



MEDIA RELEASE
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EMPLOYMENT RELATIONS ACT PASSAGE BAD NEWS FOR RETAIL SECTOR

Retail NZ says that the passage of the Employment Relations Bill is bad news for business and employees throughout New Zealand.

"The abolition of the 90 day trial for large employers will have the perverse effect of reducing opportunities for those Kiwis most in need of opportunity," Greg Harford, Retail NZ's General Manager for Public Affairs said today.

"The 90 day trial period has been successful at creating opportunity for marginalised workers who would probably not otherwise be employable. Taking on a new employee carries significant costs and risks for an employer, and this means that hiring managers are strongly incentivised not to take risks. All the 90 day trial does is allow employers to take a risk when employing someone who has a chequered history. If someone interviews well, but has performed poorly in a previous role; or perhaps has a criminal past; then in the absence of a 90 day trial they're not likely to be offered a job, or a chance to prove themselves.

"While it's good that the 90 day trial will be retained for small businesses that employ fewer than 20 people, the reality is that only 30 per cent of businesses fall into this category. In the retail sector, over 70 per cent of all jobs are in larger businesses. Those firms will be less likely to take a chance on a new employee under the new rules.

"The passage of the Bill shows that the Government is not interested in helping to create opportunities for marginalised workers."

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