



The Human Resources Specialists

28 October 2010
HR KNOWHOW
WHAT'S NEW

The Hobbit Remains!

What is this Hobbit business really all about?

A 2005 Lord of the Rings related employment case (Bryson vs. Three Foot Six) reaffirmed common law tests in determining when an independent contractor is indeed an independent contractor or in fact an employee.

Through the employment and appeal courts Bryson changed status four times and finally, following the Supreme Court decision, was found to be an employee. As an employee, he was able to raise a personal grievance for an unjustified dismissal.

Under current legislation, a film worker who is engaged as a contractor can legally challenge his/her status seeking recognition as an employee.

The Australian Union (MEAA), with the help of some of our naïve minor celebrities and the CTU President managed to create a level of labour market uncertainty which created enormous risk to The Hobbit movies but also to the film industry in New Zealand.

It has been said the combination of The Hobbit x 2 + services + tourism would generate in excess of \$2.5 billion and in this sluggish economy that sounds like a very good number.

Thank you John Key & Sir Peter Jackson

Fortunately we have a very highly skilled negotiator in John Key and we have the goodwill and enormous talent of Sir Peter Jackson. The two of them have succeeded in clinching the deal with Warner Brothers and yes it has meant more financial incentives but John Key has leveraged off the deal to create strategic tourism and profile opportunities that are said to be worth millions for New Zealand.

Labour Law Changes

The labour law changes which will go through the House today will provide certainty around the independent contractor status of film workers on movie productions – it will not apply to television actors. This is not unlike legislation that has been in place for many years relating to real estate agents and share milkers. The ability to contest the independent contractor status and seek employee rights will be removed under this change to the law. There is the predictable outpouring of anger from the Unions but it seems the vast bulk of Kiwi's are highly supportive of the result.

John Key has said "It was a commercial reality that without this [law] change, these movies would not be made in New Zealand".

We will keep you informed of the details of the labour law changes once it has passed into law.

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