



**National Council of
Women of New Zealand**

Te Kaunihera
Wahine O Aotearoa

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**Submission to the Government Administration Committee on the
Parental Leave and Employment Protection (Six Months' Paid Leave
and Work Contact Hours) Amendment Bill 51**

1. The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing 288 organisations affiliated at either the national level or to one of our 20 branches. In addition to our organisational membership, about 260 women are individual members of branches. NCWNZ's function is to represent and promote the interests of New Zealand women through research, discussion and action. This submission has been prepared by the NCWNZ Employment Standing Committee and the Parliamentary Watch Committee after consultation with the membership of NCWNZ.

Summary

2. We support the Employment Protection (Six Months Paid Leave and Work Contact Hours) Amendment Bill (the Bill) as an important step towards NCWNZ policy of 12 months paid parental leave (PPL). In particular, we support the proposals around work contact hours.
3. Our support is based on the importance of PPL in providing: better physical and psychological health for the baby, mother and family; reduced future costs to society in the areas of health, education and justice; and improved employment equity for women. We believe that the cost of PPL is a public investment in the future and its staged extension will enable the Government to absorb the cost in the shorter term.

Introduction

4. NCWNZ welcomes the opportunity to comment on the Bill. We consider the provision of PPL as not only an employment obligation at no cost to the employer, but also as a health, economic and social benefit to New Zealand society as a whole. Our policy on PPL was first established in 1994 and was amended in 2007 to support 12 months paid leave. We see the Bill as an important step towards that goal. Our related policy positions include support for the principle of family friendly workplaces, the active promotion of the benefits of flexible work environments and support for the legislation on rest breaks and infant feeding.

5. The case for extending PPL has been well-established and we believe is generally accepted by the New Zealand public. NCWNZ has made a number of submissions on the issue, the most recent being on an earlier version of the Bill in August 2012. We reiterate that our support is based on the importance of PPL in providing: better physical and psychological health for the baby, mother and family; time for the parents and baby to bond; freedom from time and financial pressures during a crucial period; better work-life balance; reduced future costs to society in the areas of health, education and justice; and improved employment equity for women. We note that the World Health Organisation advocates six months as the recommended time for breast feeding given its importance for babies' health and development.
6. Countries with which New Zealand usually compares itself have significantly better PPL. These include, for example, the United Kingdom and Canada which have 12 months and 50 weeks respectively, with various levels of eligibility and payment. We also note that better PPL is in accordance with the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which calls for PPL as part of the rights of women to equality in the workplace and which the Government has signed. Our submission comments on specific clauses in the Bill.

PART 1 Amendments to come into force 1 April 2016: Clauses 4-13

The extension of PPL to 22 weeks

7. NCWNZ supports the staged extension of PPL to 22 weeks in 2016 then to 26 weeks in 2018. Comment from our members includes that they support the Bill:

... not because we believe it is good to separate an infant from its mother at the age of six months (indeed, we think it would be good for babies to have full-time care from their mothers for at least two years) but in a less than ideal world six months of maternal bonding is better than four. Many mothers need to be in paid employment, and any move to increase the amount of time these mothers can spend with their babies during these early months is likely to have a better outcome for the babies.
8. NCWNZ believes that the cost of PPL is a public investment in the future and its staged extension will enable the Government to absorb the cost in the shorter term. The importance of the early years of a baby's life is well-established. Forming bonds between mother and baby and supporting the family during that time will have a positive impact on the longer-term physical and mental development of the child. We see this as having cost benefits in terms of reducing the future cost of remedial education and health services, with, we believe, a positive impact on the current high rate of imprisonment in New Zealand.
9. We note other continuing savings set out in the Report of the Government Administration Committee, 28 February 2014. These include estimated potential savings related to: reductions in early childhood education subsidies reflecting a corresponding reduction in childcare needs; additional tax from recipients of PPL; additional tax from temporary employees filling in for those on PPL; and a reduction in benefit payments as a result of beneficiaries replacing PPL recipients. Broader

and more indirect economic benefits include the potential for a better retention of skills and knowledge and continuity for both employee and employer.

10. While noting the future positive impact of extending PPL and identifying potential savings, NCWNZ acknowledges additional costs involved. We believe these to be well worth the investment. Certainly that is the view of the large number of countries that provide significantly better PPL, in terms of both length of leave and payment.
11. Our members expressed unanimous, strong support for extending PPL. A small number thought that better PPL could encourage people to have children thus reversing the current trend towards smaller families. One member referred to the need for a universal basic income, not based on work hours, as an approach to adequate parental leave.

New sections of the principal Act: Clause 14

71HA Work contact hours during paid leave: 71HB Effect of working for work contact hours: 71HC Transfer of work hours:

12. NCWNZ supports the proposals around work contact hours, the effect of working for work contact hours and the transfer of work hours. In particular, we support employees having the choice to work without endangering parental leave income. The proposals will help some parents to maintain a degree of currency in their careers, while still establishing that vital bond with their baby. This, we believe, will help address gender-related career disadvantages related to gaps in employment. It will also contribute to the retention of skills and knowledge for both the worker and the employer.
13. Some members expressed a degree of concern that pressure could be brought on the employee to return to work and that some protection was needed to counter that. Monitoring of conditions and observance by employers and employees would be necessary. For example, there should be no expectation that the person taking PPL would 'slip back into work' for a few days/hours from time to time during this period.
14. We note the complaints procedures set out in the principal Act (1987). How adequate these have been, however, is difficult to assess. NCWNZ believes that it is important that both the law and the employment contract is discussed and clearly understood by all parties so that there are no misunderstandings awaiting an employee who returns to work during or following PPL. A number of our members expressed concerns regarding the lack of information about available entitlements. Comprehensive communication and ongoing accessible information around employment rights should, therefore, be part of an implementation strategy for the new law.
15. A small number of our members, in expressing support for flexibility around employees returning to work, acknowledge difficulties that could arise for an employer in adapting to the changes.

PART 2 Amendments to come into force 1 April 2018: Clauses 19-31

The extension of PPL to 26 weeks.

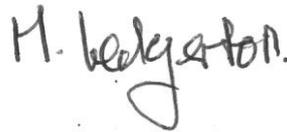
16. In accordance with our introductory comments, the NCWNZ supports the extension of PPL to 26 weeks as a significant step towards our policy of 12 months. We also support the proposals around work contact hours during the 26 weeks.

Conclusion

17. We support the Bill as an important and welcome step towards achieving NCWNZ policy of 12 months paid parental leave. We request the opportunity to appear before the Select Committee to make an oral submission on this Bill.



Rae Duff
National President



Margaret Ledgerton
Convener, Employment Standing Committee