

# Re:Source

## Changes to Collective Bargaining Rules to be made

June 2012

Labour Minister Kate Wilkinson has announced approval by cabinet of a package of changes to the Employment Relations Act 2000.

### The changes will include:

- Removing the obligation to conclude a collective agreement.
- Removing the rule that requires non union members to be employed on the terms of the collective employment agreement that would be binding if they were union members for the first 30 days of employment.
- Employers will be allowed to opt out of multi employer collective bargaining.
- Employers will be able to make partial pay reductions in cases of partial strike action.
- Parties will be required to provide notice of a strike or lockout.
- Time frames for the initiation of collective bargaining will become the same for employers and unions.
- The right to request flexible working arrangements is being extended to all workers from their first day on the job and not just caregivers.

Kate Wilkinson has said that the changes reflect a pragmatic approach to improving fairness and flexibility in employment law which will improve work-life balance, increase productivity, and help create higher paying jobs for all New Zealanders. They are expected to be introduced late this year.

Perhaps unsurprisingly, union reaction has not been so positive. The New Zealand Nurses organisation (NZNO) says the changes will be negative for workers and the economy, with President Nano Tunnicliff stating *“contrary to what the Prime Minister is saying, these changes are not about fairness or flexibility. They are entirely about reducing workers’ rights”*.

Helen Kelly from the Council of Trade Unions has also noted that under the new law employers can simply walk away from collective bargaining which, had it occurred in either the Ports of Auckland negotiations or the recent Talley’s – Affco Industrial disputes, could have significantly changed the outcomes.

The news will, however, be a relief to employers dealing with the administrative issues that arise when placing employees on the terms of the collective agreement for the first 30 days of employment and the confusion this frequently causes for employees.



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In recent times New Zealand has experienced a high level of work stoppages with unions seemingly more militant in the face of the pro-employer stance of the National-led coalition government. Whilst these changes are intended to give more power to employers, the implications at the coal face are not yet clear. This will be able to be assessed further when the precise terms of the changes are available, expected in the next couple of months. We will report further when these are released.

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