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**Submission**

of the

**New Zealand Nurses Organisation**

to the

**Department of Labour**

on the

**Review of Paid Parental  
Leave Scheme**

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**10<sup>th</sup> July 2003**

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# **Review of Paid Parental Leave Scheme**

## **1.0 INTRODUCTION**

- 1.1 The New Zealand Nurses Organisation (NZNO) is pleased to participate in a review of paid parental leave (PPL). An early review of this scheme is particularly welcome. Though this scheme was a watershed event for New Zealand and marked a significant step forward in respect of employment rights for workers and women, the legislation did not meet some fundamental expectations. NZNO concerns focus around eligibility criteria, the level of payment and the length of PPL. This submission focuses on those issues and also makes comment on eligibility relating to hours per week, whaangai adoptions and breast feeding breaks.
- 1.2 The New Zealand Nurses Organisation (NZNO) represents over 34,000 nurses, midwives, nursing students, health care assistants, health care technicians and professionals. NZNO is the largest organisation of health professionals and other health workers in New Zealand. Women comprise 90 percent of the NZNO membership.
- 1.3 NZNO policy on paid parental leave established in August 2000 reads:

*NZNO is committed to obtaining 14 weeks paid parental leave for its members, including those who undertaken long term fostering of children under the age of 12 months.*

- 1.4 The consultation document requests comment on the costs and benefits of a number of proposals related to PPL. NZNO feels limited in its ability to fully comment on these without the data from the evaluation commissioned by the Department of Labour. Information from that evaluation would have enabled more informed participation. NZNO is dismayed that this information has not been available to groups making submissions.

## **2.0 BACKGROUND**

- 2.1 Parental leave and childcare requirements are the biggest issues facing women workers. Nurses and women workers face significant workplace disadvantage in respect of career progression, work opportunities and work availability because of child caring responsibilities. Parental and childcare responsibilities were the major reasons given by nurses for not choosing to work in clinical practice in a survey commissioned by the Nursing Council of New Zealand in 2002<sup>1</sup>.
- 2.2 Paid parental leave increases women's choices about the timing of children. The recently released student debt survey undertaken by NZNO and the New Zealand University Students Association revealed that nurses are reluctant, because of debt, to withdraw from the workforce to have children. Adequate paid parental leave payment is essential to ensure that women make the choice to have children at a time that suits them and is not financially disadvantageous. Women work in paid employment to secure adequate incomes – income while on parental leave is a financial necessity.
- 2.3 This quote from the student debt research report demonstrates the reality for many nurses:

*“I only have one child due to the current situation of myself working full time (and paying off student loan) as well as paying for day care for my pre schooler. The trouble is, I am nearing my mid thirties, time will be against me. A difficult situation and really no way out at this point”...*

*33 year old Pakeha married, mother of one (NZNO and NZSUA, 2003)<sup>2</sup>*

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<sup>1</sup> New Zealand Health Information Service. *Non- Practising Nurses and Midwives 2000*. Wellington: New Zealand Health Information Services 2001.

<sup>2</sup> Brown, E and R Mathews, comp. *The Impact of Student Debt on Nurses: An Investigation*. Wellington: The New Zealand Nurses Organisation and the New Zealand University Student Association, 2003.

- 2.4 Providing paid parental leave is critical to the recruitment and retention issue of nurses. Paid parental leave offers increases women's ability to retain ties with the workforce.

### **3.0 RESPONSE TO CONSULTATION DOCUMENT**

#### **3.1 Re: Extending eligibility to self employed persons**

- 3.1.1 NZNO advocates the extension of the PPL scheme to all women in paid employment and especially to women on low incomes. We agree with the Council of Trade Unions (CTU) comment that PPL is an employment right.

#### **3.2 Re: Extending eligibility criteria to those employed by more than one employer in the previous twelve months**

- 3.2.1 NZNO is concerned about the limits of the current criteria and strongly support the removal of the criteria that ties eligibility to a single employer.

- 3.2.2 NZNO notes the reference in the CTU submission to the Department of Labour research showing large number of employees are not eligible for PPL because they have changed employers during the year before their child's birth. In the nursing and health workforce there is a high level of consistency and continuity in employment although there may be changes of employers. The criteria tying eligibility of PPL to one employer is unfair to these women.

- 3.2.3 NZNO is aware of many instances of nurses who have changed employment during the year before their child's birth but remained in the same speciality area and who have thus foregone their right to paid leave entitlement. One example is of a nurse working for a District Health Board (DHBs) for ten years and changing to work for the local polytechnic in a nurse teaching role in the same specialty area. There are many other examples of nurses changing employers but remaining in nursing.

- 3.2.4 NZNO is particularly concerned that a nurse transferring employment between DHBs, and who has worked for more than 12 months for the former DHB, would be ineligible for PPL. For example - a nurse transferring employment from Waitemata Health DHB to South Auckland DHB is ineligible for PPL under the current scheme. It is our view, that in this instance, the state is the employer. NZNO believes that changing between DHBs should not be deemed as changing employers.
- 3.2.5 NZNO supports change to the tenure requirement to: “continuous employment is defined as working for at least nine of the last twelve months with one or more employers” as suggested by the CTU. We would also go further and suggest that all women in paid employment be eligible for the 14 weeks paid leave, and those who do not meet the new tenure requirement have no eligibility to the extended leave. Thus more women would qualify for the full leave, including extended leave, and all women in paid employment would qualify for the paid entitlement without requiring employers to protect jobs for the full 12 months in such cases.
- 3.2.6 NZNO reiterates the concern made in our submission to the Parental Leave and Employment Protection Amendment Bill that women should not be disadvantaged, and be ineligible for a second period of PPL, if they have not returned to work within twelve months of taking the previous period of PPL.

**3.3    Re: People whose sum of weekly hours from more than one job is 10 or more hours on average.**

- 3.3.1 NZNO supports a reduction in the required minimum number of hours worked per week. There are many instances where nurses work less than ten hours e.g. many nurses work one 8 hour shift a week and therefore are ineligible for PPL.
- 3.4    Re: Other caregivers such as grandparents or people adopting the child under whaangai or other cultural arrangements.**

- 3.4.1 NZNO consulted with its Maori caucus NZNO Te Runanga Aotearoa O NZNO about the concept of whaangai adoption. The practice of informal adoption in Maori communities, iwi and families is a long standing tradition and continued practice. Many sisters, brothers, aunts, uncles and grandparents look after children under the Maori practice of whaangai adoption. It is a long established cultural tradition and occurs for many reasons - some of which may be social, some economic and/or traditional.
- 3.4.2 Te Runanga Aotearoa O NZNO insist that these patterns and traditions are recognised and acknowledged and that obligations to Te Tiriti O Waitangi demand respect of Maori cultural practices and access by Maori to benefits and options open to Pakeha.
- 3.4.3 NZNO recommends there be discussion with iwi and Maori authorities to ensure appropriate eligibility consideration for paid parental leave in circumstances of whaangai adoption. Usually in a whaangai adoption one person can be identified as the primary caregiver and a process to verify this could be developed in consultation with Maori. Such a process may require authentication from the iwi, hapu, whanau, a recognised authority or parents. The purpose of the consultation would be to extend the adoption provisions of the PLEPA to whaangai adoptions having regard to the primary purpose of the Act which is to enable new parents to take leave from work.

### **3.5 Re: Amount and Period of Payment**

- 3.5.1 The level of payment should be increased, and the increased entitlement (as opposed to the full entitlement) should be funded from a low rate employer levy.
- 3.5.2 Issues around eligibility to the scheme, including to self-employed and non-employed women, arise as a result of the source of funding being general taxation. The fuller the income replacement level becomes with increases in payments, the more difficult it will be to justify what is a direct subsidy by

government of the costs of employment. We propose that a higher level of income replacement be funded by a payroll levy.

- 3.5.3 Leave taking is an employment cost. Despite PPL, leave taking to care for newborns, remains primarily funded by mothers themselves – through foregoing all or most of their income during the period of leave (depending on their eligibility, their income from work for PPL and the length of leave taken). NZNO would be interested in the data produced by the evaluation around the actual level of income replacement represented by the current maximum payment. We suspect that most women eligible women will be collecting the full payment and still forego a considerable portion of their income, even during a minimum leave period of 12 weeks.
- 3.5.4 While parental leave also has social benefits, this is true for all leave taking – including public and annual holidays and sick and domestic leave. There remains a blatant double standard in relation to the necessary and desirable leave taken after the birth of a baby. Employer resistance to contributing to this employment cost needs to be confronted. The fact of the matter is that women have babies, and need time off work when they do. Imposing a cost on them for this time is directly discriminatory. It is a cost that is not born by other workers, and it is solely attributable to gender characteristics – both biological and socially determined.
- 3.5.5 Unlike directly funded leave taking (annual leave, public holidays, sickness etc), however, parental leave will affect different organisations differently, and those employing more women of child-bearing age should not be expected to carry a disproportionate share of the cost. A payroll levy is a non-discriminatory method of funding that will also avoid any backlash discrimination against the employment of younger women.

3.5.6 We note that the ILO Maternity Protection Convention article 6 (3) states that when payments are based on previous earning they should be no less than two thirds of the previous earnings. In the current New Zealand scheme large numbers of women workers face significant falls in earnings when transferring to paid parental leave.

### **3.6 Re: Increasing paid leave to 14 weeks**

3.6.1 New Zealand is currently in breach of the International Labour Convention 183 on Maternity protection which requires a 14 week period of paid parental leave. This extension should be made to the basic state-funded scheme immediately. It will have significant benefit for eligible women, and by extending the time it will distribute a higher proportion of any available state funds to low income women.

### **3.7 Re: Breast feeding breaks and facilities for mothers returning to work**

3.7.1 NZNO agrees that the decision to breast-feed after returning to work is strongly influenced by social and workplace support. NZNO strongly urges provision for breast-feeding breaks consistent with the ILO Convention 183 Maternity Protection. Breast-feeding breaks have been very difficult to establish into our collective agreements. Legislation would help establish the facilitation of good breast feeding practices in the work environment.