

25 August 2014

Employment Standards Policy Team  
Discussion Document Submissions  
Ministry of Business, Innovation and Employment  
PO Box 3705  
Wellington

Email: [employmentstandards@mbie.govt.nz](mailto:employmentstandards@mbie.govt.nz)

Dear Sir/Madam

**Modernising Parental Leave - Changes to allow greater access and increased flexibility**

Thank you for the opportunity to comment on the above document.

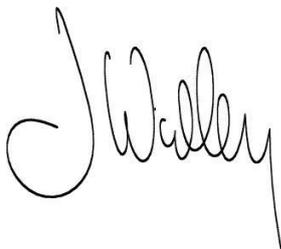
The New Zealand Manufacturers and Exporters Association (NZMEA) represent the interests of manufacturers and exporters throughout New Zealand.

The Association is New Zealand's only focused and independent voice for manufacturers and exporters. Members make over \$6 billion in sales per year, with an export value of around \$3 billion. The Association can trace its beginning back to the early history of New Zealand.

The Association also includes in its membership affiliate organisations such as the Wood Processors Association, the Engineering Printing & Manufacturing Union Inc, the Heavy Engineering Research Association (HERA), and Plastics New Zealand.

We appreciate the opportunity to comment on the above and should you require clarification on any of the points made, please do not hesitate to contact me.

Yours sincerely



**John L Walley**  
Chief Executive

# Submission form

## Modernising Parental Leave – A Discussion Document

### Specific proposals: Questions for consultation

The submission form that accompanies this document lists all the questions that have been asked in the discussion document. You can respond to as many (or as few) of these as you like. Feel free to make additional comments if you think that there are issues that the questions do not cover. Specific examples of what you think is working well, or could be improved would be welcome.

Thank you for taking the time to consider and respond to these important issues.

Please complete this form, identifying you or your organisation and return it by email or post no later than 5pm on Monday, 25 August 2014.

If you are completing the questionnaire electronically, please feel free to expand the length of the spaces provided for your answers and to attach any supporting documents. If you are completing it on paper, please feel free to add other pages but make clear which question your answer refers to.

### MODERNISING PARENTAL LEAVE: SUBMISSION FORM

#### Extending paid parental leave entitlement to less regular (or non-standard) employees and employees who have recently changed jobs or experienced gaps in employment

- 1. Do you think the scope of the extension of the paid parental leave scheme covers the right workers? Or, do you think it is too broad?**

We would generally support the proposals to extend parental leave payments to non standard employees and employees who have recently changed jobs.

We would support the six month test in a role to require that the job be held open.

- 2. Do you see an advantage with the Australian model and, if so, why?**

Whatever the rules of eligibility are, they should be as clear and as straightforward as possible.

- 3. Do you think there are other ways of establishing appropriate criteria? Can you identify alternative options to address the circumstances of non-standard workers?**

Keep it simple. The proposal of 10 hours per week for any 26 weeks in the 52 weeks before the delivery or adoption seems reasonably clear.

- 4. What would be the implications of this for your working arrangements or your organisation?**

The major impact for all small employers is the disruption of holding a job open and the general uncertainty whether or not someone on parental leave will actually return to the workforce.

Enabling limited work days without the loss of parental leave payments will be very helpful - this flexibility should be maximised.

**5. What other issues might the Government need to take account of in the detailed design of this option?**

Nothing to add.

**Recognising diverse family arrangements**

**6. Do you think the extension of the scheme to primary carers is too broad? Would you prefer a list of specific parenting arrangements?**

There is the potential that extending the definition of primary carers will increase the disruption of staff absence during parental leave.

Care will need to be taken that 'double dipping' does not happen in that multiple jobs are not held open around a single child and that unnecessary payments are avoided.

**7. Are there other parenting arrangements, other than those listed above that you think should also be considered?**

Only the primary carer should be eligible for paid parental leave and parental absence. Care needs to be applied to the definition of primary carer and avoid spill over or switching between other 'primary carers'.

**8. Do you have any comments or suggestions on defining 'primary carer' and/or issues regarding verification?**

The definition of primary carer should be the one that captures the essence of dependence, that is, in the absence of that carer the welfare and care of the child would be seriously compromised.

**Enabling employees to work limited days (Keeping in Touch days) during the paid parental leave period**

**9. Are there any particular features of the UK scheme that would create particular difficulties in the New Zealand environment?**

We would support extending the UK scheme to two days per month, this is particularly important in the small company environment found in New Zealand.

Other elements of the UK scheme where an employer is not entitled to 'require' an employee to work seem reasonable.

**10. Under what circumstances would working limited days be beneficial? What would be the benefits? What would be the disadvantages?**

It is hard to see any disadvantages with limited working days and we feel the obvious advantages would be keeping in contact with the workplace, training, lifting the potential of a return to full time work are all positive in regard to the employment relationship.

**11. Is one day per four weeks sufficient? If not, what would be appropriate and why?**

We would support extending the UK scheme to two days, or even more, per month. That said, depending on circumstances, this is something that could be worked out between the employer and the employee to suit their particular needs. This is a very context specific consideration, legislation should encourage flexibility.

**12. What would be the potential impact of such Keeping in Touch Days on you or your organisation?**

They would be largely positive in keeping the employee engaged. It is hard to see any downside.

**Enabling employees to take the unpaid parental leave part-time and flexibly**

**13. Do you support the proposal that employees, with the agreement of the employer, be able to take any remaining extended leave within the 52 week period where they may have temporarily returned to work? If so, why? If not, why not?**

As this change is subject to 'agreement of the employer' we would support the change. It would certainly be beneficial in a number of circumstances from both the employer and the employees standpoint.

This would particularly suit the small employer nature of New Zealand firms.

**Providing extended leave to parents who have been with their employer for at least six months (but less than 12)**

**14. Do you support the option of making unpaid leave available to parents who have been with their employer for at least six months (but less than 12 months) as a pro rata amount of unpaid leave according to length of service? Are there specific challenges your business may face in implementing this arrangement?**

We would support the pro-rata option for service between six and 12 months, these will only be a little more difficult to calculate than the blanket option.

**15. If not, do you prefer the alternative option of a blanket six months unpaid leave period for every employee who has been with their employer for at least six months (but less than 12 months)? If so, why? If not, why not?**

The blanket option is an alternative but depending in circumstances could lead to inequalities.

**16. What might be the impact of such a change on employees, employers, small, medium or large enterprises?**

The impact will always be greatest for small enterprises.

## Modernising Parental Leave

The questions in this submission form are the same questions found in the discussion document. The questions are prompts only, designed to help you focus your response when you make your submission. You do not have to answer every one of these questions and are free to make comments that do not directly respond to any of the questions in the document.

See page 3 in the discussion document for information about how to make a submission. The deadline for submission is 5pm on Monday, 25 August 2014.

We also ask you for a few personal details below. These will help us analyse the submissions we receive. You do not have to provide any information you do not want to. To place a check mark in any of the grey boxes, double click on the box and click 'checked'.

### ABOUT YOU

**1. Full name:**

John Walley, Chief Executive  
New Zealand Manufacturers and Exporters Association (NZMEA)

**2. Are you making this submission as an individual or on behalf of an organisation?**

Individual                       **Organisation**

**Name of organisation:** New Zealand Manufacturers and Exporters Association

**3. Respondent category**

- Employer
- Employee
- Employer Association**
- Other (please specify):
- Union
- Other worker representative
- Community organisation

**4. Which type of industry are you an employer or employee in?**

- |   |  |
|---|--|
| <input type="checkbox"/> Agriculture, Forestry and Fishing          | <input type="checkbox"/> Financial and Insurance Services                |
| <input type="checkbox"/> Mining                                     | <input type="checkbox"/> Rental, Hiring and Real Estate Services         |
| <input checked="" type="checkbox"/> <b>Manufacturing</b>            | <input type="checkbox"/> Professional, Scientific and Technical Services |
| <input type="checkbox"/> Electricity, Gas, Water and Waste Services | <input type="checkbox"/> Administrative and Support Services             |
| <input type="checkbox"/> Construction                               | <input type="checkbox"/> Public Administration and Safety                |
| <input type="checkbox"/> Wholesale Trade                            | <input type="checkbox"/> Education and Training                          |
| <input type="checkbox"/> Retail Trade                               | <input type="checkbox"/> Health Care and Social Assistance               |
| <input type="checkbox"/> Accommodation and Food Services            | <input type="checkbox"/> Arts and Recreation Services                    |
| <input type="checkbox"/> Transport, Postal and Warehousing          | <input type="checkbox"/> Other services                                  |
| <input type="checkbox"/> Information Media and Telecommunications   |  |

If you think these categories do not reflect your industry sector, please specify your sector here:

## 5. Region

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Northland     | <input checked="" type="checkbox"/> Manawatu-Whanganui |
| <input checked="" type="checkbox"/> Whangarei     | <input checked="" type="checkbox"/> Wellington         |
| <input checked="" type="checkbox"/> Auckland      | <input checked="" type="checkbox"/> Marlborough        |
| <input checked="" type="checkbox"/> Waikato       | <input checked="" type="checkbox"/> Nelson             |
| <input checked="" type="checkbox"/> Bay of Plenty | <input checked="" type="checkbox"/> West Coast         |
| <input checked="" type="checkbox"/> Gisborne      | <input checked="" type="checkbox"/> Canterbury         |
| <input checked="" type="checkbox"/> Hawke's Bay   | <input checked="" type="checkbox"/> Otago              |
| <input checked="" type="checkbox"/> Taranaki      | <input checked="" type="checkbox"/> Southland          |

*The New Zealand Manufacturers and Exporters Association represents exporters and manufacturers nationally.*

## 6. Size of business that you are an employer or employee in.

- |  |  |
|--|--|
| <input type="checkbox"/> Self-employed   | <input type="checkbox"/> 20-49 employees |
| <input type="checkbox"/> 1-5 employees   | <input type="checkbox"/> 50-99 employees |
| <input type="checkbox"/> 6-9 employees   | <input type="checkbox"/> 100+ employees  |
| <input type="checkbox"/> 10-19 employees |  |

*The New Zealand Manufacturers and Exporters Association represents 1500 exporting and manufacturing companies nationally. Members employ around 20,000 employees.*

## 7. Gender

- Male     Female     Other

*The NZMEA is providing comment on behalf of manufacturing and exporting companies.*

## 8. Age

- |                                |                                |
|--------------------------------|--------------------------------|
| <input type="checkbox"/> 15-24 | <input type="checkbox"/> 55-64 |
| <input type="checkbox"/> 25-34 | <input type="checkbox"/> 65+   |
| <input type="checkbox"/> 35-44 | <input type="checkbox"/> 45-54 |

*The New Zealand Manufacturers and Exporters Association represents 1500 exporting and manufacturing companies nationally and they employ staff across the age spectrum.*

## 9. Ethnicity

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> NZ European    | <input checked="" type="checkbox"/> Other European         |
| <input checked="" type="checkbox"/> Māori          | <input checked="" type="checkbox"/> Asian                  |
| <input checked="" type="checkbox"/> Pacific Island | <input checked="" type="checkbox"/> Other (please specify) |

*The New Zealand Manufacturers and Exporters Association represents 1500 exporting and manufacturing companies nationally with a range of ethnicities.*

## 10. Contact details

Phone number: 03 353 2540 or 021 809 631

Email address: [johnwalley@clear.net.nz](mailto:johnwalley@clear.net.nz) and [trudydiggs@nzmea.org.nz](mailto:trudydiggs@nzmea.org.nz)

## USE OF INFORMATION

The Ministry is collecting contact information so that we can follow up with a submitter if any submission needs clarification. Remember, you do not have to provide any of the information above that you do not want to.

The Ministry may wish to publish submissions and the names of submitters on its website. If you do not want either your name or submission published, please indicate below:

- I do not give my permission for my submission to be published online
- I do not give my permission for my name to be listed online, either in a list of submitters or as part of any summary of submissions

Your submission may also be requested under the *Official Information Act 1982*. If you object to part or all of your submission being made available, the Ministry will take this into account when responding to requests under this Act.

- I would like the following parts of my submission to be withheld and for these reasons: