

PRESS STATEMENT EMBARGOED 13 April 00:01

Headline: Don't rush largest overhaul of employment legislation in a decade, say businesses

Strapline: Groups urge the Executive to pause plans amid economic pressures and lack of time for proper scrutiny

A coalition of over 20 business groups has today (Monday, 13th April) called on Economy Minister Dr Caoimhe Archibald and the wider Executive not to rush through wide-ranging and complex employment rights legislation in the short time left in this Assembly mandate.

Whilst acknowledging that some concerns have been listened to, the coalition representing manufacturing, retail, logistics, farming, agri-food, construction, hospitality and professional services, is warning that the scope, pace and timing of the Good Jobs Employment Rights legislation comes at a time of unprecedented pressures for all businesses across Northern Ireland.

With cumulative UK inflation rising by more than 20% since the outbreak of war in Ukraine in 2022, sustained energy price pressures and heightened global instability, the economic environment is extremely challenging. With no end in sight, economic shocks continue to erode business resilience, along with significant added costs of doing business and employing skilled workers.

Following ongoing engagement with members, the coalition had previously suggested breaking the proposals into smaller, more manageable Bills, allowing for proper scrutiny and targeted reform.

They now believe that the remaining time in this mandate is insufficient to deliver due and proper scrutiny of some of the most significant proposed changes to employment law in Northern Ireland in decades, which currently incorporates at least 50 policy measures.

The letter states:

“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.

“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 all consideration should be given to deferring the Bill to the next mandate. The stakes for workers, employers, and the wider economic recovery are simply too high.”

The group added:

“We share the Minister and Executive’s ambition for a globally competitive and sustainable economy. At a time when youth unemployment remains stubbornly high, job creation is stalling, and business confidence is at record lows, the Executive must do better in responding to employers’ concerns if it hopes to reverse any of those trends.

“The opportunity now is to ensure that we have the right foundations for a more productive and prosperous economy that works for everyone. We need to ensure that all aspects of the proposed employment legislation support and do not hinder our members’ ability to operate their

businesses, employ people and invest in Northern Ireland for the long term, particularly in light of the extraordinary pressures they currently face.

“This is not the time to push through this legislation, rather it is a time for employers and politicians to come together in partnership to address the economic shocks and protect business and local jobs.”

ENDS

Notes to editors

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Letter signatories are:

- 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.

Issues of concern from the business groups include:

- Proposals to lower the threshold for union recognition from 21 to 10 employees, and new union access measures, will bring administrative complexity and cost, particularly for SMEs and family owned firms.
- The Labour Relations Agency is already under significant strain, including a backlog of holiday pay claims. The impact of additional statutory responsibilities has not been fully assessed in the context of limited fiscal headroom and operational pressures.
- The Good Jobs Employment Rights Bill will require a mix of primary legislation (the Bill itself) and secondary legislation (statutory instruments) to implement all 50 policy measures. It is unclear how many statutory instruments will be required at this stage. The breadth of the Bill and the limited time remaining in the mandate risk repeating the legislative pressures seen in the previous Assembly term, when scrutiny was severely compressed.

- Significant employment issues exist including 20,000 young people are not in employment, education or training in Northern Ireland and the region's economic inactivity rate for those aged 16–64 stands at 27.5%, representing over 300,000 people.