Policy directives.

EMA NZ

EMA 2026 policy directives

Stability first, smart reform next, growth always

Domestic and international turmoil has characterised the past three years of the coalition government's term and is driving the increasing calls for a period of respite and stability as the November general election approaches.

In year one of the current government's term, we saw major overturns of previous policy and the introduction of new policy settings in resource management, employment law, transport settings, education and training and immigration.

All were aimed at unlocking the economy and making it easier to do business.

Year two saw the White House flex its muscle and reorder world trade with its imposition of punitive tariffs on international trading partners, many of whom were in the trusted and long-standing category of trade friends, New Zealand included.

Then, in year three, we've again worn the consequences of White House decisions as President Trump attacked Iran, resulting in the closure of the Strait of Hormuz and skyrocketing oil prices. Fuel price increases feed into every link of global supply chains, forcing a reordering of the oil supply network at significant cost to everyone from sovereign states to local consumers.

It's little wonder there are increasing calls for a bipartisan approach to key policy settings and even suggestions of a grand coalition between Labour and National (which is not going to happen).

Genuine bipartisanship in decision-making is also likely too high a bar to achieve but the sentiment behind those calls underlines the EMA's policy goals for the next term of government.

A negative view towards what business contributes by way of taxes, jobs, opportunities and growth also continues to frustrate the business community.

Business is a force for good in our economy.

That negative view manifests itself in populist rhetoric singling out sectors of the economy – rhetoric that is also a disincentive to investment as businesses worry their sector may be subjected to sudden policy change.

Since the Labour/New Zealand First coalition of 2017, New Zealand has been subject to rapid policy upheavals, an economy going backwards, Covid-19, labour shortages, international supply chain disruption, high interest rates and inflation, recession, declining productivity, low GDP, collapsing world trade rules and US tariffs. There are also concerns about the disruption and impact of AI – both positive and negative.

Topping all that off is a self-induced energy supply problem, with spiking energy prices routinely cited as a major contributor to domestic business closures and de-industrialisation.

It's a litany of bad news that has left businesses' reserves of confidence and cash at a low ebb.

And just when things were starting to look up, the war in Iran has delayed the recovery.

But the factors that were underpinning that economic recovery remain – some of them are just on hold. Managing a crisis has become BAU for the business community and they are just getting on with it where they can.

Export numbers and markets remain strong thanks to new and existing free trade agreements.

Unfortunately, unemployment remains in a state of incremental increase, but business confidence along with hiring and investment intentions are likely to improve once the Iran conflict is resolved, energy markets stabilise and other new settings mature.

Certainty is the key.

With certainty and stability in key business settings, the productivity, economic and financial growth we need to fund the social responsibilities and aspirations of New Zealanders will come.

Our policy goals

- Certainty and stability
- Infrastructure growth and consenting simplicity
- Reliable energy supply and resilience
- Stable employment legislation
- Encouraging investment and innovation

The policy goals that follow are a synopsis of three years of conversations and engagements with thousands of EMA Members and multiple stakeholders.

Those interactions come through individual conversations, our briefing rounds, our Membership and Advocacy teams, our AdviceLine and consultants, our events, the courses we teach and the legal cases where we represent our Members.

Those views are raised and tested in the many forums at which the EMA represents its Members and are put to officials, regulators, and local and central government representatives.

Many of the recommendations set out in our 2023 Policy Manifesto have since been reflected in government action, including a stronger focus on reducing regulatory burden, improving employment law settings, a shift towards faster and more enabling infrastructure consenting and delivery systems, and a more responsive, demand-driven immigration system better aligned to labour market needs.

The EMA has played a significant role in achieving some of those changes and has worked alongside government teams on developing the changes we've seen in areas such as Resource Management Act (RMA) reform, new employment leave legislation, health and safety legislation and both immigration and skills training shifts towards more emphasis on trades and skills.

While there have been a number of meaningful policy shifts and improvements to date, we look forward to the 2026 Policy Directives building on this progress and driving further positive change for New Zealand's business environment, productivity and growth.

At its core, the EMA Advocacy programme exists to help shape the policy settings that drive a more productive, competitive, and prosperous nation.

Stability and certainty

After a decade of policy reversals by successive governments, international turmoil and Covid-induced economic shocks, it's time for certainty and stability in our business policy settings.

Businesses face the prospect of adapting to major reforms across employment law, health and safety, immigration, resource management, infrastructure planning and local government.

Many of these reforms have taken years to develop, consult on and implement. The replacement of the Holidays Act and the RMA have been debated, reviewed and reworked for almost a decade. The current health and safety reforms follow years of concern about delivering better outcomes for workers while remaining practical for businesses.

Significant legislative reform takes time to get right and even longer to properly assess. The focus for the next term of government should be implementation, refinement and measurement of results.

Stable settings also encourage the international investment the government says we need.

Which areas need time for policy to mature?

Resource management, infrastructure and local government

- The replacement of the Resource Management Act and new national planning framework are reshaping how New Zealand approaches consenting, development and infrastructure delivery.
- Regional deals, Local Water Done Well and broader local government reforms are creating a new operating environment for councils and regional authorities.
- Local government is increasingly responsible for integrating central government reforms into long-term infrastructure planning, spatial planning, water management and regional economic development strategies.
- The success of these reforms will depend not only on the legislation itself, but on how effectively these systems work together in practice.

Employment relations

- The Employment Leave Bill promises the first genuinely workable solution to issues that have frustrated employers, employees, payroll providers and government agencies for years.
- The legislation should be given time to be implemented, tested and refined before further major changes are considered. The focus should be on certainty, compliance simplicity and practical outcomes.

Health and safety

- The move towards a more risk-based approach deserves the opportunity to prove itself.
- Effective guidance, education, enforcement and supporting regulations will be critical to success.
- The new framework should be assessed on outcomes before further significant changes are contemplated.

Immigration

- Immigration settings have undergone substantial change following the disruption of the Covid-19 years.
- The current settings provide a more stable platform for workforce planning and investment.
- Future adjustments should be targeted and evidence-based, ensuring immigration settings reflect genuine labour market demand and major infrastructure requirements.

Areas still requiring attention

Stability does not mean reform should stop altogether. New Zealand continues to face significant challenges in:

- Productivity growth
- Energy security/policy
- Infrastructure funding and financing
- Workforce readiness

We need to bed in the reforms, test what works, fix what does not and make targeted improvements where necessary. Policymaking should be guided by evidence and outcomes rather than ideology or political cycles.

We outline our views on these reforms in greater detail below, along with areas where further improvements would benefit the business community.

All are targeted at improving our lagging productivity.

Our message to the next government is simple: maintain the broad direction of travel, avoid unnecessary disruption and create the certainty businesses need to invest, grow and help move New Zealand forward.

Infrastructure and consenting

The National Infrastructure Commission finally has cross-party support for its 30-year plan, which provides stability to our infrastructure pipeline.

The Commission identifies priorities for what New Zealand needs, and the new Ministry for Cities, Environment, Regions and Transport (MCERT) will develop the regional plans, regulation, and investment decisions to deliver it. A clear direction of strategic travel now exists. There is room for some redirection of priorities to accommodate policy and political change but no need for drastic policy reversals. Stick to the plan.

- Build resilience and capacity into critical infrastructure and networks, including water, electricity, transport, digital systems and supply chains.
- Complete the fibre network.
- Consider all available funding and financing options based on need and what fits the project rather than kneejerk ideological opposition. Asset recycling works in the right circumstances, and we need to accept a focus on user pays and contributions such as tolls, congestion charging and paying for value uplift.
- Prioritise critical distribution corridors. Roads of National Significance will be scaled back but that doesn't mean scrapping them or overlooking other modes. Those strategic initiatives that do make the cut do not need to be constructed to a gold standard, but regional resilience and accessibility need to be more strongly factored into some cases. Some are also now included in regional deal frameworks but not all of them are funded.

The EMA's transport priorities are:

- The Auckland to Whangārei corridor, especially bypassing the Brynderwyn Hills.
- Marsden Point to Whangārei/Auckland corridor access – rail or road – supported by a transport hub for trans-shipping in Auckland's northwest.
- Northern and western links to Port of Tauranga and through access to the Port.
- Cambridge to Piarere road link.
- Mill Rd, Auckland. Must be in place to support population growth of between 50,000 and 70,000 projected for the area.
- Woodend Bypass north of Christchurch to support one of the fastest-growing regions in the country.

- Leave the new RMA settings in place for an extended period to allow for implementation and to identify any significant issues.
- There is widespread political agreement that the spatial planning elements of the changes are on the right track. There are concerns about the changed emphasis towards property rights and away from the environment. Issues around consultation/objections, the role of Māori, regulatory takings and compensation have been raised as expected but again take time to see if they arise.

The EMA's planning priorities are:

- A role for business in the groups developing spatial plans.
- A national agency to enforce the new national environmental standards and to become a repository and disseminator of best practice for development.
- An agency to monitor council speed of implementation and adherence to the new standards.
- New local government governance structures that use the same regional boundaries and decision-making geography as the resource planning system.

The RMA is a critical piece of nation-building legislation. After a decade of tinkering and reversals, the new system needs to be given time to work.

Energy supply and resilience

In the past decade or so, New Zealand has gone from a country that could attract international businesses through abundant, well-priced energy supply to a country where cost of energy is routinely cited as a reason for domestic business closures and de-industrialisation.

If that's a measure of success for our market regulator, we need a new set of KPIs.

In recent years we've seen a short-sighted decision to ban exploration for new gas and oil fields, an unexpected faster depletion of existing gas fields, dry years for our hydro system and regulatory and investment constraints holding back new generation and a more resilient fit-for-purpose transmission network.

This has resulted in huge price spikes, limited access to gas and electricity contracts, slower transition to an electrified economy and a coal mountain at Huntly as our back-up.

The government is now looking into the feasibility of establishing an LNG facility to provide further gas supply back-up to Huntly coal, and to shore up gas for businesses struggling to make the transition to alternatives.

For some businesses, alternative technology is not yet available while others struggle with the cost of a more rapid transition being forced on them by the depleting gas stocks. The pre-election announcement of the gas transition fund will offer some assistance.

In the absence of readily available and viable alternate energy sources, the LNG terminal plan also has the EMA's support, if the business case stacks up.

But we do need a longer-term plan to restore confidence in energy supply for businesses.

The EMA's priorities are:

- A long-term energy plan that gives confidence to businesses that they will have a consistent, competitive, cost-efficient energy supply.
- Faster investment and enabling of new generation options including wind, solar, hydro, existing geothermal and new deep bore geothermal technology.
- A build-out of the transmission network to enable more rapid connections for new generation sources. Transpower has mapped out the locations favourable to wind and solar development but can't build the network ahead of generation because of regulatory constraints. Simply remove them. Look at repeating the fibre build-out model if finance is an additional constraint.
- Improve infrastructure and network connections around existing geothermal fields to encourage businesses to take advantage of the readily available energy source. The Ngāwhā, Taupō and Kawerau fields all have additional generation capacity but need better connections to attract businesses, especially manufacturing, to these locations.

Manufacturing

Over the past few years, we have watched a gradually increasing process of de-industrialisation across a number of our historically strong manufacturing sectors.

That process has highlighted the domestic difficulties caused by our reliance on distant supply chains, the smallness of our market, sharply increasing energy prices, a slowness in investing in new tech and machinery and investment decisions made in head offices often far removed from New Zealand but made easier by those factors.

Several countries, most notably Australia with its support for its local producers and manufacturers, have recognised the need for retaining critical industries locally.

Given the increasing levels of de-industrialisation we are seeing in New Zealand, the EMA believes it is time we discuss and adopt similar policies here.

The EMA's priorities are:

- Support a critical industry framework similar to Australia's sovereign capability approach.
- Targeted incentives (tax, grants, or procurement preference) for domestic production in those sectors.
- Require resilience planning for essential imported inputs (ie. steel, chemicals, medical supplies).
- Tax settings that encourage new investment in existing plants.
- Education and immigration settings that support a steady stream of skilled technicians and trades people into the sector.

Employment legislation

People and skills

Just a few years ago, only about 35-40% of our Members identified work readiness as one of the key issues facing employers. Now that number has jumped into the sixties.

The skills and work readiness of our emerging workforce is possibly our biggest handbrake on productivity. Add in one of the most rapidly ageing workforces in the world, a general sluggishness to adopt and invest in new technology and the advances of artificial intelligence (AI) and we risk being left behind as a country.

AI is a case in point. Only recently has New Zealand added coding to its school curriculum. More recently some of the world's most successful tech giants have abandoned the use of coders and simply use AI to write it for them.

Our current system is not focused enough to respond quickly to short-term skills issues nor far sighted enough to manage approaching skills shortfalls.

We need an integrated workforce strategy that aligns immigration, education, and employment policy to address long-term challenges, rather than continuing to react to short-term pressures. We need to support our younger workers entering the workforce, manage the re-skilling of an ageing workforce and use a nimble immigration policy to manage the short-term gaps. Health, safety and wellbeing need to be core elements of that strategy.

The EMA's priorities are:

- An integrated workforce and skills strategy that is aligned with immigration, education, regional demand and the infrastructure pipeline.
- Ensure Industry Skills Boards and Polytech reforms support sector- and region-specific workforce planning.
- Improved cross-agency alignment across employment relations, health and safety, and workforce policy, with a focus on those not in education, employment or training and support for older workers to retrain and remain in the workforce.
- Expand micro-credentials, Recognition of Current Competency and Recognition of Prior Learning.
- Faster NZQA approval of new courses and approve micro-credentials, especially where industry has been involved in their development.
- Accelerated recognition of overseas qualifications where equivalent standards are met.
- Strengthen career guidance across all ages, deepen partnerships between schools and employers.
- Enable depreciation of training and skills investment.
- Refresh Immigration NZ and Stats NZ skills lists annually in partnership with industry.
- Establish a Pacific fly-in/fly-out visa.
- Create an across-government strategy to enable, retrain and utilise an ageing workforce to fill vacancies not being filled by natural birth increases and immigration.

Employment relations

The new Employment Leave Act addresses issues that arose almost the day after the 2013 Holidays Act legislation was passed.

There are some areas in which a small proportion of employees lose entitlements but equally there are some areas where a proportion of employers will pay their employees a little more.

But the key elements of the legislation, particularly the hourly accrual, make it simple for both employers and employees to understand their entitlements. With some limited trade-offs that is the key benefit.

The EMA's priorities are:

- Hourly accrual to extend to domestic violence and bereavement leave without reducing the entitlements – a technical change that simplifies payroll systems.
- Index-link the minimum wage.
- Remove living-wage mandates for local and central government contractors in procurement.
- Review Employment Relations Authority dispute resolution and mediation processes.
- Introduce minimum standards/qualifications for no-win, no-fee advocates.

Health and safety

Our reservations about the Health and Safety at Work Amendment Bill are outlined in our submission but we and our Members look forward to the new legislation.

We are also strongly supportive of the additional resources going into the workplace inspectorate and its change of approach to place more emphasis on education and assistance while also continuing its enforcement function.

The EMA's priorities are:

- Ensure implementation of the new health and safety legislation and give it time to show its effectiveness.
- Draft and implement the enabling regulations to support the new legislation. This step was one of the major issues facing the old legislation.
- Improve sector specific health and safety data.

Immigration

Despite claims to the contrary, New Zealand is recognised internationally as having a very good immigration system that is now getting back on track following some serious post-Covid-19 issues.

Providing a residence pathway for more than 200,000 immigrants stuck here during Covid-19, closing international offices, shedding high staff numbers, digitising and introducing the Accredited Employer Work Visa (AEWV) placed the department's systems under strain.

Having largely overcome these issues and now coping well with the ongoing systemic tweaks, the EMA welcomes the pipeline of investment brought in through two new investment visa classes and the rebalancing of residency pathways to include tradespeople and technical skills.

The EMA's priorities are:

- Maintenance of stable and predictable core immigration settings.
- Update Skilled Migrant Category (SMC) amber and red lists regularly, led by industry to reflect current business needs.
- Ensure immigration settings support long-term planning, aligned with major infrastructure pipelines – housing, transport, education – major projects and short-term skills shortages in critical areas.

The practice of cross-ministerial engagement between the education sector ministers, MSD and Immigration ministers should continue.

Innovation and investment

Productivity growth requires capital investment, widespread innovation adoption and an economic environment that supports scaling, exporting and technological advancement.

We are often too slow to invest in and adopt new technology. While energy prices are carrying much of the blame for recent manufacturing closures, at least some of the cause also lies in past failures to invest in tech upgrades. As an example, our energy back-up generation at Huntly currently relies on 40-year-old machinery.

The EMA has supported Industry 4.0 and other programmes designed to help spread new tech through the manufacturing sector and continues to support programmes with similar goals.

AI is a new challenge facing businesses as they look to how it can be adapted and adopted to their unique operations while other digital tech take-up also remains slow.

The EMA's priorities are:

- Offer incentives and/or build supporting infrastructure to encourage business to base operations near growing and emerging energy generation centres.
- Simplify the complex depreciation system to support more and faster investment in machinery, technology, AI, skills and training. Look to Australian and other jurisdiction models where they have a simple threshold under which depreciation is either instant or over an abbreviated period of time.
- Improve the Research and Development (R&D) Tax Incentive, including recognition of incremental and internal R&D, expansion of the overseas cap, clarification of definitions and lifting the credit rate.
- A lower corporate tax rate in line with similar international competitors (at least matching Australia).
- Unlock capital by removing regulatory barriers for ACC, KiwiSaver, iwi and other institutional investors and using funding tools such as infrastructure bonds, SPVs, tolls and GST sharing.
- Provide banks with greater flexibility in risk weighting for SME business lending.
- Publish an annual evaluation of the Investment Boost, including capital intensity and productivity impacts.
- Enable KiwiSaver investment into private growth and venture capital.
- Settings that recognise the diversity of enterprises. For example, Māori land ownership structures make access to capital difficult for development.

Other measures

Local government

Major shifts in focus for local government are well underway with new commitments in the RMA (including regional spatial plans), Local Water Done Well, Regional Deals, reduced regional government and rates caps all having their mostly beneficial impacts.

However, council performance remains patchy, rates continue to rise, pressure is on funding and in many jurisdictions, infrastructure is failing or sub-standard.

The EMA's priorities are:

- Focus councils on core services, especially maintenance and provision of local infrastructure.
- Improve efficiency and value for money in council spending.
- Avoid duplication of central government functions.
- Encourage shared services and collaboration between councils.
- Expand alternative funding mechanisms beyond rates.
- Utilise asset recycling and user pays.

KiwiSaver and superannuation

Our ageing population is making superannuation in its current form an unsustainable entitlement from the age of 65. Only two minor parties disagree with the need to make significant changes if the scheme is to be more manageable into the future. They shouldn't be able to halt discussion or policy change.

KiwiSaver is meant to be the lifebelt for our ageing workforce but as the work of Fraser Whineray shows, the current scheme also has its flaws and needs changing before being left to settle and stabilise.

The EMA's priorities are:

- Make KiwiSaver compulsory and continue with gradual increases to contributions for both employees and employers.
- Introduce a $5,000 contribution at birth for all New Zealanders, but that needs to be balanced by gradually increasing the age of superannuation entitlement – we can't afford both.
- Assess feasibility of lowering income tax thresholds while reducing government super payments for workers over 65. This provides more cash in hand for workers and a lower superannuation burden on the state while they remain in employment.
- Reassess hardship withdrawal thresholds for KiwiSaver.
- Remove total-remuneration treatment for KiwiSaver.

Export

The EMA has run Export New Zealand in the upper North Island for decades and our export communities in those regions are tight-knit groups.

We continue to support free trade agreements and the removal of non-tariff barriers. The current government has a goal of doubling exports and without our current exporting strengths there is no doubt our economy would be much worse off.

The EMA's priorities are:

- Encourage and assist more exporters into emerging, new and existing free trade markets to counter the impact of US tariffs.
- Tax breaks or tax credits for smaller exporters, under a set revenue threshold, for a set amount (ie. the first $250,000).

Alter the election cycle

We continue to support a four-year election cycle and want that back on the agenda post the 2026 election.

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Lighting the path for business.

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