

Employment Relations Amendment Bill – Second reading

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4 December 2018

Bill introduces new changes

The Bill had its second reading on 27 November, and has undergone some changes since first introduced.

Its stated purpose is still to restore key minimum standards for employees, implement changes to protect employees, and strengthen collective bargaining and union rights in the workplace. More broadly, the changes are intended to introduce greater fairness in the workplace between employers and employees, and promote productive employment relationships.

The Bill was supported by all three Government partners at first and second reading. The Bill is likely to be passed into law early next year, with some provisions taking effect immediately, some taking effect on 6 May 2019 and some taking effect six months after royal assent.

What has changed?

Workplace Relations Minister Iain Lees-Galloway outlined the changes in the supplementary order paper dated 8 November 2018.

The most significant change involves multi-employer collective agreements (MECAs). Employers will be able to opt out of bargaining for a MECA on reasonable grounds. This change was made in response to concerns raised by New Zealand First.

The other changes to the original Bill are as follows:

- Union representatives will be entitled to enter a workplace for the purpose of assisting an employee on the premises who is not a member of the union with matters relating to health and safety
- Union representatives will be entitled to enter a workplace without an employer's consent if there is a collective agreement between the employer and the union
- An employer can be penalised for refusing to permit a union representative who is entitled to enter a workplace to enter.

What remains?

The Government's core employment relations reforms remain:

- Collective bargaining - the obligation to conclude a collective agreement, other than for reasonable grounds, will be restored
- 30-day rule - the 30 day rule will be reinstated, requiring non-union members to be employed on the terms of an applicable collective agreement for the first 30 days
- Remuneration - remuneration provisions will have to be included in collective agreements
- 90-day trial periods - trial periods will be limited to employers with 19 or fewer employees. Employers with 20 or more employees may use probationary periods.
- Rest and meal breaks - the law will revert to its previous position and provide for set breaks after employees have worked a certain number of hours, subject to limited exceptions.

For assistance with all employment relations issues, please contact a member of our national employment law team in Auckland, Wellington or Christchurch.

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