



Labour policies and business

Policies advocated by Labour for the 2020 General Election form the basis of the new Government's intentions towards economic management, infrastructure plans, and workplace relations.

Key Messages:

The new Government has an opportunity to work constructively and collaboratively with business to execute a recovery plan which underpins economic growth in a challenging environment.

The Government has the opportunity, mandate and money to create and start to execute a programme of transformative world class infrastructure that can serve NZ for at least the next 50 years. This will make communities more accessible, sustainable, and resilient, underpin jobs and training in areas we have deficits (such as STEM areas), unlock private sector investment and help improve our productivity.

It will be important for the Government to engage with business over the border. The priority issue is getting critical workers across the border to start the pipeline of private sector projects that are ready, and which will help keep New Zealanders working.

Care will need to be taken around implementing policies and regulations that impose costs on businesses as the recovery gets underway.

The BusinessNZ Network has worked constructively with the Government over the past three years, including on many working groups such as tax, small business and trade, and we look forward to continuing to work with the Government as a trusted, rational and reasonable partner.

Policies for business & the economy – Labour

Business comment

Covid support	<ul style="list-style-type: none"> • Increase funding for 40,000 to receive Flexi-Wage support • 2-years' zero-interest for small business cashflow loan scheme • Funding for tailored business advice • Covid leave subsidy for employees 	<ul style="list-style-type: none"> • Covid support measures will continue to ease business transition through Covid-19 impacts
Fiscal	<ul style="list-style-type: none"> • Expansionary spending policy, running operating deficits, allowing Crown debt to increase in the short term 	<ul style="list-style-type: none"> • Expansionary spending will assist new business development

Tax	<ul style="list-style-type: none"> • Increased tax on higher incomes 39% for \$180k+ • Small business tax write-offs on capital \$20k+ 	<ul style="list-style-type: none"> • Higher tax levels will reduce effects of fiscal stimulus
Infrastructure, transport, housing	<ul style="list-style-type: none"> • \$6.8 billion of transport projects • Rail development including Penlink, Auckland Third Main Line, Tauranga Northern Link • Light rail linking CBD, Mt Eden, Mt Roskill, Mangere & West Auckland • Funding 8000 new public and transitional homes • PPPs for building transport infrastructure but not hospitals or schools • Broadband rollout to 84,000 rural homes & farms by 2023 • \$200m Regional Strategic Partnership Fund for regional economic development 	<ul style="list-style-type: none"> • Infrastructure development will create opportunities for business growth
Planning, resource management	<ul style="list-style-type: none"> • Repeal RMA, replace with Natural & Built Environments Act & Strategic Planning Act • Develop a separate planning framework for all farm compliance requirements 	<ul style="list-style-type: none"> • RMA replacement (Randerson report) may continue prioritisation of environmental standards over development needs • Separate planning framework for farming complicates requirements overall
Environment, energy, climate change	<ul style="list-style-type: none"> • 100% renewable electricity 2030 • Net zero carbon economy 2050 • Farmers join Emissions Trading Scheme 2025 • 50-hectare limit on forestry on high-productivity land • Disallow new industrial coal boilers & require electric alternatives • \$70m to support firms replace fossil fuel boilers with low emission alternatives • Only zero-emissions buses purchased from 2035 • \$50m for regional councils to decarbonise public transport bus fleets • More funding for low emissions vehicles contestable fund • Extend road user charge exemption for heavy electric vehicles after 2025 • More funding for greenhouse gas research programmes 	<ul style="list-style-type: none"> • Broad focus on several environmental pressure points • Funding for carbon reduction, pumped hydro investigation, plastics, pest control, EVs, energy projects will create opportunities for new green business • Mandatory requirements re EST, forestry, energy efficiency, plastics, product stewardship, recycling will aid certainty for pathway to sustainability • Transition to lower carbon future will incur trade-offs, costs & competitiveness issues; costs & benefits will need to be clarified

	<ul style="list-style-type: none"> • \$100m to investigate pumped hydro at Lake Onslow • Phase out single use & hard to recycle plastics • \$50m Plastics Innovation Fund to develop alternatives to plastic • Mandatory product stewardship schemes • Standardise kerbside collection of recycling and food waste • National Pest Management Plan extra \$32m over 5 years • Extra \$5m per year for Just Transitions • Extend Just Transitions to other regions • Aim to extend the life of Tiwai Point Aluminium Smelter by 3-5 years • Aim to level playing field between large gentailers & independent retailers • Mandatory energy efficiency certificate for new homes • Energy efficiency standards for appliances & machinery • Increase funding for EECA business support programmes 	
Trade, foreign investment, immigration	<ul style="list-style-type: none"> • 10% quota for critical workers allocated to managed isolation places • Immigration settings to be reviewed to enable a broader range of workers into the country • New Investment Attraction strategy 	<ul style="list-style-type: none"> • Higher quota than 10% critical workers needed • MIQ capacity should be maximised for entry of workers, investors, international students • Border exemptions should include criteria that maximise positive economic impact
Skills	<ul style="list-style-type: none"> • Free access to all apprenticeships & some trades training courses for next 2 years • 1,000 more Trades Academy places • 30,000 places in Digital Training courses • Training Incentive Allowance for sole parents, disabled & their carers in tertiary study 	<ul style="list-style-type: none"> • Skills initiatives & funding well-targeted at apprenticeships & trades • Digital training funding addresses key business need • Given vocational reforms, care will be needed to ensure businesses are supported to deliver quality apprenticeships & training

Workplace relations	<ul style="list-style-type: none"> • Increase minimum wage to \$20 per hour 2021 • Progressively pay living wage to contractors to state agencies • Sick leave entitlements increased to 10 days per year • Social insurance scheme to fund unemployment insurance • Employment-type protections for contractors • Large collective agreements across industries or occupations (Fair Pay Agreements) • Pay equity settlements to raise pay in female-dominated occupations • Better pay equity records for ethnicity, age, gender • A public holiday on Matariki • Improve the Holidays Act • Recognise security guards as vulnerable workers • Raise age for workers allowed to perform hazardous work • All workers to have the right to elect health and safety reps • Better services at Seafarer Welfare Centres 	<ul style="list-style-type: none"> • Minimum wage increases, more sick leave entitlements & extra public holiday unhelpful for business costs • Living wage requirements in state sector will push up pay claims overall • Fair Pay Agreements will increase focus on mandated pay rates, reduce focus on performance pay, & increase risk of industrial action • Holiday Act improvements will address businesses' compliance difficulties
Income support	<ul style="list-style-type: none"> • Increase abatement thresholds to support part-time work while on a benefit • Expand flexi-wage eligibility 	<ul style="list-style-type: none"> • Higher thresholds will help more workers gain jobs & firms fill jobs
Business requirements	<ul style="list-style-type: none"> • Regulate bank card fees • Market studies into supermarkets and building supplies sectors • Regulate property managers 	<ul style="list-style-type: none"> • Will help small retailers compete • Market studies will impose compliance costs on target industries without providing economically-sufficient information for policy makers