

EMPLOYER NEWS

Growing economy good for jobs and opportunities

The Reserve Bank's positive outlook indicates the economy is growing and people can look forward to more jobs and opportunities, Finance Minister Nicola Willis says.

The Bank today reduced the Official Cash Rate by 50 basis points.

It said it expected further reductions this year and employment to pick up in the second half of the year.

- "This is good news for New Zealanders. A growing economy means more money in people's pockets, more jobs and more opportunities," Nicola Willis says.
- "The Government knows many families and businesses are doing it tough, but evidence is mounting that they can look forward to better times.
- "Today's reduction in the Official Cash Rate is the fourth since August last year and confirms inflation is firmly back under control."

To read further, please click here.

Business price indexes: December 2024 quarter

Business price indexes (BPI) includes the producers price index (PPI), capital goods price index (CGPI), and farm expenses price index (FEPI).

In the December 2024 quarter compared with the September 2024 quarter:

- The output producers price index (PPI) fell 0.1 percent
- The input PPI fell 0.9 percent
- The farm expenses price index (FEPI) fell 0.1 percent
- The capital goods price index (CGPI) rose 0.4 percent.

To read further, please click here.



Key transport link will boost regional economy

A key piece of transport infrastructure linking a new industrial park in Bay of Plenty to the wider region will help grow the economy, creating jobs and opportunities, Regional Development Minister Shane Jones says.

Mr Jones today opened a motorway interchange linking Rangiuru Business Park near Te Puke with State Highway 2.

"The thriving Bay of Plenty has long needed new development to meet demand for sites for manufacturing, agricultural and logistics industries. Rangiuru Business Park provides the extra capacity the region has been looking for."

The Provincial Growth Fund provided \$18 million towards the motorway interchange linking the park to SH2, a vital connection to the rest of the region including Tauranga where the port is located.

To read further, please click here.

Going for growth to boost farmer confidence

The Government is turbocharging growth to return confidence to the primary sector through common sense policies that are driving productivity and farm-gate returns, Agriculture Minister Todd McClay announced today.

- "The latest Federated Farmers Farm Confidence Survey highlights strong momentum across the sector and the Government's firm commitment to back rural New Zealand, with farmer confidence surging by 68 points since July 2024 the largest one-off improvement in sentiment since the question was introduced," Mr McClay says.
- "With the primary sector generating more than 80 percent of New Zealand's goods exports directly employing more than 359,000 Kiwis, ensuring its continued success is crucial to every Kiwi's economic future.
- "That's why last year we took over 20 actions to slash red tape and free up farming, unwinding the damage done by the previous government.
- "And we're not stopping there. This year we are going for growth and will deliver on further actions that will support the long-term success of the rural sector."

To read further, please click here.

New programme to grow manufacturing workforce

A new pilot programme connecting high school students with New Zealand manufacturers has launched, Small Business and Manufacturing Minister Chris Penk has announced.

- "Manufacturing is a powerful economic player, contributing about 8.4 percent of New Zealand's GDP and employing 10 percent of our workforce but businesses are telling us skill shortages are curbing productivity," Mr Penk says.
- "Manufacturing can supercharge our economic growth and strengthen our competitive edge on the world stage, if the sector is given the right support to thrive and increase its exports.
- "That's why our government has teamed up with Advancing Manufacturing Aotearoa to establish an 'earn as you learn' pilot in Waikato. This offers high school students hands-on experience with local manufacturers, while earning a qualification and a paycheque.



"Students will spend two days in the classroom, three days working each week with a manufacturing business and leave with an NZ Certificate in Manufacturing Level 3."

To read further, please click here.

Hosts for new applied doctorates scheme announced

Up to 30 PhD students each year will be supported through the new applied doctorates scheme, hosted by the University of Auckland, in partnership with Victoria University of Wellington, University of Otago and Massey University.

The scheme will build stronger connections between research and industry and prepare more PhD students for careers outside of academia. Alongside the core advanced research skills gained through PhD study, students will also be trained in a range of applied skills.

\$20 million over 5 years will support up to 150 students, improving their career opportunities while also filling skills gaps for businesses and other entities.

The Ministry of Business, Innovation and Employment is working through details of the scheme and contracting with the Universities, with the aim to invite applications for PhD students later in 2025.

To read further, please click here.

Visitor arrivals up in 2024

Overseas visitor arrivals to New Zealand totalled 3.3 million in the December 2024 year. This was up 357,000 (12 percent) from the December 2023 year, according to data released by Stats NZ today.

Australia led the increase in visitor arrivals, up 127,000 (10 percent) from 2023. China followed with an increase of 97,000 (64 percent), and the United States with an increase of 32,000 (10 percent).

"There were just over 2,200 more international flights to New Zealand in 2024 than in 2023," international travel statistics spokesperson Sarah Drake said.

"This included 1,700 more direct flights from Australia, China, and the United States, combined. These countries were the three main sources of visitor arrivals to New Zealand."

There were 1.4 million visitor arrivals from Australia, followed by the United States (370,000), China (248,000), the United Kingdom (180,000), and India (83,000).

To read further, please click here.



EMPLOYMENT RELATIONS AUTHORITY: FOUR CASES

Employer dismisses employee for needing sick leave

Modernz Ltd, trading as Kebup (Modernz), operated several Turkish food takeaway outlets. Ms Bluegum commenced employment with Modernz on 14 November 2021. Her last day was 18 September 2022, having been sent away after taking multiple types of leave. Ms Bluegum applied to the Employment Relations Authority (the Authority) with the claim she had been unjustifiably dismissed, as well as disadvantaged due to her sick leave and bereavement leave not being paid. She sought lost wages and compensation.

Ms Bluegum was rostered to work three days a week with each shift being made up of three hours. Her duties included preparing food, cleaning and serving customers. In May 2022, Ms Bluegum tested positive for Covid-19 and was off work for two days. She was not paid sick leave for that time. In July 2022, she was away for a day due to a family bereavement, and a late flight back meant she missed another shift. She was not paid for either of those days.

On 26 August 2022, Ms Bluegum advised Modernz that she was sick. The store manager responded by telling her that if she did not attend work, she would be given "two weeks' notice". Her employment was not terminated at that time. However, on 5 September 2022, Ms Bluegum was sick again. She presented a medical certificate stating she would take two days off as sick leave. The store manager advised her that her employment was terminated. During the course of the Authority's proceedings, Modernz chose not to participate.

The Authority was critical of certain elements of the employment agreement, noting the requirement for an employee to give one week's notice of sick leave and bereavement leave. Aside from that being unreasonable, it was not supported in statute. At the time Ms Bluegum took sick leave in May 2022, she had a statutory entitlement to both sick leave and bereavement leave.

Turning to the question of the dismissal, the Authority observed that on 5 September 2022, when Ms Bluegum was dismissed, she had not exhausted her entitlement to sick leave. Modernz had not formally raised any concerns with her and so it failed the test of justification.

Ms Bluegum was not provided with specific details of any issues with her performance at Modernz, or alerted to the fact that her absences might result in her dismissal prior to a text message on 26 August 2022. The text did not constitute a step in formal performance management. Ms Bluegum was not provided with a reasonable opportunity to respond to the concerns about her, and as a result her employer did not give any consideration to any explanation she might have provided.

The Authority found that Ms Bluegum had been unjustifiably dismissed. While Modernz was a small employer, the flaws in its processes were more than minor, and so its actions were found not to be those of a fair and reasonable employer. Ms Bluegum was entitled to receive paid sick leave and bereavement leave in accordance with her employment agreement and the Holidays Act 2003. That leave was not paid by Modernz and so the Authority decided she had been unjustifiably disadvantaged.

While considering remedies, the Authority noted Ms Bluegum had not been paid her correct notice period nor had she been paid out her accrued annual leave which was owed to her. Modernz was ordered to pay Ms Bluegum \$528 for unpaid wages and notice pay, \$440 for unpaid sick and bereavement leave, \$852.94 for unpaid holiday pay, \$3,432 for lost wages, and \$12,000 as compensation for hurt and humiliation. Modernz was ordered to pay Ms Bluegum the sum of \$1,125 towards her legal costs and the Authority's filing fee of \$71.56.

Bluegum v Modernz Ltd ta Kebup [[2024] NZERA 674; 13/11/24; E Robinson]



Employer found to have followed fair restructuring process

Ms Knoff was employed by Ms Morris as a support worker to provide care for Ms Morris' severely disabled son (referred to as RDK). When Ms Knoff started working for Ms Morris on 2 February 2022, she consistently worked on Wednesdays between 10am and 3pm alongside RDK's other main support worker.

In November 2022, Ms Morris raised an issue with Ms Knoff about the prospects of her employment. On 16 December 2022, her employment was terminated for redundancy. Ms Knoff applied to the Employment Relations Authority (the Authority). She claimed she was a permanent part-time employee at the time of her dismissal and was entitled to wage arrears. Ms Knoff also claimed there was no genuine reason for her redundancy, Ms Morris had failed to follow a fair process and had not acted in good faith. Ms Morris said Ms Knoff was a casual employee and so was not entitled to any arrears.

Ms Morris did not give Ms Knoff an individual employment agreement at the start of her employment. However, Ms Knoff was given an "Employee Information Form" which was from Manawanui, an agency that supported people with self-directed disability funding. The form recorded that Ms Knoff had been engaged as a support worker. Ms Knoff provided her address, bank account details and tax information, and Ms Morris filled in the "Tenure" box by ticking "casual" (the other option was "permanent"). Ms Knoff signed and dated the form on 3 March 2022, approximately a month after her employment started. Ms Morris never signed or dated the form.

Ms Knoff understood the work would only be for five hours for one day a week because Ms Morris received limited funding for RDK's care. In evidence before the Authority, Ms Morgan said having two support workers for RDK's activities on a long-term basis was not feasible.

By mid-October, when Ms Knoff had been employed by Ms Morris for over 8 months, multiple issues around Ms Knoff's pay were starting to arise. Ms Morris sent Ms Knoff an email on 4 November 2022 stating that her plans for RDK had changed. She explained that the reason for hiring her was for the other staff to go biking with RDK and then have her there as an additional support person. However, that plan was no longer feasible and there were no other activities that required two staff to be working at the same time.

The reason for disestablishing her role made no sense to Ms Knoff because she had never been told she was only hired for taking RDK on bike rides, and over the preceding months, she had done a range of different activities with RDK. Ms Morris set a meeting for 11 November 2022, and Ms Knoff said she was unable to attend the meeting and asked for it to be rescheduled.

Ms Knoff asked for the reason behind the redundancy. When Ms Morris sent Ms Knoff her preliminary decision to make her position redundant, she explained that she had hired Ms Knoff as a second person to take RDK biking for safety reasons, and through no fault of Ms Knoff's, the biking had only happened once. Approximately one hour later, Ms Knoff responded thanking Ms Morris for finally responding to her questions. She did not make any substantive comment in response to the proposal.

The Authority deemed that Ms Knoff had a regular pattern of work which she expected to complete. Ms Knoff was not on a variable roster. Therefore, despite the paperwork at the beginning of her employment, she was a permanent employee.

When Ms Morris first raised the issue of the future of Ms Knoff's employment with her on 4 November 2022, she had not proposed to disestablish Ms Knoff's role. The Authority accepted that in early November 2022, Ms Morris had genuinely identified an issue with the continuation of Ms Knoff's employment going into 2023 and wanted to engage with Ms Knoff about it. Ms Morris attempted to engage with Ms Knoff on multiple occasions.

Between 4 November and 16 December 2022, when Ms Knoff's employment was terminated, Ms Morris proposed multiple meeting dates which went unconfirmed or were cancelled by Ms Knoff for reasons including illness, representative unavailability, or an unwillingness to attend. The Authority concluded that Ms Morris did provide Ms Knoff with sufficient information to allow Ms Knoff to reasonably respond to the proposal to disestablish her role.

Ms Knoff said she should have received a two-week notice period as a permanent employee instead of the 24-hour notice period she was given as a casual. The Authority considered it would have been fair



and reasonable for a permanent part-time employee who was paid fortnightly to have a two-week notice period in their agreement. Therefore, the Authority ordered Ms Morris is to pay Ms Knoff the sum of \$889.95. Costs were reserved.

Knoff v Morris [[2024] NZERA 670; 13/11/24; N Szeto]

Employee's claims barred by raising them incorrectly

KXL claimed that his employer, IZE, breached the implied terms of their employment agreement when it suspended him and engaged an external person to investigate a sexual assault complaint. IZE argued that the claims were barred under the Employment Relations Act 2000 (the Act) as they were categorically about dismissal and could therefore only be pursued as a personal grievance, which KXL never raised. Additionally, IZE asserted that the claims were time-barred under the Act, as the dismissal had occurred more than six years prior.

KXL was employed by IZE in 2016 and suspended in 2017 following a sexual assault allegation. An external investigator was engaged, and the allegation was upheld, leading to KXL's dismissal in December 2017. KXL failed to raise a personal grievance at the time but filed a claim in December 2023. KXL argued that IZE breached its implied contractual obligations of natural justice, trust, cooperation and fair and reasonable treatment, by unlawfully suspending him and conducting an unfair investigation and disciplinary process.

The Employment Relations Authority (the Authority) first analysed whether the Act prevented KXL from bringing his claims against IZE. The Act establishes that if an employee wishes to challenge their dismissal in the Authority, they may only do so through a personal grievance claim. Therefore, IZE argued that KXL could not bring a challenge of contractual breaches about his suspension and the investigation process which led to his dismissal.

The Authority investigated whether KXL's claims – concerning his suspension, investigation and disciplinary process – could be separated from the dismissal itself. The Authority applied the test of substantive justification used in personal grievance cases to determine whether an employer's actions were fair and reasonable. Four compulsory factors were considered: Whether the employer sufficiently investigated the allegations against the employee, whether it raised their concerns with them, whether it gave them a reasonable opportunity to respond to its concerns, and whether it genuinely considered their explanation.

The Authority found that those four factors aligned with the implied contractual terms KXL had relied upon in his claims. Therefore, his complaints about procedural fairness were inseparable from his dismissal. KXL's attempt to challenge the investigation and disciplinary process effectively amounted to a dismissal challenge, meaning his claims were barred under the Act.

The Authority also considered whether the Act barred KXL's claims in a different way. Essentially, no action can be brought in relation to an employment relationship problem which is not a personal grievance after six years have passed from the date the cause of action arose. KXL's suspension, investigation, and dismissal all occurred in 2017, but he only raised his claim in December 2023. Since more than six years had elapsed, all KXL's claims would have been barred on that basis. KXL's claims were ultimately unsuccessful. Costs were reserved.

KXL v IZE [[2024] NZERA 671; 14/11/24; L Vincent]



Employer is mistaken on whether employee is casual

Flying Kiwi Education Ltd (Flying Kiwi) employed Ms Logie in February 2023 under a written employment agreement which recorded that she was a casual employee. She worked the agreed hours of 9.30am to 2.30pm Monday to Thursday until the end of May 2023, at which time she received additional shifts and hours.

In July 2023, Ms Logie asked Flying Kiwi to consider changing her casual arrangement to a permanent agreement to reflect the more permanent nature of her job. After some discussions and a meeting on 28 July 2023, Ms Logie was advised that Flying Kiwi needed to consider reducing her hours of work to reflect a change in the needs of the business. Ms Logie took that to be an ultimatum that if she did not reduce her hours to 10 hours per week, she would not be offered further work.

Ms Logie wanted to farewell her colleagues on 31 July 2023 but was told to stay away until the following day. She worked her last days on 1 and 4 August 2023 and then did not return.

Ms Logie raised a claim with the Employment Relations Authority (the Authority). She contended that her role was not casual and in practice, was that of a permanent employee. She further claimed her dismissal was unjustified.

To determine the nature of her employment, the Authority turned to precedent established by the Employment Court. It held that the factors relevant to whether the real nature of the employment relationship was casual or permanent included the number of hours the employee worked each week, whether the work was allocated in advance by roster, whether there was a regular pattern of work, whether there was a mutual expectation of continuity of employment, whether the employer required notice before an employee was absent or on leave and whether the employee worked to consistent start and finish times.

Applying those factors, Ms Logie consistently worked 20 hours a week, increasing to 28 hours a week from May 2023. Although Ms Logie's hours were recorded in a roster, there was no evidence of the roster changing from week to week. The only evidence of Flying Kiwi consulting with Ms Logie about the roster was when it wanted her to increase her hours in May 2023.

Flying Kiwi confirmed that after she increased her hours, it had no need to ask her about her availability, because the increased hours became part of her usual hours. The Authority found that, although the employment may not have commenced as permanent employment, it had certainly become permanent by the end of May 2023. Ms Logie was found to be a permanent employee of Flying Kiwi.

In considering whether Ms Logie had been dismissed, the Authority observed that following the 28 July 2023 meeting with Flying Kiwi, Ms Logie had written to Flying Kiwi and expressed concerns about the apparent ultimatum she had been offered of either reducing her hours or no longer being offered work. Flying Kiwi did not dispute her claim. Although Flying Kiwi argued that Ms Logie was not dismissed, she had been removed from the roster and not offered her usual hours.

The Authority found that the actions of Flying Kiwi and the totality of the communications between the parties amounted to a dismissal. Flying Kiwi submitted that because Ms Logie had worked on 1 and 4 August 2023, that indicated that she had not been dismissed. The Authority did not agree. It was determined that Ms Logie was dismissed on 28 July 2023, and that the August work was in the nature of casual engagements.

Although it appeared that Flying Kiwi may have had a genuine business reason for terminating Ms Logie's permanent employment, the Authority observed that the process Flying Kiwi adopted, in attempting to effect such significant changes to Ms Logie's hours of work, was wholly inadequate.

The flaws in the procedure adopted by Flying Kiwi were more than minor and resulted in Ms Logie being treated unfairly. Flying Kiwi's failure to meet any of the procedural fairness tests or comply with its good faith obligations under the Employment Relations Act 2000 rendered Ms Logie's dismissal unjustifiable. Flying Kiwi was ordered to pay Ms Logie \$12,500 as compensation for hurt and humiliation and \$8736 in lost wages. Costs were reserved.

Logie v Flying Kiwi Education Ltd [[2024] NZERA 695; 21/11/24; J Lynch]



LEGISLATION

Note: Bills go through several stages before becoming an Act of Parliament: Introduction; First Reading; Referral to Select Committee; Select Committee Report, Consideration of Report; Committee Stage; Second Reading; Third Reading; and Royal Assent.

Bills open for submissions to select committee: Eight Bills

Local Government (Water Services) Bill (23 February 2025)

Customs (Levies and Other Matters) Amendment Bill (10 March 2025)

Māori Purposes Bill (27 March 2025)

Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill (28 March 2025)

Regulatory Systems (Occupational Regulation) Amendment Bill (1 April 2025)

Consumer Guarantees (Right to Repair) Amendment Bill (3 April 2025)

Regulatory Systems (Courts) Amendment Bill (3 April 2025)

Regulatory Systems (Tribunals) Amendment Bill (3 April 2025)

Overviews of bills-and advice on how to make a select committee submission-are available at: https://www.parliament.nz/en/pb/sc/make-a-submission/

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A GUIDE TO EASTER AND ANZAC DAY 2025



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A GUIDE TO SHOP TRADING RESTRICTIONS



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A QUICK GUIDE TO HOLIDAY PAY PRACTICES IN NEW ZEALAND



The purpose of the Employer Bulletin is to provide and to promote best practice in employment relations.

If you would like to provide feedback about the Employer Bulletin, contact: comms@businesscentral.org.nz or for further information, call the AdviceLine on 0800 800 362



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Our training team provide you with practical training solutions across various employment topics to help upskill your staff, giving your business a competitive edge.



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When employees test the waters with a personal grievance, Business Central Legal are here to help. We offer representation in all employment law matters.

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AdviceLine is your link to first-rate employment relations advice. Business Central understands the difficulties employers can have with managing employees, so supports you with dedicated employer advisors.

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Whether it be best practice processes under the Employment Relations Act and the Health and Safety at Work Act, leadership training or personal development, the Business Central training team are dedicated to facilitating your business's professional learning.

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Adrienne has extensive experience with helping companies navigate Health and Safety requirements. She understands companies need to see sound return on investment for their well-being initiatives. Adrienne offers full support with compliance issues such as induction training and hazard identification and management. Additionally she can help with preparation for ACC 'Workplace Safety Management Practices'.

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Employment Relations can be a difficult area to navigate. When you need close guidance on employment matters, you can rely upon our seasoned ER Consultants to be there to help.

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When employees test the waters with a personal grievance, Business Central Legal are here to help. We offer representation in all employment law matters.

Business Central Legal provides you best return on investment for legal advice on employment law matters. Our team of lawyers are only available to members, and can help solve your tricky issues.

While you may think of lawyers as representing people in court, this is far from everything they do. Employers take advantage of the value of the Business Central Legal team to help in drafting documents such as tailored employment agreements and offers of employment. Additionally they can help with key guidance on difficult issues as restructuring processes and rock solid performance management plans.



A QUICK GUIDE TO HOLIDAY PAY PRACTICES IN NEW ZEALAND



NATIONAL PUBLIC HOLIDAYS 2025

New Year's Day - Wednesday, January 1
Day after New Year's Day - Thursday, January 2
Waitangi Day - Thursday, February 6
Good Friday - Friday, April 18
Easter Monday - Monday, April 21
ANZAC Day - Friday, April 25
King's Birthday - Monday, June 2
Matariki - Friday, June 20
Labour Day - Monday, 27 October
Christmas Day - Thursday, 25 December
Boxing Day - Friday, 26 December

PUBLIC HOLIDAYS

All employees for whom the day would otherwise be a working day and do not work on that day, will be entitled to a paid public holiday not worked.

All employees for whom the day would otherwise be a working day and do work on that day, will be entitled to at least time and a half for the hours worked on that day and an alternative holiday.

Employers therefore need to consider whether the day on which the public holiday falls is otherwise a working day for each employee in order to determine public holiday entitlements. The otherwise working day test applies to all employees regardless of whether they are permanent, fixed term or casual employees, or have just commenced employment.

OTHERWISE WORKING DAY

In most situations it will be clear whether the day on which the public holiday falls would otherwise be a working day for an employee.

However, if it is not clear an employer and employee should consider the following factors with a view to reaching an agreement on the matter.

- The employee's employment agreement;
- The employee's work patterns;
- Any other relevant factors, including:



- whether the employee works for the employer only when work is available;
- the employer's rosters or other similar systems;
- the reasonable expectations of the employer and the employee that the employee would work on the day concerned;
- Whether, but for the day being a public holiday, the employee would have worked on the day concerned.

CHRISTMAS/NEW YEAR CLOSEDOWN AND PUBLIC HOLIDAYS

If a public holiday falls during a closedown period, the factors listed above, in relation to what would otherwise be a working day, must be considered as if the closedown were not in effect. This means employees may be entitled to be paid public holidays during a closedown period.

ANNUAL HOLIDAYS, PUBLIC HOLIDAYS, TERMINATION OF EMPLOYMENT

A public holiday that occurs during an employee's annual holidays is treated as a public holiday and not an annual holiday.

An employee who has an entitlement to annual holidays at the time that their employment ends will be entitled to be paid for a public holiday if the holiday would have:

- Otherwise been a working day for the employee; and
- Occurred during the employee's annual holidays had they taken their remaining holidays entitlement immediately after the date on which their employment came to an end.

When applying the provision, you are only required to count the annual holidays entitlement an employee has when their employment ends (not accrued annual holidays). Employees become entitled to 4 weeks annual holidays at the end of each completed 12 months continuous employment.

PUBLIC HOLIDAY TRANSFER

The Holidays Act 2003 allows an employer and employee to agree in writing to transfer a public holiday to any 24-hour period.

This means, with agreement, a public holiday may be transferred:

- By a few hours to match shift arrangements; or
- To a completely different day

In the absence of a written agreement, a public holiday is observed midnight to midnight.

Please note that this guide is not comprehensive. It should not be used as a substitute for professional advice. For specific assistance and enquiries, please contact AdviceLine.

