



Supreme Court of New Zealand

9 August 2012

MEDIA RELEASE – FOR IMMEDIATE PUBLICATION

**SERVICE AND FOOD WORKERS UNION NGA RINGA TOTA INC & ORS v OCS LIMITED SC 124/2011
[2012] NZSC 69**

PRESS SUMMARY

This summary is provided to assist in the understanding of the Court's judgment. It does not comprise part of the reasons for that judgment. The full judgment with reasons is the only authoritative document. The full text of the judgment and reasons can be found at www.courtsofnz.govt.nz.

On this appeal, cleaners who worked at Massey University, supported by their Union, challenged a decision of the Court of Appeal that held the employees could not bargain for redundancy compensation because their collective employment agreement precluded them from receiving redundancy payments. The Court also held that the exclusion of redundancy payments excluded the right to bargain for any other form of redundancy entitlement.

The Supreme Court has upheld the Court of Appeal's decision on the first point but reversed it on the second point. The effect of the Supreme Court's decision is that where an employment agreement precludes any right to a particular form of redundancy entitlement, employees may not bargain for that form of entitlement. But they may bargain for any other form of entitlement not expressly excluded by the agreement.

In the present case, therefore, the employees may not bargain for redundancy compensation in the form of monetary payments, but may bargain for any other form of entitlement. The decision of the Employment Court to that effect has been reinstated.

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