



Consultation on the employment dispute system

Discussion document

May 2026



Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

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What is this engagement about?

We'd like to hear your feedback on your experiences with employment relations disputes, throughout the whole journey of the dispute. Our areas of interest include:

- how disputes happen and areas of law that could be improved to minimise unnecessary disputes and lead to better resolution outcomes
- how disputes progress and what influences how early they are resolved or whether they escalate
- the time it takes to settle a dispute, and the impact this wait time has on the individual and/or business
- how well the government-provided dispute resolution system is working, including whether it is delivering efficient, affordable, and fair resolution.

What are employment disputes?

Employment disputes can arise over things like dismissals, issues with an employee's performance, relationship issues between employers and employees, breaches of employment agreements, and whether an employer has met their obligations. We are focused on the *Employment Relations Act 2000*, which means we are not looking at matters addressed in other legislation—for example, disputes around people's minimum entitlements (like minimum leave or pay) or around workplace health and safety.

Most disputes are resolved or settled **in the workplace**, and we don't have much information about these disputes. We are interested in learning more about what types of disputes occur that are resolved at this stage and about people's experiences with resolving such disputes in the workplace, as well as through the government-provided dispute resolution system.

What will this engagement do?

This engagement will help us understand what's working and what's not. Once engagement finishes on 31 July 2026, we will use the feedback to identify what changes could be made, either to the government-provided dispute resolution system or to the Act, to ensure the dispute resolution system is as effective and efficient as possible.

We'd like to hear from anyone who has been involved in employment disputes or dispute resolution, or who has been affected by a dispute. This group includes you if you have been involved as a party to an employment dispute, have supported or represented someone in a dispute (e.g., as a lawyer, advocate, union rep, or other support person), or have been affected by a dispute (e.g., you own or run a business where a dispute has occurred, or you're a worker whose colleagues have been in a dispute, or your family member has been in a dispute). Questions in each section will give you an idea of the types of things we'd like to know. You do not have to answer all these questions and may answer them however best suits you/your organisation.

Why do we need a dispute resolution system?

There are around 2.4 million employees in over 160,000 businesses across New Zealand.

Disputes in employment relationships can happen at any stage of the employment relationship, with 4.7% of people (around 192,000 adults) experiencing an employment relationship problem in 2023.¹

Disputes can have real impacts for businesses (such as reduced productivity and impacts on workplace culture) and individuals (such as uncertainty, financial stress, and potential job loss).

To reduce these negative impacts and reduce the risks of disputes escalating, it is important that disputes be resolved as early as possible, fairly, and without disproportionate cost.

To ensure people can resolve their disputes in a timely, fair, and affordable way, the government provides a dispute resolution system, including early resolution and mediation, the Employment Relations Authority, and the Employment Court.

What causes employment disputes?

We are interested in understanding people's experiences with the rules around how employers, employees, and unions deal with each other and the interactions between these settings and disputes. Disputes can arise over things that happen at any stage of an employment relationship.

Common causes of employment relations disputes include:

- dismissals and the processes for ending employment relationships, including trial periods and restructuring and redundancy processes
- employee performance
- employer/employee conduct (including whether parties have acted in good faith)
- employment agreements
- personal grievances
- the nature of relationships (such as employee versus contractor status)
- arrangements for collective bargaining

¹ Ministry of Justice (2024, October 29). *Access to Justice: 2023 Legal Needs Survey*. <https://www.justice.govt.nz/assets/Documents/Publications/Access-to-Justice-Legal-Needs-Survey-Final-Report-October-2024.pdf>.

We'd like to hear from anyone who has been involved in employment disputes or dispute resolution or has been affected by a dispute. This group includes you if you have been involved as a party to an employment dispute, have supported or represented someone in a dispute (e.g., as a lawyer, advocate, union rep, or other support person), or have been affected by a dispute (e.g., you own or run a business where a dispute has occurred, or you're a worker whose colleagues have been in a dispute, or your family member has been in a dispute).

- Has an employment dispute affected you? What was your role?
- Who was the dispute between (*or, if you have been involved in multiple disputes, who are they most commonly between*)?
- When in the employment relationship did the dispute(s) arise (*or when did disputes most commonly arise, if you have been involved in multiple disputes*) (i.e. start, middle, end)?
- What issue(s) caused the dispute(s) (*or most commonly caused the disputes, if you have been involved in multiple disputes*)?

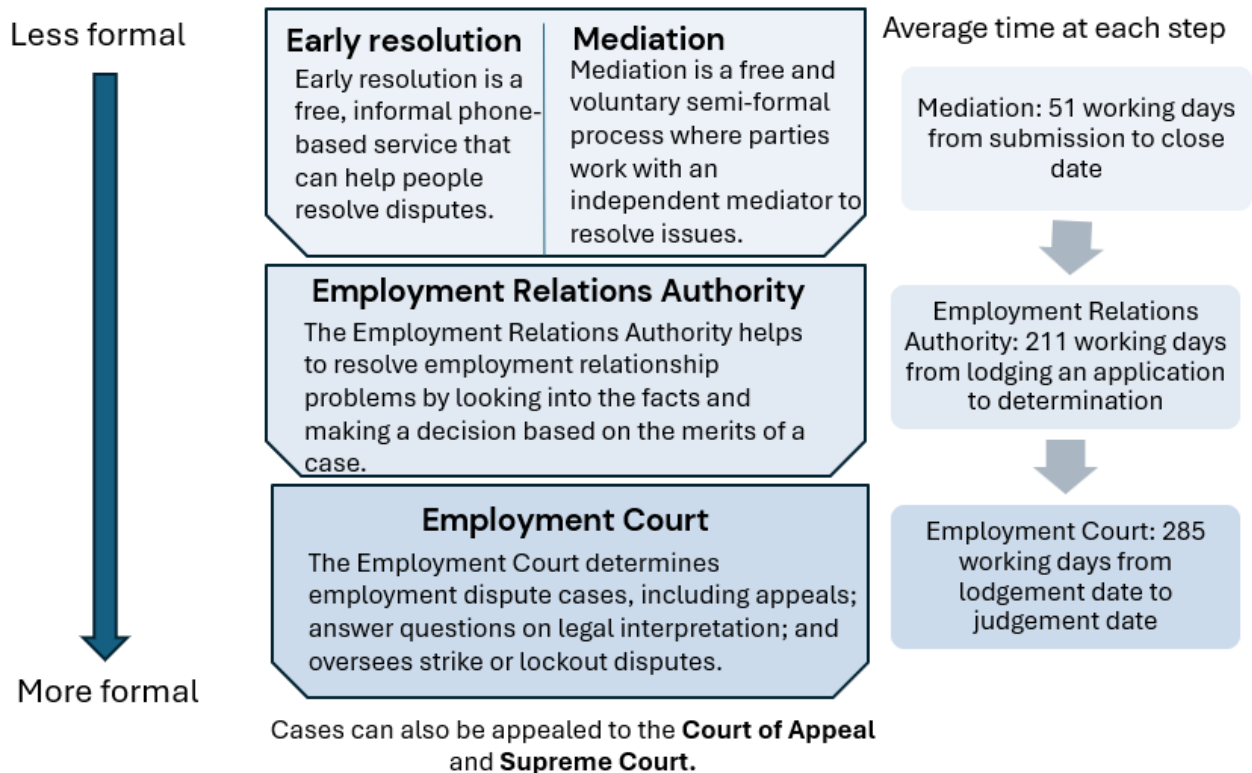
[Things to think about when answering]

- Was it (*or were they most commonly*) about a dismissal? Legal obligations that weren't met? A relationship breakdown? Some other issue?
- What do you believe were the root causes of the dispute(s)?
- Were there any other factors that contributed/commonly contribute to disputes?
- What do you believe were the root causes of the dispute(s)?
- Were there any other factors that contributed?

How are disputes resolved?

Many disputes are resolved internally between employers and employees, but sometimes parties may want or need external help to resolve issues and so may access private dispute resolution services and/or the government-provided employment dispute resolution system. The government’s employment dispute resolution system is intended to be fast, fair, and accessible.

The government-provided employment dispute resolution system has a tiered approach that aims to resolve issues at the lowest level of formality possible, with more formal and legalistic processes available when needed. The chart below shows how the system is structured.



We'd like to hear from anyone who has been involved in employment disputes and dispute resolution about their experiences with disputes.

- How did the dispute(s) progress (*or, if you have been involved in multiple disputes, how did they most commonly progress*)

[Things to think about when answering]

- If you know, what happened in the workplace to resolve the dispute(s)?
 - What other processes were followed, if any (e.g., MBIE mediation, private mediation, Employment Relations Authority, etc.)?
 - Were there any significant delays or barriers in the process? What caused these (*or, where did barriers/delays most commonly arise and what typically caused them*)?
 - How easy did you find the dispute resolution process to navigate (e.g., were you clear on your options and what would happen next)?
 - What stages of the process went well and why?
- What help or support did you use or provide (*or did you most commonly use or provide*) (i.e., any representation (lawyer, advocate, union, HR))?
[Things to think about when answering]
 - What role did that help or support play in resolving the dispute(s)?
 - What was your experience receiving (*or providing*) that help or support?
 - What help or support did the other party in the dispute(s) use?
 - How did the dispute(s) end (*or most commonly end*) (e.g., did the relationship end mutually, or was the dispute resolved in the workplace, through mediated settlement, or through determination)?
 - Why did you/the parties resolve or end the dispute the way you/they did (*or most commonly did*)? What drove you/them to resolve at the stage/time you/they did? Did the resolution match your expectations from the start of the process?

How is the system working?

We would like to know how people are experiencing the system and how it's performing. Is the system delivering what it is intended to?

The dispute resolution system is intended to be quick.

Fast dispute resolution is important as it minimises the potential negative effects of a dispute for all parties (e.g., loss of productivity, uncertainty, financial stress, and deteriorating relationships). Quick resolution also increases the likelihood that the dispute can be resolved at a lower level, before it escalates.

The dispute resolution system is meant to be affordable.

Mediation and early resolution services are free, with some fees for users at the Employment Relations Authority and Employment Court.

Mediation and early resolution are taxpayer funded, rather than being paid for by the user.

The system is designed to be affordable, so it is accessible to all parties.

People should be able to use the dispute resolution system without representation.

It is intended that people be able to use the system without representation—especially at the less formal stages, like mediation. Such use keeps the system quick, affordable, and accessible for everyone.

The dispute resolution system is intended to deliver outcomes that are fair.

The dispute resolution system is intended to deliver outcomes that are fair for all parties. This means that the outcomes should be proportionate, reasonable, and consistent, and they should ensure that employment law is enforced.

We'd like to hear from anyone who has been involved in employment disputes and dispute resolution about their experiences with disputes.

- Do you consider the government-provided employment dispute resolution system to be resolving disputes in a reasonable timeframe and at the right/proportionate level (e.g., at the right step of the process in the workplace, at the correct stage of the formal dispute resolution system, and/or with the right level of support)?
- Do you consider it to be affordable to resolve an employment relations dispute through the government-provided system (including costs involved with using the dispute resolution system and with resolution of the dispute)?
- Overall, do you consider it to be efficient to resolve an employment relations dispute through the government-provided system (including costs involved with using the dispute resolution system and resolution of the dispute)?
- Do you consider that disputes are being resolved in a way that is fair and proportionate?

- Have you used (or provided) private dispute resolution services? What was your experience?
 - Why did you choose private dispute resolution?
 - If you have experience with both kinds of dispute resolution, were there any differences between private and government-provided services?

If we were to make changes to the system, what should we keep doing, start doing, or stop doing?

- What is working well in the system and should be kept the same?
- What should we start doing to improve the way the system is working?
- What should we stop doing to improve the way the system is working?

Have your say

We want to hear from business owners, workers, representative groups, anyone who has been involved as a party to an employment dispute, or has supported or represented someone in a dispute, and the wider public about your experiences with employment disputes.

The information you give us will inform MBIE's advice on where changes may be needed to improve the employment relations settings for disputes and the dispute resolution system.

Making a submission

You can make a submission by emailing your response to employmentrelationspolicyteam@mbie.govt.nz. If you would like, you can use the questions in this document to guide your response.