

# SUPPORTING, FACILITATING & REPRESENTING BUSINESS



Our guide for Employers and Managers

#### **Contents**

This is only a guide. It should not be a substitute for professional advice.

Please seek advice from our AdviceLine Team if you require specific assistance.

Overview	3
Introduction	3
Disability	4
Unlawful discrimination	4
Human Rights Act 1993	5
Employment Relations Act 2000	9
Disability and employment	10
Pre-employment	10
During employment	12
Terminating employment	13
Conclusion	14

Our guide for Employers and Managers

#### **Overview**

Disability is one ground of 13 grounds on which discrimination is prohibited in employment.

For the purposes of unlawful discrimination, disability has the same meaning under the Employment Relations Act 2000 as it has under the Human Rights Act 1993. A disability may be physical, psychological, or psychiatric.

The scope of the Human Rights Act 1993, in relation to discrimination in employment, is wider than the Employment Relations Act 2000.

It is possible, arguably, for an instance of unlawful discrimination in employment to be challenged in both jurisdictions.

The Human Rights Act 1993 protects against direct, and indirect, unlawful discrimination on the ground of disability in advertisements for employment, application for employment forms, and employment.

The Employment Relations Act 2000 protects against direct, and indirect, unlawful discrimination on the ground of disability in employment; an employee may pursue a personal grievance based on discrimination.

It is unlawful to discriminate in employment against a person on the ground of disability if the person's disability can be reasonably accommodated.

An employee is "qualified for work of any description" if that employee is capable of, and in the case of jobs requiring formal qualifications or training, holds those formal qualifications or has undergone formal training which the particular work requires.

Considerations of unlawfulness must be applied to all discriminatory actions or decisions that are taken in respect of employment.

#### Introduction

The New Zealand Bill of Rights Act 1990 provides that everyone has the right to freedom from discrimination. Discrimination under this Act means unlawful discrimination by virtue of Part 2 of the Human Rights Act 1993.

Disability is one ground of 13 grounds on which discrimination is prohibited in employment. However, this prohibition is not a blanket prohibition. The Human Rights Act 1993 permits exceptions to the prohibition but only in limited circumstances. The Employment Relations Act 2000 adopts the same meaning of disability, and applies the exceptions to it, as provided by the Human Rights Act 1993. However, the two Acts have different jurisdictions in respect of the employment relationship, and only in some circumstances will there be a choice of procedures available to an employee.

This A-Z Guide provides some background information about the meaning of disability and the relevance of the issue to employment. The following A-Z Guides provide useful supplementary information:

Our guide for Employers and Managers

- Application for Employment
- Discrimination in Employment
- ▶ Employment Relationship Problems
- Harassment
- Human Rights
- ▶ Racial Harassment
- Sexual Harassment

#### Disability

"Disability" under the New Zealand Bill of Rights Act 1990 and the Employment Relations Act 2000 has the same meaning as it has under the Human Rights Act 1993.

Section 21 of the Human Rights Act 1993 specifies the 13 grounds on which discrimination is prohibited; disability is dealt with in subsection (1)(h).

#### Disability means:

- Physical disability or impairment;
- Physical illness;
- Psychiatric illness;
- Intellectual or psychological disability or impairment;
- Any other loss or abnormality of psychological, physiological, or anatomical structure or function:
- ▶ Reliance on a guide dog, wheelchair, or other remedial means;
- ▶ The presence in the body of organisms capable of causing illness.

This definition is broad and encompasses most, if not all, health issues likely to affect employment.

#### **Unlawful Discrimination**

Under this heading, the provisions of the Human Rights Act 1993 and the Employment Relations Act 2000 are compared insofar as they pertain to disability.

It is important to understand that a complaint of unlawful discrimination under the Human Rights Act 1993 is available to employees, and that the meaning of "employee" under that Act is wider than the meaning of "employee" under the Employment Relations Act 2000.

Unlawful discrimination under the Human Rights Act 1993 should be contrasted with a personal grievance based on discrimination under the Employment Relations Act 2000. Under the former, the complainant may claim that he or she was subject to discrimination on the basis of disability either pre-employment or during employment. An employee cannot challenge his or her dismissal under this Act. The Employment Relations Act 2000 provides that the only way to challenge a dismissal is as a personal grievance.

If an employee's claim is that he or she has been actually or constructively dismissed from the employee's employment because of discrimination on the basis of disability, then the employee may

Our guide for Employers and Managers

challenge that dismissal as a personal grievance under the Employment Relations Act 2000. The employee will not be able to challenge the dismissal under the Human Rights Act 1993, however an employee is able to lay a complaint of discrimination where that results in the employee's employment being terminated.

If a person's claim is that he or she has been discriminated against on the basis of disability in a preemployment context, then the person may make a claim of unlawful discrimination under the Human Rights Act 1993. The provisions of the Employment Relations Act 2000 have no application to the pre-employment context.

#### **Human Rights Act 1993**

#### Unlawful discrimination

Section 21 provides that disability is a prohibited ground of discrimination, for the purposes of this Act, if it pertains to a person or a relative (which means in relation to any person, a person who is related by blood, marriage, affinity or adoption, or who is wholly dependent on the person, or is member of the person's household) or associate (this term is not defined) of a person, and it either currently exists or has existed in the past, or is suspected or assumed or believed to exist or to have existed by the person alleged to have discriminated.

It is unlawful to discriminate on the basis of a person's current medical status and/or a person's medical history.

#### In employment

Section 22 provides that discrimination on the grounds of disability is prohibited in employment if the applicant or employee is qualified for the work. This means that it is unlawful for an employer or any person acting (or purporting to act) on his or her behalf to:

- Refuse or omit to employ an applicant on work of the work which is available; or
- Offer or afford to an applicant or the employee less favourable terms of employment, conditions of work, superannuation or other fringe benefits, and opportunities for training, promotion and transfer than are made available to applicants or employees of the same or substantially similar capabilities employed in the same or substantially similar circumstances; or
- ▶ Terminate the employee, or subject the employee to any detriment, in circumstances in which the employment of other employees employed on the same work would not be terminated or subject to such detriment; or
- ▶ To retire the employee, or require or cause the employee to retire or resign.

In *Smith v Air New Zealand* [2000] 2 ERNZ 376, the Court accepted that an employee is "qualified" for the work if that employee is capable of carrying out that work and, in the case of jobs requiring formal qualifications or training, holds the formal qualifications or has undergone the formal training that the particular work requires. The Court held that the "description" of work in section 22(1) is generic only.



Our guide for Employers and Managers

The reasoning applied in this case is applicable to discrimination in employment on the basis of disability.

It should be noted that, for the purposes of Part 2 of the Act, "employment" derives its meaning from the extended definition of "employer" in section 2. As a result, refusal or omission to employ an applicant for voluntary work would be covered by the provision (*Race Relations Conciliator v Marshall* [1993] 2 ERNZ 290.) As a result of the extended definition of "employer", the meaning of the term "employee" is not limited to a person who has been engaged under a contract of service.

Anything that is done or omitted by an "employee" is treated as done or omitted by the "employer" too, whether or not it was done with the "employer's" knowledge or approval.

The Human Rights Review Tribunal recently heard a case involving a claim by an employee that he had been unlawfully terminated by reason of a disability - a slight shake or tremor in his hands. The employee was involved in a health and safety breach unrelated to his hand. Although the employer claimed its decision to terminate was based on health and safety concerns in relation to the breach, the Tribunal found that the hand tremor was was a factor and held that the prohibited ground of discrimination need only be a "material ingredient" in the decision to terminate for a finding that the termination was "by reason of " his hand tremor.

An exception in section 29 of the Act provides that nothing in section 22 shall prevent different treatment based on the disability where the position is such that the person could perform the duties only with the risk of harm to themselves or others, and that it is not reasonable for the employer to take that risk. The Tribunal held that the exception did not apply in this case because there was no evidence that the employee could only perform his duties with an unreasonable risk of harm.

#### Indirect discrimination

Section 65 provides that where any conduct, practice, requirement or condition that is not apparently in contravention of any [anti-discrimination] provision has the effect of treating a person or group of people differently on one of the prohibited grounds of discrimination, and that treatment would be unlawful under any [anti-discrimination] provision other than this section, that conduct, practice, requirement or condition shall be unlawful unless the person responsible establishes good reason for it.

#### Application for employment forms

Section 23 provides that it is unlawful for any person to use or circulate any form of application for employment that indicates, or could reasonably be understood as indicating, an intention to unlawfully discriminate against a person.

In *Imperial Enterprises v Attwood* (Unreported) WC 50/02; 18 December 2002 the employer's preemployment application form included the question, "Do you have any medical problems of any kind?" The applicant disclosed a hip condition, which might bear upon her ability to stand for long periods of time, but she did not disclose dormant leukoplakia (a pre-cancerous condition of the mouth) or irritable bowel syndrome. The applicant was dismissed for breach of trust and confidence when the employer learned of the non-disclosure. The Court found that the question, as overbroad,

Our guide for Employers and Managers

indicated an intention to discriminate, and the question, therefore, was not a lawful question. The dismissal was held to be unjustified.

#### Advertisements for employment

Section 67 provides that it is unlawful for any person to publish or display (or to cause or allow to be published or displayed) any advertisement or notice which indicates, or could reasonably be understood as indicating, an intention to unlawfully discriminate against a person.

#### Specific exceptions

Sections 25(1)(a)(iii) and 27(2) provide that discrimination on the ground of disability is permissible to employment involving either national security or domestic employment in a private household.

Reasonable accommodation

Section 29 provides that:

- (1) Nothing in section 22 shall prevent different treatment based on disability where:
- (a) The position is such that the person could perform the duties of the position satisfactorily only with the aid of special services or facilities and it is not reasonable to expect the employer to provide those services or facilities; or
- (b) The environment in which the duties of the position are to be performed or the nature of those duties, or some of them, is such that the person could perform those duties only with a risk of harm to that person or others, including the risk of infecting others with an illness, and it is not reasonable to take that risk.
- (2) Nothing in subsection (1)(b) shall apply if the employer could, without unreasonable disruption, take reasonable measures to reduce the risk to a normal level.
- (3) Nothing in section 22 shall apply to terms of employment or conditions of work that are set or varied after taking into account:
- (a) Any special limitations that the disability of a person imposes on his or her capacity to carry out the work; and
- (b) Any special services or facilities that are provided to enable or facilitate the carrying out of work.

Section 35 places a general qualification on the exceptions. It provides that no employer shall be entitled, by virtue of any of the exceptions, to accord any person in respect of any position in respect of any position different treatment based on a prohibited ground of discrimination even though some of the duties of that person would fall within any of those exceptions if, with some adjustment of the activities of the employer (not being an adjustment involving unreasonable disruption of the activities of the employer), some other employee could carry out those particular duties.

Our guide for Employers and Managers

In an opinion now known as The Stagecoach Opinion, the Human Rights Commission considered the concept of reasonable accommodation in relation to sections 44 and 52 of the Human Rights Act 1993. In this instance, the Commission had received a number of complaints in relation to the provision of public transport in Wellington by Stagecoach Wellington. The substance of the complaints was that the bus service provided only vehicles that were totally inaccessible to people in wheelchairs.

The Commission considered it unnecessary to determine whether or not this failure in the provision of services constituted direct or indirect discrimination, as both are unlawful. Finding in favour of the complaints, on the issue of reasonable accommodation, the Commission found:

11.1 The combined effect of sections 44 and 52 was to apply the concept of reasonable accommodation to the provision of services. The Commission considered the concept to extend to establishing "good reason" for what might otherwise amount to indirect discrimination. The statute as a whole established the right of people with disabilities to live normal lives as fully integrated and empowered members of the general community except to the extent that such right might not be reasonably able to be catered for. Service providers thus have a positive obligation to accommodate the reasonable requirements of people with disabilities: C170, 171, 172/94; Human Rights Commission; 17 November 1994.

In this opinion, the Commission stated that what was "reasonable" or "good reason" was to be determined in all the circumstances of the case. In determining what was reasonable in these circumstances it considered:

- The nature of the service;
- ▶ The nature and size of the service provider;
- ▶ The availability of alternative technology to that currently in use;
- ▶ Financial circumstances;
- ▶ The availability of alternative services; and
- ▶ The conduct of the service provider.

This reasoning is applicable to sections 22 and 29.

In the *Smith* case (above) the Employment Court held that Air New Zealand had employed Mr Smith as a pilot and not as a pilot in command, or more specifically, as a 747-400 captain. This, it further held, obliged the airline to consider what duties it could assign to Mr Smith once he reached the age of 60 years. It was not entitled to say that turning 60 was necessarily the end of Mr Smith's career and could have allowed him to make the transition to the command of Boeing 737-300 aircraft. On this obligation, it stated:

[122] ...To the extent that Mr Smith may have been able to have operated some B733 services and to have been unavailable as a stand-by captain for some B733 services, s 35 Human Rights Act 1993 would apply. That is, some adjustment of Air NZ's rostering not being an adjustment involving unreasonable disruption of its activities could have enabled other employees to have carried out the affected duties.

[123] Air NZ's age 60 pilot policy (insofar as it applied to all pilots in command) and its application to Mr Smith were in breach of s 22(1) Human Rights Act 1993. The employer's actions were not exempted by other sections of that Act. The only justified restrictions that Air NZ could lawfully impose were on pilots in command of B744 services where over 60-year-old pilots were, in reality, unable to operate. This did not include B733 pilots in command but Air NZ's policy purported to

Our guide for Employers and Managers

cover them. I am satisfied that s 35 of the Human Rights Act 1993 enabled and obliged the company to adjust its rostering arrangements so as to prevent age discrimination against B733 pilots in command. It did not do so. In addition, implied obligations of fair and reasonable treatment of its employees included an obligation on Air NZ not to discriminate against them unlawfully.

The reasoning applied in this case is applicable to discrimination in employment on the basis of disability.

#### **Employment Relations Act 2000**

#### Discrimination in employment

Section 103 provides that an employee may have a personal grievance because of a claim that the employee has been discriminated against in the employee's employment.

Section 104 [abridged - the section also refers to discrimination on the basis of an employee's involvement in the activities of a union, or, discrimination of an employee's refusal to do work on the basis of health and safety] provides that an employee is discriminated against in that employee's employment if the employee's employer, or a representative of that employer, by reason directly or indirectly of any prohibited grounds of discrimination in section 105:

- Refuses or omits to offer or afford to that employee the same terms of employment, conditions of work, fringe benefits, or opportunities for training, promotion, and transfer as are made available to other employees of the same or substantially similar qualifications, experience, or skills employed in the same or substantially similar circumstances; or
- ▶ Dismisses that employee or subjects that employee to any detriment, in circumstances in which other employees employed by that employer on work of that description are not or would not be dismissed or subjected to such detriment; or
- Retires that employee, or requires or causes that employee to retire or resign.

In this section, detriment includes anything that has a detrimental effect on the employee's employment, job performance, or job satisfaction.

Section 105 provides that the prohibited grounds of discrimination referred to in section 104 are those that are set out in section 21(1) of the Human Rights Act 1993, and that each ground has the same meaning as given to it by section 21(1) of the Human Rights Act 1993.

#### Exceptions and reasonable accommodation

Section 106 provides that section 104 must be read subject to the provisions of the Human Rights Act 1993 dealing with exceptions in relation to employment matters, and, that that means sections 24 to 35 of the Human Rights Act 1993 must be read as if they referred to section 104 of this Act.

In Wilson v Sleepyhead Manufacturing Co Ltd [1992] 3 ERNZ 614, the summary dismissal of an employee who worked in a factory environment, often at heights and using welding equipment, after having the second of two epileptic seizures in within four months was found to be unjustified

Our guide for Employers and Managers

on procedural grounds. However, the Tribunal found that the employer's concern about safety was justified and could have justified dismissal on notice:

I find that the employer's concern about safety was justified. While its haste to dismiss can be criticised, the basis for its concern was not fanciful. There was a small but nevertheless foreseeable risk that Mr Wilson, a fit young person, could be permanently disabled as a result of a fall from a height or into a machine, or that he could suffer a disabling or disfiguring burn from a welding torch. If that had occurred, it is not at all hard to envisage the media, with its remarkable hindsight, being scathingly critical of the employer. Such belated sympathy would be no comfort to Mr Wilson. And the employer would not be able to take much comfort from the fact that it had given in to Mr Wilson's own wish to remain in his job.

I accept that there were no perfect solutions to the problem, from either party's point of view. For example, clipping onto a safety line during high work would not provide the complete answer. Likewise, I accept that having a "minder" close by at all times would not be practical or economical. Dr Glasgow was clear that high work and hot work were outside the range of acceptable risks until a reasonable time without incident had elapsed.

If Mr Wilson could not do his job safely, then dismissal came within the range of possibilities which the employer had to consider. It was not the only possibility. For example, a temporary replacement might have been explored. However, some discretion must be left to the management. No court or tribunal ought, in effect, to appoint itself the manager of an enterprise and take over the decision-making process on exactly the same footing as the management which has to run the business efficiently and profitably. It was necessary at least to suspend Mr Wilson's employment. In the balancing exercise which then had to be done, I accept that dismissal on notice was within the range of justifiable actions that the employer could have taken. Mr Wilson's wish to carry on as normal is commendable but, on the evidence which became available after the dismissal, the employer was justified in taking the decision out of his hands.

### **Disability and Employment**

#### **Pre-employment**

It is unlawful to discriminate against a person on the ground of disability. A disability may be physical, psychological, or psychiatric.

Discrimination in the pre-employment setting may be direct or indirect; the failure to offer a person in a wheelchair an interview on the basis of that person's disability is direct discrimination. The requirement that all applicants for a position pass a literacy test may be indirect discrimination against people with reading and/or learning disabilities.

If a person, who presents to be considered for a vacant position, has the right qualifications for that position and has demonstrated (in his or her work history if not otherwise) that he or she is capable of fulfilling the expectations of the position, then this person should be considered for it. If this person has a disability, and the person's disability can be reasonable accommodated, then it is unlawful to discriminate against this person on this ground.



Our guide for Employers and Managers

When conducting pre-employment screening, it is very important that you understand the legislative environment in which that screening takes place. In addition to the anti-discrimination provisions of the Human Rights Act 1993, you need to consider the provisions of the Privacy Act 2020.

The collection principles (Information Privacy Principles 1 to 4) of the Act stipulate that you should not randomly collect personal information about an individual; any collection of personal information should be related to the individual's employment or prospective employment. If you seek information that has little, or nothing, to do with the individual's employment or prospective employment you risk a claim by that individual that you have interfered with their privacy.

Refer to the A-Z Guide on Privacy for more information.

#### **EEO**

If you are an "EEO" employer, then you will know through your association with the Equal Employment Opportunities Trust that you have a strong commitment to ensuring that your employment policies, including recruitment and selection, encourage and welcome diversity in your workplace.

Refer to the A-Z Guide on Equal Employment Opportunities for more information.

#### Application for employment forms

As already mentioned, above, pre-employment screening must be conducted within the bounds of the Privacy Act 2020 and the Human Rights Act 1993.

Having a "blanket" or "one size fits all" application for employment form for your organisation may be problematic if it seeks information from applicants that is relevant to one type of employment but irrelevant to another. You should review your organisation's application for employment forms at least annually, to ensure that these forms are current and relevant.

If your organisation's application for employment form seeks information about a person's health status, including whether or not the person has a disability, the form itself should indicate the purpose for which that information is sought. In addition, you should have a clear policy as to how that information may be used so that your managers (and anyone else who is responsible for recruitment) do not unlawfully discriminate on the ground of disability.

Refer to the A-Z Guide on Application for Employment for a SAMPLE form which contains commentary notes on the Privacy Act 2020 and the Human Rights Act 1993.

#### Medical examinations

As a rule, there are very few pre-employment situations where it is necessary to conduct a pre-employment medical examination. Generally pre-employment medical examinations are appropriate and lawful only where international regulations require a prescribed level of fitness (example: airline pilots) or international standards have normalised a fitness level (example: police officers).

Refer to the A-Z Guide on Medical Examinations for more information.



Our guide for Employers and Managers

#### **Tests**

Under this heading, and elsewhere in the A-Z, pre-employment testing refers to processes that a person completes to test his or her ability and skills; pre-employment checking refers to external checks on a person to ensure the integrity of the information the person has provided in relation to qualifications, history, licenses, experiences, or credit worthiness.

Pre-employment tests may be carried out before an offer of employment is made to a person. These tests are designed to ascertain whether or not the applicant has the skills required to do the job. It is a very valuable way of assessing suitability and proficiency.

Before conducting pre-employment tests you should be confident that the skill you are testing for is an important element of the vacant position, and, that the test is not indirectly discriminatory.

In 2001 the Complaints Division (no longer in existence) of the Human Rights Commission found that a company's failure to allow a forklift driver, who had been employed by the company for 18 years, a reader/writer to assist him during a literacy test was discriminatory. The literacy test formed part of the company's selection process for redundancy:  $M \ v \ A$  - Settlement by the Proceedings Commissioner (A245) October 2001.

The Complaints Division noted that section 29 of the Human Rights Act 1993 requires employers to consider whether they can reasonably provide services or facilities to enable a person with a disability to perform the duties of the position. It found that this duty of employers applied to all aspects of employment including selection processes. This man was qualified for employment as a forklift driver and the company had failed to accommodate his disability.

The Complaints Division also found that the requirement for all employees to pass a literacy and numeracy test was indirectly discriminatory against people with learning difficulties.

Before undertaking any pre-employment checks it is important to consider the relevance of these checks. Some checks that are not directly relevant may be indirectly relevant; for example a criminal record check may not seem important for the job because it does not involve money, children or being in other peoples' homes but it may involve overseas travel, and the applicant's ability to enter certain countries may be inhibited by a criminal record.

#### **During employment**

The employment relationship is subject to change; from time to time throughout the employment relationship an employee may be affected by injury or illness, or both. Generally speaking, employers have an obligation to accommodate these changes.

#### Reasonable accommodation

The obligation to reasonably accommodate disability applies throughout the employment relationship.

In  $B \vee G$  and V - Settlement by Proceedings Commissioner (C63/00), the Proceedings Commissioner held that a man, employed to work as a labourer in a warehouse, who had recently recovered from



Our guide for Employers and Managers

a shoulder injury and who had difficulty manually moving large drums in the workplace as a consequence, was discriminated against in his workplace because of the injury. The employer had suggested to him that he was getting too old to handle the work and should go on the sickness benefit.

The Proceedings Commissioner said that sections 29 and 35 of the Human Rights Act 1993 require employers to turn their minds to the way the job and equipment might reasonably be modified to accommodate, without undue disruption or expense, the disability in question.

In S v C and D - Complaints Division (C425/00), the Complaints Division concluded that this complaint had no substance. The employee, a policy analyst who had begun to experience pain in his hands as a result of a heavy typing workload, complained that his employer was refusing to accommodate his disability when it would not supply him with voice recognition software.

The Complaints Division considered section 29 of the Human Rights Act 1993 and held that the employer came within the exceptions in that section. It had taken steps to provide the employee with a variety of special services and facilities, including engaging a physiotherapist for all staff and arranging for another employee to type his lengthy documents. In refusing to supply voice recognition software the employer had advised that it would be disruptive to other staff in its open plan environment.

#### Ensuring health and safety

Sometimes, a disabled employee's return to the workplace may pose a risk of harm to the employee or others. This can be a very difficult situation to assess; it is unlawful to discriminate against an employee in this instance unless the risk to the employee or others is unreasonable.

The decision of the Employment Tribunal in *Wilson v Sleepyhead Manufacturing Co Ltd* (above) is helpful.

In *Radio New Zealand Ltd v Snowdon* (Unreported) WC 24A/03; 17 July 2003; Shaw J, the Employment Court considered whether the company could require Ms Snowdon to undergo a medical examination, to establish her fitness for work, before she returned to work.

The provisions of the Human Rights Act 1993 were not considered in this case; however on the basis of the employer's obligations under the Health and Safety in Employment Act 1992 the Court determined that the employer was entitled to more information than it had so far received about Ms Snowdon's medical statement before it allowed her back to work.

#### Terminating employment

The information provided under this heading is brief, and does not cover all of the considerations relevant to any decision to dismiss an employee as a result of disability.

Note the discussion under the heading Unlawful Discrimination, above, about the possibility of an employee challenging his or her dismissal under the Employment Relations Act 2000, and making a complaint of unlawful discrimination resulting in detriment under the Human Rights Act 1993.



Our guide for Employers and Managers

#### Incapacity

The term incapacity is applicable to changes in an employee's ability to fulfil a significant portion of the employee's contractual obligations, and, an employee's inability to fulfil any of the employee's contractual obligations. It does not necessarily mean permanent and/or total incapacitation.

The law has long recognised that an employer is not bound to hold open a job for an employee who is sick or prevented from carrying out his duties for an indefinite period. However, there are strict rules of procedural fairness that must be taken into account in any decision to terminate an employee's employment for incapacity.

Refer to the A-Z Guide on Incapacity for more information.

#### Frustration

The doctrine of frustration rarely applies in employment; an employment agreement brought to an end (because the employee is dismissed) by the employer in response to the employee's inability to work is not a frustrated contract. For the employment agreement to be frustrated it must come to an end because of the occurrence of a supervening event that renders performance impossible or radically different from what the parties had intended.

In Smith v Air New Zealand (above) the Employment Court rejected the employer's contention that Mr Smith's employment had been frustrated by his reaching the age of 60 years.

As noted above, the principles discussed in Smith in respect of age discrimination, apply to discrimination on the ground of disability.

#### Conclusion

Disability in employment is a complex issue. In any instance, an employer's decisions or actions in respect of a person or employee who is disabled may, or may not, constitute unlawful discrimination under the Human Rights Act 1993 or the Employment Relations Act 2000.

The broad range of health issues covered by the definition of disability means that whether or not an action or decision may constitute unlawful discrimination is often one of the last considerations in deciding to implement it.

If you have any concerns about any of your individual employees in relation to a health or disability issue, or, are planning on introducing or using any screening processes at any stage during the employment relationship, then contact the AdviceLine Team and run your plans past one of EMA's employment advisors first.



Our guide for Employers and Managers

#### Remember:

- Always call AdviceLine to check you have the latest guide (refer to the publication date below).
- Never hesitate to ask AdviceLine for help in interpreting and applying this guide to your fact situation.
- ▶ Use our AdviceLine employment advisors as a sounding board to test your views.
- Get one of our consultants to draft an agreement template that's tailor-made for your business
- ▶ Visit our website www.businesscentral.org.nz regularly.
- Attend our member briefings to keep up to date with all changes.
- ▶ Send your staff to Business Central Learning courses and conferences designed for those who manage employees.

© Business Central

[Reviewed: May 2021]