



**National Council of
Women of New Zealand**

Te Kaunihera
Wahine O Aotearoa

National Office
Level 4 Central House
26 Brandon Street
PO Box 25-498
Wellington 6146
(04)473 76 23
office@ncwnz.org.nz
www.ncwnz.org.nz

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S16.02

**Submission to the Inland Revenue Department on
Exposure draft PUB00225:
Income tax, Working for Families tax credits – principal caregiver –
dependent child – primary responsibility for day-to-day care –
meaning of “temporary basis”**

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 Economics Standing Committee based on previous related submissions and existing NCWNZ policy.

1. Introduction

- 1.1. NCWNZ has a long history of advocating for adequate support for children and for mothers as caregivers (resolution 1.10.1 from 1896, resolution 1.10.2 from 1976¹).
- 1.2. In previous submissions National Council of Women has argued that the best interests of the children affected should be central to any legislative and policy changes with respect to child support, benefits for children and child tax credits².
- 1.3. Changes should also recognise that although there are cases in which men are the primary caregivers for children, in the great majority of cases women are the people tasked with caregiving³.
- 1.4. Caregiving is a gendered role in our society, and it is often undervalued. This means that women are expected to take on the burdens of caregiving without being rewarded for it, because it is taken to be their natural role.

¹ NCWNZ. 2012. *115 years of resolution*,

² NCWNZ. 2012. Submission to the Social Services Committee on the Child Support Amendment Bill. S12.17.

³ NCWNZ. 2010. *Submission on the Supporting Children*, S10.27.

2. What does temporary mean?

- 2.1. Exposure draft PUB00225 proposes that a number of factors should be taken into account when determining whether a person has become the principle caregiver for a child on a temporary basis, and so is entitled to claim Working for Families tax credits in order to support that child. It is a matter of judgement whether sufficient criteria are met for the entitlement to change to the new temporary caregiver.
- 2.2. One critical criterion is the length of time a child is with a caregiver for. The exposure draft suggests a period of three to four months. It is not clear why three to four months is chosen as the measure, rather than say two to three months, or five to six months, or one year. No justification is given for the length of time.
- 2.3. The flexibility of the three to four month guideline may mean that some caregivers may miss out on Working for Families tax credits, because an assessor opts for the longer time period. This may especially be the case for women who are temporary caregivers, because caregiving is seen to be part of women's natural role, and thus not an added burden.
- 2.4. **NCWNZ suggests that a definite time period should be set. Further, this time period should be set at three months, or 13 weeks.** This would be consistent with one whole school term and attached school holidays. People assessing the eligibility for Working for Families tax credits could have the discretion to reduce this required time period, but not to increase it.
- 2.5. If the time period was the only criterion for assessing eligibility, then it might not be appropriate to set a definite time period. However given that there are a number of other criteria, it seems possible to make the time criterion more precise, and to link it to some recognisable period aligned to the usual patterns of family life.

Rae Duff
National President

Deborah Russell
Convener, Economics Standing Committee