

Where does a Labour win leave employers?



The minimum wage is going up. Trial periods are being thrown out. Fair Pay Agreements are coming in. Paid parental leave is also on the up. With all the chatter about what a Labour-led coalition might do if they won government, there has been much speculation about what will actually happen. However, now the result is clear and the Coalition Agreements have been signed, small businesses can start to plan for changes we know are coming.

What are the changes?

Minimum wage.

The minimum wage is to be increased from \$15.75 as it currently sits, to \$16.50 on 1 April 2018. Further to this, employers are being warned to expect a rapid increase with a \$20 minimum wage expected by 2021.

90 day trial periods.

The new Government has flagged the removal of the 90 day trial period, in what is sure to be a significant change for many business owners. Where employers would previously have used these trial periods to assess a new employee, and give the employee an opportunity to decide whether the fit was right, this is no longer going to be the case.

Fair Pay Agreements.

During the election, the Labour Party made no secret of the intention to introduce an industry-wide legislative system of industry and sector collective bargaining. This is a huge shift in the relationship between employees and employers and also changes the influence of trade unions on an industry level. There are yet to be specifics of how this will work, but it has been committed to and employers should be prepared for a change in the process of collective bargaining.

Paid parental leave.

Instead of the current 18 weeks of parental leave being provided, the new Government will raise this to 26 weeks by 2020. This is another big shift in how employers manage their own business, and as more details become available employers will need to act accordingly for any staff taking parental leave.

While we now know more than we did a week ago, with more policy details being released, there is nothing for employers to do immediately. One thing we can take away from this though, is just how quickly we can expect changes to happen under this Government.

For advice on any changes, or workplace relations, please give us a call on 09 4129902.