

30 January 2025

Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington
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Employment Relations (Pay Deductions for Partial Strikes) Amendment Bill

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 27,000 businesses and employs around 220,000 Kiwis. We have consulted our membership in the preparation of this submission.
2. Retail NZ is supportive of the overall aim of this Bill, which reinstates the ability for employers to make pay deductions in response to partial strikes.
3. The retail workforce is diverse, with a range of roles from customer service to management, digital and data analytics, logistics, procurement, security, social media and marketing and many more.
4. Most retail employers strive to ensure they do the right thing by their employees. In order to retain good staff, retail employers need to provide good and fair working conditions.
5. Employment relations are based on a balance of power between employers and employees. Employers offer workplace conditions and pay in return for the employees' skills and labour. Under the current legislation the balance of power has been disrupted, with employees having the right to withdraw their skills and labour, but employers not having the ability to adjust their pay to recognise where work is not being done during a partial strike. There is then limited incentive for the employees to reach an agreement and bring an end to the strike action.
6. From time-to-time retail employers are affected by strike action with partial strikes being the more common approach among retail workers.
7. In such cases, employers should not have to pay striking staff for work they have not done. Employers should have the ability to fairly and transparently deduct pay from their employees.
8. The amendments as set out appear to provide clear guidance on when an employer can deduct pay as a result of a partial strike, if they wish to do so. We support employers having a choice over how to respond to a partial strike, whether by deducting pay or not.
9. Large retail employers employ thousands of staff and in such cases it may be prohibitively time-consuming and difficult to calculate pay deductions on an individual basis.
10. However, in some cases a blanket 10% deduction may not be enough to be sufficiently meaningful to the employee or to recognise the disruption to the employer and their customers. Retail NZ suggests the committee consider raising the maximum deduction to 15%.
11. In summary, the ability for employers to deduct pay for partial strikes will incentivise employees to reach an agreement more quickly, to bring an end to the partial strike action, meaning less disruption to the employer's business. For these reasons, Retail NZ supports the Employment Relations (Pay Deductions for Partial Strikes) Amendment Bill.

Conclusion

12. Thank you for the opportunity to make a written submission, Retail NZ would like the opportunity to make an oral submission to the committee.

13. No part of this submission should be withheld under the OIA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Young'.

Carolyn Young
Chief Executive, Retail NZ
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