

Wednesday, 13 August 2025

Employment and Workforce Select Committee
Parliament Buildings
Wellington 6160

By Email: ew@parliament.govt.nz

SUBMISSION ON THE EMPLOYMENT RELATIONS AMENDMENT BILL

1. Business Canterbury and Business South are the largest membership-based business support organisations in the South Island and work closely together to support and advocate for many thousands of businesses across the South Island.
2. Our membership is predominantly made up of small and medium-sized enterprises (SMEs), which drive key regional sectors like manufacturing, technology, agriculture, tourism, education, and construction.
3. We wish to make a joint submission on the Employment Relations Amendment Bill.
4. Our submission focuses specifically on the proposed income threshold for unjustified dismissal and its implications for SMEs.
5. Specific Comments

5.1.1. Business Canterbury and Business South welcome the intent behind the proposed income threshold for unjustified dismissal.

5.1.2. Senior leaders in organisations, like all employees, are critical to the growth and success of businesses.

5.1.3. We recognise that job titles and remuneration do not always accurately reflect the level of seniority or decision-making authority within an organisation. This is especially true in SMEs, where roles are often broad and responsibilities shared.

5.1.4. Therefore, we also believe that the proposed threshold of \$180,000 per annum may not assist in identifying senior leaders in SMEs and is significantly higher than the remuneration of most senior leaders in those businesses. There are also key industries in the South Island where senior leadership salaries are well below \$180,000 (e.g., tourism, manufacturing, agribusiness, education services, tech start-ups).

5.1.5. In regional centres, cost of living and salary benchmarks differ from Auckland/Wellington, so using a nationwide flat threshold disproportionately disadvantages the South.

5.1.6. With 97% of New Zealand businesses being SMEs, this threshold risks excluding the vast majority of businesses in New Zealand from being able to make use of this proposal.

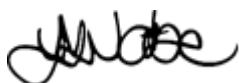
5.1.7. By setting the threshold too high, many SMEs will remain unable to access the intended flexibility, limiting their ability to adapt leadership structures quickly in response to market changes'. a key factor in regional economic resilience.

5.1.8. An alternative identification model for "senior leaders" that isn't purely remuneration-based should be considered. The criteria could include: position in organisational structure, direct reports, budget responsibility, and strategic decision-making authority.

5.1.9. In lieu of any changes to the model through which senior leaders are identified by the proposed legislation and which do not rely on remuneration alone – we recommend that the threshold be lowered to \$130,000 to better reflect the remuneration of senior leaders in SMEs across New Zealand.

5.2. Our call to action to government is that without adjustment, the Bill will have little to no impact for the majority of the South Island's business leaders.

Yours Sincerely,



Leeann Watson
Chief Executive
Business Canterbury



Mike Collins
Chief Executive
Business South