



Proposed Amendments to Employment Relations Act 2000

Commentary by Tony McKone, Director McKone Consultancy Ltd - 25 July 2013

Submissions on the proposed amendments to the Employment Relations Act 2000 (ERA) close today, 25 July 2013.

The union movement has been very vocal in its opposition to the proposed amendments, stating that these will lead to more employers walking away from collective bargaining and lower wages for workers. But will this really be the case?

It is my view that no, the world will not change significantly if the proposed amendments pass into law. If we look back in time, we saw employers making negative comments about how bad things would be when the ERA was introduced in 1999. However, the world did not disintegrate around us, terms and conditions did not, by and large, change for the worse. The same will be the case should these amendments survive the next phase of select committee and legislative debate.

The majority of employers will continue to negotiate with their unions. They will continue to provide competitive terms and conditions of employment, including wages. To do anything other than this would be a seriously flawed strategy as employers would suddenly find themselves unable to attract, retain and reward employees.

There are some aspects of the proposed amendments that do raise eyebrows. For example, do we really need the amendment to the meal and rest break provisions? I suggest that the amendment may go too far. There needs to be some restriction on the use of compensation in lieu of these breaks otherwise less than scrupulous employers (and potentially some employees) may seek to abuse the proposed new legislation. No amount of compensation will make up for tired employees who may end up working long periods without a break. This could lead to potential injury and avoidable mistakes occurring in the workplace.

On the whole, I think that the changes are largely appropriate. They bring a degree of common sense back into aspects of the employment relationship and this has to be good for all parties.

Going forward, one thing is certain. Both unions and employers will continue to make a lot of noise about the proposed changes as they go through the select committee phase and the next legislative debating session.

It is important that employers, aided by their HR practitioners, get to understand and know what the proposed changes will mean so that, regardless of the final look and feel of the amendments, you are ready to ensure your employment practices comply when the amendments finally pass into law.

Check out the [Parliamentary website](#) to read both the proposed bill and its associated commentary.