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Legislation Alert - Tuesday October 30 2012

Major Changes Coming In Labour Market

The government is to introduce legislation before year's end to amend the [Employment Relations Act 2000](#).

There will be specific changes to Part 6A of the Act (which deals with the cleaning, catering, orderly and laundry industries), including -

- Small and medium businesses – those with fewer than 20 employees – will be exempt from the provisions of Part 6A if they are the incoming employer. (This will mean that a SME which takes over an existing contract will be able to sack the staff of the previous contractor. SMEs account for about 25% of those in the affected sectors).
- A requirement for the outgoing employer to forward employees' information to the incoming employer, such as employment agreements, PAYE, wage and time or leave records.
- A process to help the employers agree how to apportion liabilities for accrued service-related entitlements of employees who are transferring.
- A requirement that employees must decide to transfer to a new employer within five working days (or a longer timeframe if agreed between the outgoing and incoming employer).
- Additional penalties and compliance orders for non-compliance with Part 6A, and provision for litigation in the District Court.

Other changes include:

- A return to the original position in the Employment Relations Act where the duty of good faith does not require the parties to conclude a collective agreement.
- Empowering the Employment Relations Authority to declare in certain circumstances that collective bargaining has ended.

- Allowing employers to opt out of multi-employer bargaining.
- Allowing for partial pay reductions in cases of partial strike action.
- Removing the 30-day rule that forces non-union members to take union terms and conditions.
- Changes around the disclosure of personal information following Employment Court judgments involving Massey University.

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