these agreements are an option available to them.

24. **Targeting** senior executives ensures that this policy focuses on employees with significant impact on organisational performance, tailoring the solution to the identified problem. This is also consistent with how current market practice appears to be operating.

25. We consider that achieving an appropriate balance between the two will allow employers and senior executives to agree to **mutually beneficial arrangements** and mitigate potential negative impacts of interventions.

26. You may wish to consider whether you place more weight on one of the elements, when you are deciding the key policy settings.

27. Employer representatives, some employment lawyers, and some technical experts considered that there was an opportunity to provide additional certainty, above the status quo. Employee representatives and the majority of employment lawyers and technical experts did not see a clear case for change, and largely considered that the status quo is functioning well.

We seek your decision on whether to introduce a threshold and, if so, the key policy settings

28. In May 2024, you agreed that the threshold apply only to unjustified dismissal protection, and not the wider suite of personal grievance grounds [2324-3227 refers]. We seek your decision on the remaining key policy choices, including:

    a. Who does the threshold apply to and how does it do so?

    b. What is the income level of the threshold?

    c. Are employees automatically excluded or do they contract out of raising an unjustified dismissal claim?

    d. Would there be mandatory minimum severance payments for dismissed employees?

29. In each section below, we have summarised the choices in the box at the top and have shaded in green the option which we recommend.

30. Once you have made decisions on these choices, we will advise you on consequential technical choices, for example, of what constitutes 'income' (e.g., salary, benefits, commissions), how the threshold could be updated over time, and procedural requirements for contracting out. We will seek your decisions on the second order policy questions in late September.

A. Who does the threshold apply to and how does it do so?

Income-based threshold	**Income and occupation-based threshold**

31. The first policy decision: is who does the threshold apply to and how does it do so?

32. As described above, we consider that the threshold should only apply to senior executives. The key challenge is how to target this group; in short, there is a choice between a simple approach which provides certainty but includes non-senior executives, or a more complex approach which better targets senior executives.

Income-based threshold

33. The simplest approach is to adopt a solely income-based threshold, but this is not well targeted to senior executives. Census 2018 data indicates that approximately 50 percent of those earning over $170,000 are classed as managers, with the remaining 50 percent being classed in other categories (e.g. professionals, technicians, and trade workers).[3]

34. For employers, this approach is the simplest to comply with and will provide the most certainty over who may be dismissed without the risk of a successful unjustified dismissal claim.

35. Capturing non-senior executives risks creating non-mutually beneficial arrangements, such as dismissing employees who otherwise would have been successfully performance managed at a reasonable cost, and dismissing employees who are less able to mitigate the negative impacts of job loss. These concerns were mainly raised by legal experts and employee groups.

36. Including non-senior executives may also increase employment costs for roles that are not already contracting out of unjustified dismissals, as employees may bargain for higher salaries or other benefits to compensate them for the reduced employment security.

Income-and occupation-based threshold

37. An alternative approach is to pair the income approach with an occupation-based approach, where the threshold applies to 'senior executives', which would be defined in legislation as a manager in the top three tiers, i.e. who reports directly to:

    a. a board or a governing body (tier one, chief executives),

    b. to a chief executive (tier two, e,g., chief financial officers, chief operating officers, chief people officer), or

    c. a manager who reports to a chief executive (tier three, e.g. general managers).

38. If you choose this approach, we will provide advice on the detailed definition as part of the briefing on second order policy issues in September.

39. This approach effectively targets senior executives, ensuring the threshold is tailored to the problem definition, as well as avoiding the risks of covering non-senior executives (discussed above).

[3] $170,000 is the highest income band available in the census data.

40. This approach would allow employees to challenge their status as a senior executive. The judiciary would be required to consider each case on its merits, and it will take time for case law to develop. However, we heard that senior executives do not challenge their existing unenforceable contracting out clauses, given the reputational impacts of doing so and the size of severance package arrangements. We consider the risk of legal challenge from senior executives is therefore low.

Recommendation

41. We consider the choice between an income-only and the income and occupation-based approaches to be finely balanced, given an income-only approach provides certainty but poorly targets senior executives, whilst an income and occupation-based approach effectively targets senior executives, but creates some level of uncertainty.

42. On balance, we recommend an income and occupation-based approach, as it provides more certainty on the outcome of the dismissal to both employees and employers than the status quo, while targeting senior executives effectively.

B. What is the initial income level of the threshold?

$150,000	**$200,000**	$250,000

43. If you agree to an income-based threshold, the next key policy decision is what the threshold should be. In 2023, of all wage and salary earners:

    a. 5.1 percent received over $150,000,

    b. 2.2 percent received over $200,000, and

    c. 1.2 percent received more than $250,000.

44. There is no 'bright line' of income which separates middle managers and highly paid non-managers (e.g., medical specialists) from senior executives. For example, we heard from employer groups that managers who exert a significant influence over organisational performance would earn at least $180,000 (particularly in small businesses), whilst some employment lawyers noted many middle managers earn close to $200,000.

45. Neither is there a bright line where an employee is resilient to the impacts of job loss. As we noted in the previous advice, New Zealand survey data indicates that financial resilience increases with income, but this survey indicates that there are a small number of high-income households would struggle to cover a fall of income (particularly where there are high housing costs).[4] As noted earlier, there was widespread concern on the impact of job loss on high-income earners in engagement.

46. The employer groups we engaged with considered that an income threshold of $180,000 - $200,000 was appropriate, while a few legal experts and academics were concerned that a threshold of this level would be too low.

47. On balance, we recommend $200,000, as this is most likely to target senior executives from both small and larger businesses. We consider that a higher threshold of $250,000 would exclude some senior executives from small and medium businesses, whilst a lower threshold would include middle managers.

48. We will provide advice on how this dollar figure could be updated over time, as part of the briefing on second order policy issues in September.

[4] Te Aru Ahunga Ora Retirement Commission (2021), *New Zealand Financial Capability Survey 2021.*

C. Are employees automatically excluded or do they contract out of raising an unjustified dismissal claim?

Automatic exclusion	**Contracting out**

49. The next key choice is whether all employees who meet the threshold are excluded from raising an unjustified dismissal claim (automatic exclusion), or whether the threshold allows employers and employees to negotiate whether an unjustified dismissal claim could be raised (contracting out).

Automatic exclusion

50. An automatic exclusion is slightly more certain and would be the simplest to use for employers, and ensures the policy applies to all employees above the threshold. This would allow employers to dismiss any employee who meets the threshold.

51. This option would not reduce the risk of legal challenge entirely; a personal grievance under other grounds (e.g. discrimination or harassment) could be raised. Employers would also be required to adhere to any contractual requirements included in the employment agreement and, if those requirements are not met, a legal challenge could be raised.

52. However, it would constrain freedom of contract for both employers and employees. We heard from employee groups, academics, and employment lawyers that this could disadvantage some employers and employees, for example:

    a. employers who may wish to offer unjustified dismissal protection as a point of difference over competitors (e.g., employers competing in international markets), and

    b. employees who may wish to maintain unjustified dismissal protection, particularly where there is significant cost in accepting the role (e.g. moving to New Zealand or moving cities), or where the impact of job loss is particularly high (e.g. those with high mortgages).

53. In short, if employers see value in unjustified dismissal protection as a way to attract employees, and employees see value in the security provided by unjustified dismissal protection, removing it could have negative labour market impacts. Employee groups representing health sector workers were particularly concerned about this impact if highly paid technical experts (e.g. medical specialists) were covered by the threshold.

Contracting out

54. An alternative approach is to allow contracting out: if the threshold is met, employers and employees could negotiate whether an unjustified dismissal claim could be raised. This could be done at any time, including when the employment agreement is first negotiated, or when a dispute has arisen, and a dismissal is preferred.

55. This process aligns with the status quo, where senior executives and employers negotiate away unjustified dismissal protection in exchange for severance agreements. These severance agreements help to mitigate the impacts of job loss, allowing for a mutually beneficial agreement to removal of unjustified dismissal protection.

56. There is a risk that some employees do not agree to a contracting out arrangement, and the employer would find it beneficial to dismiss that employee. Employers would be required to meet existing fair and reasonable employer requirements in this scenario (e.g. performance management).

57. Contracting out is a little more uncertain than an automatic approach, as employees could potentially challenge the contracting out (for example, if any procedural requirements are not met, if these are included either in legislation or in the employment agreement). If the contracting out process is found to be unlawful, then an unjustified dismissal claim could be

successfully raised. As with an automatic approach, a personal grievance could be raised under other grounds, as could a failure to adhere to the terms of the employment agreement.

58. BusinessNZ and one dispute resolution expert supported an automatic exclusion, whilst all other stakeholders supported contracting out. The majority of stakeholders saw value in unjustified dismissal protection and considered that the contracting out approach allowed the benefits of this protection to be maintained where appropriate, or appropriately traded-off with other benefits (e.g. severance arrangement or higher salary).

Recommendation

59. We recommend contracting out. Contracting out provides the option for employers and employees to decide whether to contract out of unjustified dismissal protection and mitigates potential negative labour market impacts of an automatic approach. Contracting out most closely aligns with our understanding of the status quo, where employers and senior executives negotiate mutually beneficial clauses.

60. If you agree to contracting out, we will provide further advice on potential process requirements (e.g. how to ensure negotiations when contracting out are protected from legal risk) in late September.

D. Would there be mandatory minimum severance payments for dismissed employees?

No minimum requirements	Mandatory minimum severance payment

61. One potential method of mitigating the impact of job loss on employees is to introduce a mandatory minimum severance payment. There is currently no legislated minimum severance pay requirements (e.g. redundancy payments), and any minimum payment would be what is included in the employee's employment agreement.

62. We heard during engagement that senior executives receive severance payments when dismissed under a no-fault dismissal clause, though there was variation in the amount received, though most stakeholders suggested they fell within six and twelve months of salary.

63. This could be formalised through minimum severance pay requirements where employees are dismissed above the threshold.

64. The key benefit of a minimum severance payment is to ensure that all employees would receive compensation to mitigate the immediate financial impact of job loss.

65. The impact analysis for this option will depend on the other settings chosen. If a targeting mechanism is chosen which effectively targets senior executives (income and occupation approach or contracting out) we do not consider that minimum severance requirements would be required, as senior executives have sufficient bargaining power to negotiate their own severance agreements. This was supported by employer groups, a technical expert, and a few legal experts.

66. There may be unintended consequences with introducing a severance payment, for example it becomes the expected payment rather than the minimum payment, or employers pay the severance payment even where there is an 'at-fault' dismissal (e.g. they are dismissed for serious misconduct).

67. As noted above, there are currently no mandatory redundancy or severance requirements in the Act. Introducing mandatory minimum severance payments would raise equity concerns with those on a trial period.

68. We do not recommend introducing mandatory minimum severance pay requirements, unless you choose a threshold of $150,000. In that case, we would like to review this recommendation and advise you further in our September briefing.

We consider that introducing a threshold with the recommended settings would meet the objectives

69. We recommend an income and occupation-based threshold of $200,000 which allows employers and senior executives to contract out of unjustified dismissal protection, with no mandatory minimum severance payments.

70. The key benefits of this proposal are to provide greater certainty of agreements to contract out of unjustified dismissals and ensure employment relations legislation is not preventing otherwise mutually beneficial agreements. The additional certainty may encourage more employers and senior executives to negotiate these agreements. Given this approach largely codifies the status quo, we expect it to have a relatively small overall impact. Given the objective is to provide certainty, we consider the proposed settings are, on balance, preferable to the status quo.

71. A core challenge in this work is that it covers a relatively small part of the labour market and there is limited evidence on its functioning. Targeted engagement was valuable, and we heard a range of views, but this remains anecdotal evidence, so our assessment of the impacts is necessarily imprecise.

72. There are risks in intervening, particularly if the legislative framework disrupts or undermines current practices that, whilst unenforceable, appears to work well for those who use it, and there is a risk that legislating could make this practice more complex, or expand practice to employers and employees who benefit from the current settings. We consider the policy choices recommended in this paper, particularly the recommendation in section C to make this a contractual choice rather than automatic, mitigate these risks.

73. Having decided the key policy choices, we seek confirmation that you wish to seek Cabinet's agreement to introduce a threshold.

74. If you decide not to proceed with introducing a threshold, we recommend you inform (or seek approval from) Cabinet of that decision, and we can support you with a Cabinet paper or materials to do so.

We consider that an income threshold is unlikely to raise Te Tiriti O Waitangi/Treaty of Waitangi interests

75. In our May 2024 advice, we noted that removing access to unjustified dismissal claims may not align with a tikanga Māori approach to employment relations and that the design of an income threshold may raise taonga based interests under Te Tiriti [2324-3227 refers].

76. Following further analysis, we consider that the proposal is unlikely to raise te Tiriti o Waitangi/Treaty of Waitangi interests, as the proposal is unlikely to impede Māori employees' and employers' ability to uphold tikanga in their employment relationships, or access mediation services when a relationship breakdown occurs. Māori are under-represented in high-income earners, so the impact on Māori access to unjustified dismissal is likely to be comparatively smaller.

Next steps

77. We seek your decisions on this paper by 6 September 2024 to provide time for officials to develop advice on the second order policy issues, in late September 2024.

78. We will also begin drafting a Cabinet paper and Regulatory Impact Statement based on your preferred policy settings. The Cabinet paper would include any policy changes arising from the work on the coalition commitment to remove eligibility for remedies for at-fault employees.

79. To meet the scheduled introduction of the Employment Relations Amendment Bill in April 2025, we propose seeking Cabinet's agreement in November 2024, to avoid the pre-Christmas demand on Cabinet's time and provide sufficient drafting time.

Annexes

Annex One: Who we met for targeted engagement

Annex One: Who we met for targeted engagement

Stakeholder Group	Stakeholders
Academics	University of Canterbury
	Victoria University of Wellington
Employee representatives	NZCTU and Affiliates
	CTU Rūnanga
	Associated of Salaried Medical Specialists
	Tertiary Education Union
Employer representatives	BusinessNZ
	Employers and Manufacturers Association
Employment lawyers	The Employment Law Committee of New Zealand Law Society
	The Employment Law Committee of the Law Association
	MinterEllisonRuddWatts
	The Employment Law Institute of New Zealand Inc.
	Employment Law and Privacy Committee of the New Zealand Bar Association
Professional body	Chartered Accountants Australia and New Zealand
Technical experts	SAP New Zealand Ltd
	Fair Way Resolution
	MYOB
	Human Resources Institute of New Zealand

We also invited the following stakeholders to engage, who either declined or did not provide a response:

- Business Central
- New Zealand Chambers of Commerce
- Komiti Pasefika
- Datacom
- Dundas Street
- University of Auckland
- University of Otago
- Peter Cranney – Oakley Moran
- Institute of Directors New Zealand