

Friday 10 April 2026

EMBARGOED until 00:01 Monday 13 APRIL FOR ALL RECIPIENTS

Dear Minister Archibald,

Industry concerns around the Employment Rights Bill

We, the undersigned representatives of over 20 business groups write collectively to follow up on previous correspondence from CBI Northern Ireland, FSB Northern Ireland, the Institute of Directors, Northern Ireland Chamber of Commerce and Industry, and Manufacturing NI. Since then, through wider engagement within the business community, concerns have grown and consensus has developed across industries and sectors.

We do so recognising the deeply challenging economic environment now facing employers. Since the outbreak of the war in Ukraine in 2022, cumulative UK inflation has risen by approximately 20%. Businesses continue to face sustained increases in energy prices and wider inflationary pressures linked to global instability. This represents a four-year cost-of-doing-business crisis which has reduced resilience and narrowed margins across all sectors. We are increasingly concerned about the heightened risk of a significant economic shock arising from the ongoing conflict in the Middle East, particularly given its potential implications for energy markets, supply chains, and wider global stability and the impact that this will have on local business.

We want to acknowledge and welcome areas where you have listened to the concerns raised by business, particularly the decision not to proceed with a full ban on zero-hours contracts, whilst we reserve our right to form a view on the proposed revisions presented in the bill, and the proposed reduction in the balloting notice period. These are constructive steps. However, we must also be unequivocal: very serious concerns remain.

First, we remain deeply alarmed by the voice and representation proposals. In particular, the proposal to lower the threshold for union representation from 21 to 10, as well as the union access measures. Employers, especially SMEs, fear that these changes will add significant administrative complexity at a time when complexity invariably equals cost. Our members continue to believe that the proposals fail to achieve the proper balance or acknowledge the variety of business models present, such as family-owned companies and international employers based here.

Second, the implications for deepening the role of the Labour Relations Agency (LRA) remain insufficiently clear. As you will be aware, the LRA currently faces a considerable backlog of holiday pay-related claims. Any additional statutory responsibilities placed on the Agency within this Bill must be assessed in the context of extremely limited fiscal headroom and significant operational pressure.

Third, we are increasingly concerned by the breadth and pace of the Bill itself. The previous Assembly mandate demonstrated the risks of legislating under acute time pressure: between January 2020 and March 2022, 56 Bills were introduced and 46 Acts passed within an extremely compressed legislative window. The Speaker at that time explicitly warned Members of the difficulty of scrutinising a very large volume of legislation in too short a period. That experience must not be repeated, not least because of the challenging environment we all find ourselves in, fiscally and economically.

We are therefore concerned that proceeding with such a wide-ranging, all-encompassing Bill within the limited time remaining in this mandate risks poor law-making that is in the interests of no one, or the reputation of Northern Ireland as a place to do business. We had previously advised that the business view was that the proposals should be broken into a series of smaller, more manageable Bills - an approach that we believe would have enabled proper scrutiny, targeted reform, and better outcomes for workers and employers alike. Regrettably, this approach was not taken.

Given the cumulative pressures now facing Northern Ireland - including the ongoing cost-of-doing-business crisis, the Executive's budgetary constraints, continued global instability, and heightened geopolitical uncertainty - we believe that this is a moment requiring genuine partnership with employers and measured decision-making.

Accordingly, we urge you and the wider Executive not to rush this legislation in the current mandate. We are increasingly concerned that we are running out of time to ensure that full and proper scrutiny can be given to the Bill, or indeed, any potential amendments. The risk of unintended consequences is now so significant that full consideration should be given to deferring the Bill to the next mandate. The stakes for workers, employers, and wider economic recovery are simply too high.

We remain committed to continued partnership working and stand ready to meet with you, and the Department, to discuss workable and proportionate approaches to improving employment rights while safeguarding competitiveness and economic stability.

Yours sincerely,

ADS Northern Ireland

Causeway Chamber of Commerce

CBI Northern Ireland

Construction Employers Federation Northern Ireland

Dairy Council for Northern Ireland

Employers Federation Northern Ireland

FSB Northern Ireland

Horticultural Trades Association

Hospitality Ulster

IoD Northern Ireland

Logistics UK

Londonderry Chamber of Commerce

Manufacturing NI

MEGA Mid Ulster

Mineral Products Association Northern Ireland

Northern Ireland Chamber of Commerce

Northern Ireland Food and Drink Association Ltd

Northern Ireland Grain Trade Association

Retail NI

Road Haulage Association

The National Franchised Dealers Association (NFDA) Northern Ireland

Ulster Farmers' Union

ANNEX: 2025 Letter from the NI Business Groups to the Minister for the Economy RE The 'Good Jobs' – Employment Rights Bill

Dear Minister Archibald,

Re: Good Jobs consultation

We, the undersigned representatives of the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), the Institute of Directors (IoD), the Northern Ireland Chamber of Commerce and Industry (NI Chamber), and Manufacturing NI, write to you as business representative organisations and members of the Labour Relations Agency's Engagement Forum. Over the course of 2024, we met as a group on a regular basis to discuss the draft 'Good Jobs' Employment Rights Bill and subsequently submitted our respective responses to the consultation. As a group, we feel it would now be beneficial to meet with you to discuss these responses and the reasoning that informed them, as well as the changed economic environment in which we now find ourselves.

Ultimately, we would like to explore how we work might together with you and the Department to move forward this agenda in a pragmatic way. We have set out below some of the key areas for that discussion.

The principles of good jobs

We commend the Department for the Economy for setting out a commitment to achieving 'good jobs' across all sectors in Northern Ireland. Collectively, we support the objective of seeing good terms and conditions being made available for all employees.

We also appreciate that employment law is uniquely devolved to Northern Ireland and that there are several measures which are required to achieve alignment with GB and the other devolved administrations. These changes have the potential to create a more equitable job market, benefiting both employers and employees alike.

Our members are committed to delivering good jobs, but believe that efforts should be focused on existing problems and the most targeted ways to solve them. They also want to see the right balance being struck between employment rights and the ability to streamline bureaucracy, facilitate new job creation and ensure that Northern Ireland remains sufficiently competitive.

It is also worth highlighting that many companies are already setting new standards in employment practices, and this is being driven at a faster pace due to a tight labour market and new working practices following the pandemic. They currently have the flexibility to adapt these practices to suit their particular industry and workforce and some contend that very prescriptive legislation could potentially restrict this level of flexibility which has been born out of effective relationships with their employees.

The extent of the changes being required of businesses in a short timeframe is also a concern that needs further consideration and discussion.

Need for further discussions

The Consultation proposals were both numerous, complex and some set out various options.

Therefore, we believe that further, and detailed discussions with employers and trade unions will be essential. It is crucial to ensure that the development and implementation of changes is practical and beneficial for all stakeholders involved. There is a need to consider impacts not only on varying sizes of business but also on sectors and on different company structures, from family firms to international organisations.

As you are aware, business is being buffeted from every angle – hikes to Employers National Insurance; significant increases to Minimum and Living Wages; tariffs and counter-measures; supply chain changes, decarbonisation requirements, along with other legislative changes already in the pipeline. Given the significant economic shocks, it is unfortunate that these proposals to change so many aspects of employment law come at a time (as set out in the Bill) when there is virtually no capacity to absorb further pressures. The recent UK Budget alone will see tens of millions of pounds taken out of Northern Ireland businesses and now the threats of trade wars and tariffs have significantly raised uncertainty and changed the context in which any reforms must be considered.

Helpfully, the proposals that were set out by the Department last year came with high level options. In order to make progress in today's economic environment, we would be very happy to work with the department on refining the proposals and developing precise details so that business representatives and our members can fully assess the implications and respond.

Timing concerns

You will be aware that we expressed our concerns regarding the timing of the initial consultation as the business community felt that conducting such an important and substantial consultation during the summer holiday period posed challenges for effective engagement with our members. Moreover, the sheer scale and scope of the proposed changes clearly requires significant time to work through. We felt that the lack of effective engagement with various sectors and sizes of business and in the absence of any extension to the Consultation period, it did prove impossible to engage effectively and, indeed, it would appear that a large section of our business community is not yet aware of the extent of the proposals.

We would therefore like to discuss with you how this could be managed in bringing forward more detailed proposals.

Zero hour contracts

Whilst we understand the need to address specific exploitive practices, we would urge caution on introducing an outright ban as it would remove flexibility on the part of an individual (looking for maximum choice) and the business owner, especially in sectors requiring seasonal and casual working patterns. We would be supportive of only some aspects of the proposed reform, such as removing exclusivity restrictions within Zero Hour contracts, which we recognize are restrictive on the ability of workers to pick and choose for which companies they want to work.

A proposed outright ban appears to ignore the work patterns of certain types of employment and the flexibility desired by many workers. The existence and operation of these types of contracts can be very positive for some part-time and casual workers, especially older employees who want flexibility to come back into the workforce, and students who want to pick and choose when they can work. They are also vital to the operations of many businesses, particularly in hospitality, entertainment and seasonal sectors.

Northern Ireland already has the highest rate of economic inactivity in the UK and there is a very real risk that some “semi retired” workers who contribute economically, via zero hours contracts, could, if not allowed to work in a highly flexible way, fall into the non-working/economically inactive population, potentially deciding instead simply to retire.

Right to disconnect

Northern Ireland has an international economy and several of our members have told us about the importance of connecting to their teams and customers in time zones both to the west and to the east, such as in the US, China and India. On occasion, it is vital for businesses and employees to work outside of ‘normal’ hours, whilst other employees like to split their daily hours to suit childcare needs, for example for school pickup etc.

For these reasons, we believe that a Code of Practice, rather than prescriptive legislation, that sets out good standards of practice aimed at avoiding any unreasonable demands, is likely to be much more consistent with the Executive’s ambition to grow a globally competitive and sustainable economy.

Trade Union rights

While we support facilitating effective mechanisms for employees to have a voice to ensure a fair and productive working environment, we do have concerns about some of the proposal on trade union rights and reach.

The dynamics of organisational cultures are sensitive and business places high importance on preserving a positive and collaborative work environment. In many larger businesses trade unions currently fulfil their advocacy role without compromising the core values and organisational culture, however, there is a strong resistance to the introduction of any measures that would upset this balance. There is also strong resistance, especially amongst medium and smaller businesses, to any measure of compulsion to accept trade union involvement below the current threshold of 21 employees.

Balloting period

The proposed reduction from 7 to 5 days' notice is not seen to be workable by any of the parties with which we engaged.

Holiday pay

Our Members understand and broadly support the proposals to move to a 52 week calculation period, as is the case in GB, however, they are adamant that there is a need to adopt a 2 year back-stop period for any new claims, as is the case in GB.

Conclusion

In conclusion, we welcome the Department's efforts to improve and update employment laws and develop better jobs in Northern Ireland, however, we strongly advocate for continued dialogue with employers and trade unions to refine any proposed changes in ways that will achieve your overarching objectives whilst not doing damage to the flexibility and competitiveness of our businesses.

We remain committed to supporting the development of better jobs in Northern Ireland and look forward to working collaboratively with you and your Department to achieve that goal.

Yours sincerely,

Angela McGowan, Director, CBI Northern Ireland

Roger Pollen, Head of FSB Northern Ireland

Kirsty McManus, Director of Northern Ireland, IoD

Stephen Kelly, Chief Executive, Manufacturing NI

Suzanne Wylie, CEO, Northern Ireland Chamber of Commerce and Industry

CC First Minister and Deputy First Minister of Northern Ireland