

EMPLOYMENT UPDATE

The Minister of Labour, Kate Wilkinson has announced a review of the personal grievance provisions of the Employment Relations Act 2000. A copy of the terms of reference for the review and the discussion paper can be found on the Department of Labour's website at www.dol.govt.nz/consultation. Submissions close on 31 March.

As we all know employment law is a political football and we predict that significant changes are likely to be made to the personal grievance process by the National led government. We predict that the test for "justification" will be restored to the law that existed prior to the 2004 amendment so that the question of whether or not a dismissal is justified is a subjective test based on the reasonableness of the employer's decision *in each case* rather than the current objective test.

There may also be a move to severely limit the possibility of bringing personal grievances against small or medium sized businesses either by excluding them from the process altogether or by introducing a much more cost effective process.

It is also likely that the probationary period for new employees in this type of business will also be extended.

Watch this space!

If you would like more information regarding employment issues please contact George Ireland, Partner on 303 9923, email george@lawworksnz.com.