

BRIEFING TO THE INCOMING GOVERNMENT

NEW ZEALAND COUNCIL OF TRADE UNIONS TE KAUA E KAIMAHI
SEPTEMBER 2026

ABOUT THE NZCTU TE KAUAKE KAIMAHI

The New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU) represents the interests of its 32 affiliated trade unions. With over 370,000 union members, the NZCTU is one of the largest democratic organisations in New Zealand. The NZCTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga), the Māori arm of Te Kauae Kaimahi, which represents approximately 60,000 Māori workers.

AT A GLANCE

Working people are demanding change that will lead to good work and decent lives for all. The NZCTU recommends the following priorities for the incoming Government:

GOOD WORK

- Introduce sector-wide bargaining
- Deliver real pay equity
- Strengthen our workplace health and safety system
- Restore fairness and security at work
- Protect workers' holidays
- Engage with workers and their trade unions

A JUST ECONOMY

- Make full employment a priority
- Plan for just transitions
- Support workforce development
- Transform the welfare and parental support systems
- Rebalance the tax system

MODERN PUBLIC SERVICES AND INFRASTRUCTURE

- Sustainably fund public services
- Work to close the infrastructure gap
- Increase the supply of affordable housing
- Rapidly increase electricity generation
- Tackle the climate emergency

Living pay cheque to pay cheque is really frightening with a small child to care for.

We pray our car doesn't break down and that we don't get hit with a significant bill.

We feel like we are drowning.

NZCTU COST OF LIVING SURVEY RESPONDENT 2026

CHANGE IS NEEDED

All New Zealanders deserve to thrive. They deserve incomes that allow them to buy decent food and afford warm homes. They deserve to be involved in the decisions that affect them. They deserve to come home safe from work. They deserve to have the resources they need to fully engage with the world around them.

Sadly, this is not the current reality. Working people in Aotearoa have been weathering a long storm. From 2021, peoples' incomes have fallen behind the rising cost of living. Even after the Covid inflation passed, the cost-of-living crisis continued for working people, with high interest rates and rapid increases in the price of essentials like food and electricity.

The choices made by the National-led Government, combined with global shocks and the actions of the Reserve Bank, have caused a major economic downturn over the last three years. This has hit workers hard, with unemployment, underutilisation, and Jobseeker numbers all rising sharply. The unemployment rate is at an 11-year high. Over 170,000 people are now unemployed, the highest number since the early 1990s. Around 440,000 people are underutilised, the highest level on record. Māori workers have been among the hardest hit, with unemployment increasing to 11% and underutilisation to 22%. Since the last election, there are around 41,000 fewer filled jobs – a loss of roughly 40 jobs a day.

One in seven children, and one in 10 people over 65, are living in poverty. Huge numbers of businesses have been closing; far more, on average, than under the last Government. When working people earn less, businesses and their workers feel it.

While ordinary Kiwis suffer, the richest New Zealanders have seen their wealth increase massively. Measured by [NBR's annual rich list](#), the wealthiest 150 individuals and families in New Zealand are worth around \$129 billion, up \$27 billion from 2025.

The challenges facing working people and their families are not limited to declining living standards. New Zealand's public services, which working people rely on, are under huge pressure. [Unmet health need](#) has soared. Public housing provision is grossly inadequate. The education system is under strain daily. And recent changes to employment law are going to make things even worse.

Over the past term, the Government has taken a historic backwards step in Māori–Crown relations. The Treaty Principles Bill, the removal of Treaty clauses in some legislation, and deliberately divisive rhetoric have appalled working people. These decisions have stoked social division and have moved us further away from a fair and equitable Aotearoa.

Progress on climate change and climate adaptation has also been reversed. New Zealand is now at risk of missing its second and third emissions budgets and the [Climate Change Commission](#) has warned we need to more than double the pace of decarbonisation. Climate change-related storms are now a regular reality for many communities, and the Government has no plans for how to deal with them.

Things don't have to be this way. If it makes the right choices, the Government can support a much brighter future for working people, and for Aotearoa.

You have to work a lot harder/ be more productive, for a wage that doesn't keep up with inflation.
(Mood of the Workforce respondent 2026)

This briefing sets out the NZCTU's recommendations for how the Government can help to lift wages, reduce the cost of living, and ensure working people can access the public services they need.

Crucially, progress towards these three goals needs to be made in the context of a renewed and deepened commitment by Government to honouring Te Tiriti of Waitangi. Only then can we move forward as a country and share an Aotearoa that works for the many, not the few.

Progress towards these goals will also require stronger mechanisms for engaging with working people and their trade union representatives. Working people must have a central voice in the policymaking process, so that Government understands the issues they face and takes meaningful action to address them.

We look forward to engaging with the next Government to implement these policies and build a fairer and more prosperous future for working Kiwis and Aotearoa.



Sandra Grey
NZCTU Te Kauae Kaimahi President

Workloads are increasing without being matched by increased pay while the cost of living crisis continues without any meaningful action from the government.

NZCTU MOOD OF THE WORKFORCE RESPONDENT 2026

PRIORITIES FOR THE INCOMING GOVERNMENT

GOOD WORK

Access to good work should be treated as a fundamental right in Aotearoa. Good work is mahi that provides fair wages and economic security, that is healthy and safe, and that empowers workers to engage in industrial democracy. It is mahi that enhances the mana and dignity of workers. Too many Kiwis, though, are in insecure work with low wages and poor conditions. Bold reform is required to ensure that good work is available to all. The changes outlined below will support strong wage growth, employment security, and healthy and safe working conditions.

INTRODUCE SECTOR-WIDE BARGAINING

Unlike wealthy democracies such as Austria, Germany, and Sweden, New Zealand workers, unions, and employers are not able to bargain on industry-wide minimum wages and conditions. This means employers are incentivised to compete on cost by driving down the terms and conditions of employment. This traps some industries, such as supermarkets, cleaning, and others, in a low-wage spiral.

Fair Pay Agreements (FPAs) remain the best way to overcome this problem and lift wages and conditions for hundreds of thousands of people. FPAs should be restored within the first 100 days of Government. FPAs provide a mechanism for unions and employers to negotiate minimum terms and conditions for employment across an industry or occupation. This will support better wages and productivity, as demonstrated by the international evidence. It will also improve the wellbeing of communities such as Māori and Pasifika, who are over-represented in low-paid sectors.

DELIVER REAL PAY EQUITY

If the Government had not scrapped the pay equity claims, I might be paid fairly as a support worker. But as it stands currently, my pay is barely above the living wage for a job that is incredibly important and requires qualifications and work skills.

(Mood of the Workforce respondent 2026)

Many occupations that are dominated by women are paid at lower wages than the same or substantially similar work performed in male-dominated occupations. This is because of historic and ongoing gender discrimination. Pay equity settlements are one of the key mechanisms for addressing this. But the 2025 changes to the Equal Pay Act, which were made without warning or consultation, fundamentally undermined the pay equity system. The changes extinguished active pay equity claims, removed agreed review mechanisms, and made it impossible for some female-dominated occupations to pursue future claims, despite clear evidence of systemic undervaluation of their work.

The re-establishment of an effective pay equity system must be prioritised. This should include:

- Restoring the 2020 pay equity legislation in the first 100 days of Government and committing to improvements in the first term.
- Introducing a stand-alone Settlement Act for care and support workers.
- Restoring the pay equity funding that was stolen by the coalition Government to at least the same level, so that workers receive meaningful settlements.
- Ensuring that any new legislation will still enable the urgent settling of claims.

STRENGTHEN OUR WORKPLACE HEALTH AND SAFETY SYSTEM

Our workplace health and safety system is a car crash waiting to happen. Proposed legislative changes and the neutering of WorkSafe will result in a higher level of harm while taking us backwards as a nation.

(Mood of the Workforce respondent 2026)

New Zealand's record on workplace health and safety is unacceptable, with between 50–70 workers killed on the job every year and between 700–900 dying of occupational diseases. The Health and Safety at Work Amendment Act 2026 will make things even worse by reducing safety standards for small businesses and deprioritising harmful risks.

The Amendment Act should be repealed before it takes effect. The Government should further improve workplace health and safety by:

- Strengthening WorkSafe's role and increasing its capacity to proactively enforce our health and safety standards and improve outcomes.
- Introducing corporate manslaughter legislation to align New Zealand with international best practice and enable corporations to be held accountable for negligence that leads to a person being killed at work.
- Introducing roving health and safety representatives – trained, union-nominated representatives who operate across multiple worksites – to help improve outcomes among workers in small businesses or insecure work.

RESTORE FAIRNESS AND SECURITY AT WORK

The coalition Government has stripped working people of many fundamental rights. The Government expanded 90-day trials to employers of all sizes, which diminishes workers' job security and their ability to negotiate fair wages. The "gateway test" introduced by the coalition Government has removed the ability of some workers to challenge their employment status in court, leaving them vulnerable to sham contracting arrangements. The Government weakened the personal grievance system to favour employers, further exacerbating the inherent imbalance of power that exists in the employment relationship. It abolished the 30-day rule, which prevented employers from undermining union terms and conditions. And it introduced petty pay deductions for partial strikes, which further constrains workers' ability to take industrial action.

Fairness and security at work needs to be restored. The Government should:

- Support job security and positive employment relations by abolishing 90-day trials.
- Implement the recommendations of the Tripartite Working Group on Better Protections for Contractors. These changes include simplifying and strengthening the real nature of employment test, expanding status determination tests across occupations, allowing the Minister to deem workers in a specified occupation as employees, and ensuring all workers have the right to challenge their employment status.
- Restore the personal grievance system to its pre-Employment Relations Amendment Act 2026 status.
- Amend the Employment Relations Act so that all newly employed workers whose job is within coverage of a collective agreement are automatically covered by the collective agreement and become union members, while maintaining their choice to opt out.
- Repeal the Employment Relations (Pay Deductions for Partial Strikes) Amendment Act.

PROTECT WORKERS' HOLIDAYS

The holidays act law change means commission salespeople would get minimum wage instead of average holiday/sick leave pay.

(Mood of the Workforce respondent 2026)

The Employment Leave Act is a huge step backwards for New Zealand workers. It will mean many workers get less leave and are paid at lower rates while on leave. It will make the leave system more complicated, the transition to the new system will be messy, and it will incentivise casualisation of employment. These changes have serious equity issues and will disproportionately disadvantage women, Māori, Pasifika, young people, and migrant workers.

We need an employment leave system that ensures working people have the time they need for rest and recreation. The existing Holidays Act, while not perfect, provides that framework. The Employment Leave Act should be repealed before it takes effect, while retaining the small number of improvements the Act makes that were recommended by the Tripartite Holidays Act Taskforce.

ENGAGE WITH WORKERS AND THEIR TRADE UNIONS

We need stronger unions to represent working people but also governments who care about collectivism in the workplace.

(Mood of the Workforce respondent 2026)

Workers' voices are sidelined in many workplaces and industries, and in national policymaking. Many of the reforms proposed in this report will help to strengthen worker voice in Aotearoa. But we need to embed worker voice in the policymaking process. This is necessary to ensure working people are well served by the employment relations framework, our health and safety system, and the regulation of new technologies like artificial intelligence, among other things.

The Government should establish a tripartite entity that oversees employment and economic development policy. This entity would work with the Ministry of Business, Innovation and Employment, the Treasury, and other relevant agencies to ensure the interests of both workers and employers are properly understood and reflected in policy and its implementation.

Teachers see people struggling financially daily. The cost of living is higher, yet their wages are not increasing. Food banks used not just for our most vulnerable, but those who have jobs and can't spread their money any further. Young people who can't find jobs, and benefits cut for them.

(MOOD OF THE WORKFORCE RESPONDENT 2026)

A JUST ECONOMY

Today, hundreds of thousands of Kiwis are falling into economic insecurity and poverty, while a select few continue to grow their wealth. The Government has a key role to play in supporting economic security and opportunity for New Zealanders. The increasing frequency of economic shocks driven by climate change, geopolitical conflict, and technological disruption only make this role more important. The recommendations below will help us move towards a more just economy that works for everyone in Aotearoa, not just the wealthy few.

MAKE FULL EMPLOYMENT A PRIORITY

The right to employment is a fundamental human right. Yet full employment is no longer a policy goal for Government, and we now have a chronic level of long-term unemployment in our country. Almost 70,000 people had been unemployed for more than 6 months in the June 2026 quarter. This has particularly negative impacts for workers in low-income and precarious industries, with Māori, Pasifika and young people among the most disadvantaged.

Full employment needs to be adopted as one of the overarching goals of economic policy in Aotearoa. Supporting full employment is a complex task, which requires action and coordination across fiscal and monetary policy, industrial development, infrastructure, education and training policy, and social welfare. As a first step, the Government should develop, with unions and business, a tripartite economic strategy that has full employment as one of its core goals.

PLAN FOR JUST TRANSITIONS

AI was implemented without any consultation and effectively replaced my role. I'm now in the position of trying to secure a job — one that is safe, stable, and genuinely satisfactory.

(Mood of the Workforce respondent 2026)

New Zealand continues to be buffeted by economic shocks, the impacts of climate change, and the disruptions caused by new technologies such as artificial intelligence. These changes need to be managed proactively so that working people and their communities are not left behind or expected to bear the costs of transition. This means we need to plan for just transitions in industries, occupations, and regions that face significant economic change and disruption. This is a complex process which requires coordination across government, unions, and business.

To support this process, the Government should establish a Just Transitions Minister, who would have responsibility for delivering just transitions for workers and industries in response to economic change. The Government should also establish a social income insurance system to improve working peoples' financial security and enable them to retrain or upskill in response to job loss. This will reduce the harmful impacts that unemployment can have and support people to find good work.

SUPPORT WORKFORCE DEVELOPMENT

Workers in New Zealand are often overqualified or underqualified for the job they have, which contributes to poorer employment outcomes and reduced job satisfaction and can also undermine productivity. In addition, we rely too heavily on migrant workers to fill skills gaps in areas that could be addressed domestically, with the right planning. For example, we should not be experiencing shortages of doctors and nurses in our healthcare system. This is the result of both poor planning and poor employment conditions, which drive qualified Kiwis offshore.

The Government should create a workforce development strategy through genuine tripartite engagement with unions and employers. This strategy will need to identify workforce development priorities for Aotearoa's future, and the investment required to equip Kiwis with the skills and training they need to find good work.

TRANSFORM THE WELFARE AND PARENTAL SUPPORT SYSTEMS

I work with children and families and I have never seen the levels of stress and financial strain that they are experiencing before. Families have faced redundancy issues and others have had to return to work sooner than parental leave provisions just to survive financially.

(Mood of the Workforce respondent 2026)

The welfare system does not provide the support required for a decent standard of living any more. Recent reforms have made the system even more conditional and punitive. In addition, many young families struggle to get by due to expensive early childhood education (ECE) and inadequate paid parental leave (PPL). Responsibility for childcare falls overwhelmingly on women, which can have significant negative impacts on their employment, income, and retirement savings.

We need a paradigm shift in welfare and parental support so that all New Zealanders can live with dignity. The recommendations of the [Welfare Expert Advisory Group](#) remain relevant and should provide the basis for this shift in the welfare system. Across parental support, we need to progressively extend public ECE services – which includes kaupapa Māori and Pacific language services – until they are free to all children. We also need to reform PPL to extend the length and value of entitlements and support both parents to take paid leave.

REBALANCE THE TAX SYSTEM

As [Inland Revenue research](#) has found, the wealthiest 311 families in the country pay less than half the effective tax rate of ordinary Kiwis, because income earned through capital is not adequately taxed. This unfairness in the tax system contributes to growing wealth inequality in Aotearoa, which undermines our economic development and social cohesion.

The Government should bring New Zealand into line with other OECD countries by developing a more balanced tax system that ensures all sources of income, including capital, are properly taxed. The starting point is to introduce a comprehensive capital gains tax. But broader tax reform is also required to help reduce inequality and ensure the Government can sustain the public services we all rely on.

Constant underlying stress about having enough money to cover everything, which can cause tensions and arguments within our family.

We don't go without the basics, but have little to look forward to in terms of treats/rewards for both of us working full time in quite demanding jobs.

NZCTU COST OF LIVING SURVEY RESPONDENT 2026

MODERN PUBLIC SERVICES AND INFRASTRUCTURE

Working Kiwis across the country rely on public services and infrastructure. From health and education to customs and biosecurity to water systems and public transport, these systems are critical to the wellbeing of working families and the country at large. These systems have come under increasing pressure in recent years, due to decades of underinvestment and, under the current Government, reckless cuts. But we have the people, natural resources, and wealth to build high-quality public services and infrastructure in Aotearoa. We only need to make the right choices.

SUSTAINABLY FUND PUBLIC SERVICES

Public sector cuts are hurting all New Zealanders through reduced public services.

(Mood of the Workforce respondent 2026)

Public services are under greater pressure than ever before, due to a growing and ageing population, rising need, historic underinvestment, and recent cuts. Research shows we have accumulated large funding gaps in health and education. The coalition Government has significantly reduced the capacity of the science sector and core public service, citing arbitrary debt and spending targets as the reason. Stressed public services only make life harder for working Kiwis.

Funding should be determined by the level of need, not arbitrary fiscal targets. The Government should outline a plan for closing the funding deficits across our public services, based on assessments of need. This is a task which will necessarily involve increasing tax revenue. Making sure that we are adequately resourcing our public services will also help to tackle many of the other problems set out in this briefing.

WORK TO CLOSE THE INFRASTRUCTURE GAP

Working Kiwis are sick of dealing with broken water systems, sub-standard public transport, and ageing hospitals and schools. For decades, New Zealand has underinvested in its physical infrastructure. Research for the Infrastructure Commission found that we have accumulated a civil infrastructure deficit of \$83 billion. The Commission has also highlighted problems with the efficiency of our infrastructure spending.

To help close the infrastructure deficit, the Government should establish a Ministry of Green Works that is responsible for construction, urban design, and infrastructure planning and policy. If sufficiently resourced, this Ministry can be the central agency for delivering on New Zealand's water, transport, energy, and housing needs and closing our infrastructure deficit. This will be a long-term project that requires sustained action across parliamentary cycles.

INCREASE THE SUPPLY OF AFFORDABLE HOUSING

*Affordability and availability of housing is important.
I co-own a business, and staff not being able to afford
suitable housing or envisage being able to afford to buy
their own house affects our business in many ways.*

(Mood of the Workforce respondent 2026)

New Zealand has failed to build enough houses for its growing population. This has contributed to housing unaffordability for working people and the exodus of young Kiwis overseas, which deprives New Zealand of the skills we need to thrive in the future. It has also contributed to rising homelessness, which is estimated to have reached its highest level in modern New Zealand history. Much of our existing housing is also cold and damp, which contributes to poor health outcomes for working families, particularly for Māori and Pasifika children.

We need to rapidly expand the supply of affordable housing and act to reduce rent price inflation over time. The Government should set

housing affordability targets for both renting and home ownership, expand the supply of public housing through Kāinga Ora, and work with iwi to increase papakāinga development. It should also strengthen the enforcement of the healthy homes standards across the rental market.

RAPIDLY INCREASE ELECTRICITY GENERATION

When we got that huge power bill and realized that we can't pay it out of our earnings. That's when it hit home luckily we have savings but that's supposed to be for the future not to pay July's power bill!

(Cost of Living Survey respondent 2026)

The partial privatisation of Aotearoa's electricity system has prevented growth in our generation capacity. This is because the gentailers are incentivised to maximise profits instead of reinvesting in our renewable generation capacity. This has made energy bills more expensive for households and businesses – leading to both energy hardship and deindustrialisation. In the past year alone electricity costs have increased 12%. This is unsustainable.

The Government should use its power as the majority shareholder to direct the gentailers to support economic development and energy resilience by rapidly building additional generation capacity. The Government should also use the dividends from its gentailer shareholdings to progressively bring these companies back into full public ownership.

TACKLE THE CLIMATE EMERGENCY

In recent years, progress on climate change and climate adaptation has regressed. The Climate Change Commission has recently warned New Zealand is at risk of missing its second and third emissions budgets, and that we need to more than double the pace of our emissions reductions. At the same time, we have not made serious moves to adapt our infrastructure and communities for the impacts of climate change, even though extreme storms are now a common

reality.

Ambitious action is needed in this area. In addition to the above, the Government should work to electrify public transport, decarbonise freight by supporting rail and coastal shipping, and incentivise household solar installation and electric vehicle uptake. The Government should also establish and sufficiently resource a climate adaptation fund that supports iwi and communities with adaptation, including flood protection and relocation.

NEXT STEPS

This briefing is just the start of the work the next Government will need to complete.

The NZCTU looks forward to working with the next Government on these issues and more. Together, we can make progress towards ensuring good work is available for all, creating a just economy, and delivering modern public services and infrastructure.

This will mean a brighter and more prosperous future for working Kiwis and Aotearoa.



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