

1. Logistics companies (warehousing + transport coordination)

These are usually the most exposed to MBIE compliance issues because they employ larger workforces and often use mixed staffing models.

Key MBIE compliance risks

Employment relations

- Incorrect employment agreements (especially casual vs permanent staff)
- Poor tracking of hours → unpaid overtime risk
- Break and rest entitlements not recorded properly

Contractor misclassification

- Forklift drivers, dispatchers, or warehouse staff treated as contractors when they function like employees

Record keeping failures

- Incomplete wage/time records (a common trigger for Labour Inspectorate audits)

What MBIE expects in practice

- Written employment agreements for every worker
- Clear distinction between employees vs contractors
- Time and wage records kept for at least 6 years
- Fair and consistent rostering practices

Practical compliance controls

- Digital time-tracking system linked to payroll
 - Annual review of contractor arrangements
 - Internal wage audit (quarterly or biannual)
 - HR checklist aligned with MBIE employment standards
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2. Freight operators (linehaul, metro freight, bulk transport)

This group sits between heavy regulation (NZTA/WorkSafe) and MBIE employment compliance.

Key MBIE compliance risks

Driver employment conditions

- Incorrect application of minimum wage during downtime/waiting time
- Overtime not properly calculated (especially split shifts or long-haul runs)

Contractor-heavy workforce

- Owner-drivers treated as contractors but operating under tight company control (high misclassification risk)

Roster fatigue overlap (indirect MBIE issue)

- While fatigue is NZTA/WorkSafe, poor rostering can trigger employment law breaches under MBIE

What MBIE expects in practice

- Drivers must receive at least minimum wage for all “work time” (including loading, waiting where controlled by employer)
- Clear contractual structure for owner-drivers
- Transparent deductions and payment structures

Practical compliance controls

- Driver job costing that tracks *all paid vs unpaid time*
 - Contract reviews for owner-drivers (control vs independence test)
 - Clear policy on detention/wait time payments
 - Payroll system capable of handling variable hours and allowances
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3. Owner-drivers (small operators / subcontracted freight)

These operators are often unaware that MBIE rules still apply strongly—especially where they contract to larger companies.

Key MBIE compliance risks

False self-employment

- Being treated as contractors but effectively controlled like employees (routes, pricing, hours set by another company)

Payment disputes

- Late payments or unfair deductions without clear contractual basis

Lack of formal agreements

- Informal “handshake” contracting arrangements

What MBIE expects in practice

- A clear written contractor agreement
- Genuine independence in how work is performed (not just labelled contractor)
- Transparent payment terms and invoicing

Practical compliance controls

- Formal service contract with every client
- Ability to show business independence (multiple clients, control over work methods)
- Clear invoicing system and GST compliance
- Record of expenses and income separation

Cross-sector MBIE focus areas (all transport businesses)

Regardless of size, MBIE consistently looks at:

1. Employment agreements

- Must be written, signed, and legally compliant

2. Wage compliance

- Minimum wage + overtime compliance is the most common issue in transport audits

3. Contractor classification

- “Control test” is critical (who controls work, pricing, hours, and risk?)

4. Record keeping

- Time, wage, and contract records must be complete and accessible

5. Fair trading practices (where relevant)

- Transparent pricing and contract terms, especially in subcontracting chains