



EMPLOYMENT POLICY PROPOSAL

Re-implementation of 90 Day Trials for all New Zealand employers.

April 2019

OFFICIAL POLICY OF THE NEW ZEALAND YOUNG NATS.
NOT NATIONAL PARTY POLICY.

1. ISSUE

- a. The Young Nationals (the “Young Nats”) believe that there is a disincentive to employ young people due to their lack of experience and skills, which results in young people being overlooked for employment opportunities.
- b. The 90 Day Trial Period policy introduced by the former National Government was an effective mechanism in giving employers confidence to employ less experienced workers.

2. PROPOSAL

- a. The Young Nats endorse the re–instigation of the 90 Day Trial Period, for all New Zealand employers, as it provides a better balance between protecting the rights and interests of employers and those of employees.

3. SUMMARY OF SUPPORTING INFORMATION

- a. The 90 Day Trial Period was introduced by the former National Government and was largely supported by employers and offered real benefits to employees through providing new employment opportunities.

4. SUPPORTING INFORMATION

- a. In a nationwide survey on trial periods carried out by Wellington Chamber of Commerce, Business Central, Employers and Manufacturers Association, Canterbury Employers' Chamber of Commerce and Otago Southland Employers Association, out of the 951 employers that responded “7 per cent said trial periods were an extremely important part of their decision-making to engage a new employee, with 90 per cent saying they kept employees on after the period finished, and 94 per cent of those staying for longer than 12 to 18 months.” [1].
- b. 90 Day Trials have led to an increase in youth employment [2] as they gave employers security in hiring someone, especially unskilled and less experienced individuals [3]. In this survey, [3] “80% of employers have used these trial periods in the last year and over a third have said that as a result of them they have given someone a chance in a job that they otherwise wouldn't have”.
- c. In another survey “The Employers and Manufacturers Association (EMA) says more than three-quarters (77 per cent) of its members surveyed rated the current 90-day trial rules as “extremely important” in their decision to engage a new employee.” [4].

5. IMPLEMENTATION, LIMITATIONS AND CONSIDERATIONS

a. Evidence indicates that this may not be the only policy and youth unemployment is multi-factorial

Evidence shows that while 90 Day Trial Periods are a good idea, that youth unemployment is multi-factorial and other policies should be used in conjunction with this.

References

- [1] Milford, J. (2018, June 15). 90-Day Trials food for workers and business. *Stuff*. Retrieved from <https://www.stuff.co.nz/business/104722156/90day-trials-good-for-workers-and-business>
- [2] Finlay, A. (2014). 90 Day Trial Periods in New Zealand – The Impact on Young Unskilled Workers. Retrieved from <http://researcharchive.vuw.ac.nz/xmlui/handle/10063/3134>
- [3] 90 Day Trial Periods. (n.d.). Retrieved from https://www.protectnzjobs.co.nz/90_day_trial_periods
- [4] Stock, R. (2018, June 6). Lobbying over 90-day trial laws intensifies. *Stuff*. Retrieved from <https://www.stuff.co.nz/business/money/104493390/lobbying-over-90day-trial-laws-intensifies>