

CHiLD POVERTY ACTION GROUP

Child Poverty Action Group

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Transport and Industrial Relations Select Committee

Parliament Buildings

Wellington

Submission: Holidays Amendment Bill

Child Poverty Action Group thanks the Welfare Working Group (WWG) for the opportunity to submit on the issues raised in the paper. Child Poverty Action Group (CPAG) comprises a group of academics and workers in the field dedicated to achieving better policies for children. The aims of our organisation are:

- The development and promotion of better policies for children and young people.
- Sharing information and connecting with other groups with similar concerns.
- Elimination of child poverty in Aotearoa New Zealand.

Introduction

This submission focuses on changes to sick leave provisions proposed under the Holidays Amendment Bill. As set out the change would allow an employer to request a doctor's certificate after one days sick leave.

The Regulatory Impact Statement on this Bill states:

The issue about employers having to manage suspected sick leave abuse and concerns around absences on particular days (for example, a pattern of absences on Mondays or Fridays) are not new issues. If employers believe that employees are gaming sick or bereavement leave in order to get a certain amount of pay, the [current] Act provides employers with tools to manage the taking of the leave. Section 68 of the Act allows employers to obtain medical certificates within three days' absence if they have reasonable grounds to suspect their employees are not genuinely sick. The Department considers that this balances any perceived incentive to abuse sick leave entitlements (p. 27, <http://www.treasury.govt.nz/publications/informationreleases/ris/pdfs/ris-dol-rha-aug10.pdf>).

New Zealand employees are entitled to 5 sick leave days per year – one of the lowest in the OECD. New Zealanders currently take on average 4.6 days sick leave a year, compared with 7.4 days in Britain and 8.6 sick days in Australia. There is no empirical, independent evidence to show that employees are abusing sick leave provisions, or that they abuse sick days any more than employees in other countries, or that rorting the system is on the rise. Further more there is no evidence that creating tighter requirements for medical certificate evidence for short periods off work is a successful approach to improving employee attendance. Such evidence as there is, is from limited studies from the Department of Labour, or is anecdotal, as none of the Ministry of Labour, Statistics New Zealand, or ACC keep sick-day data.

CPAG has concerns about the changes to sick leave entitlements, especially as there is no evidence that they are required. Our concerns are outlined below.

Clause 14, new section 68(1A)

This clause entitles employers to request proof of sickness or injury after one day of sick leave, without reasonable grounds to suspect that the sick leave is not genuine. The employer must meet the employee's "reasonable expenses" in obtaining proof. There is no definition of "reasonable expense" in the Bill.

We **submit** the following:

The law is likely to waste both time and money in an already under-resourced and overburdened primary health care system.

Many families already find it difficult for themselves or their children to access timely doctor's appointments. The effect of this clause could well be to divert doctors and other health personnel away from front-line genuine urgent care into providing unnecessary medical certificates and adding to the administrative burden of medical staff. Employees with minor ailments visiting GPs to obtain proof of illness will exacerbate the problem of medical shortages and put further pressure on services needed for more acute conditions. GP care for children should be a priority, and this Clause has the potential to impede current levels of access to care.

It is not always possible to see a GP on a given day. Many general practices have waiting times of days rather than hours, and it can be very expensive to see an emergency or after hours doctor. Moreover, the waiting times at all-hours doctors can be very long, and may make a minor condition worse. This situation would be made worse in rural areas where the doctor may be some distance away. There is no indication in the Bill whether emergency doctors' fees would be a "reasonable expense", and we **submit** that at a minimum this needs to be clarified. Furthermore it is unclear how the employee will be treated if they are unable to access timely visits to obtain the necessary certificate.

We further **submit** that this clause puts unnecessary pressure on low-income families, as they may be faced with the choice of either going to work when they are sick, or paying a doctor to provide a certificate for an obviously minor ailment that does not require a doctor's review.

Nor will these changes to the current Act address genuine health and safety issues in the workplace, or address the underlying causes of higher than average levels of absenteeism in some workplaces.

Parents who use their own sick leave to care for their children are less likely to stay home with their children if they feel doing so may put their employment at risk.

This could lead to more ill children attending schools and ECE centres, creating public health issues for staff and other children. While the impact of the proposed law on vulnerable workers is yet to be tested, what we do know is that 20% of New Zealand children live in severe or significant hardship, and that half of these children are in working households. New Zealand children already have very high rates of poverty-related diseases such as rheumatic fever - 14 times the OECD average. Families dependent on low-income casualised jobs already struggle with the affordability and availability of health care. Working parents with young children are likely to be particularly vulnerable to the pressures of keeping a job on the one hand, and caring for their children on the other. Many working mothers with small children, for example, may require several periods of time off-work in the winter to care for their children. The alternative - sending them ill to their school or ECE centre - is unacceptable for the child and creates further health risks for the other children and staff in the classroom or centre. The Ministry of Health actively

encourages people who are unwell to stay home or keep unwell children away from school so this strategy would be counter- productive.

We further note that under the provisions of recently passed Social Security (New Work Tests, Incentives, and Obligations) Amendment Act some beneficiaries face a 15 hours per week work test, and face the threat of sanctions should they fail to comply with these provisions. This will put further, unreasonable pressure on parents to send children to their ECE or school if they fall sick.

Workplace relations

We **submit** there is no evidence that making an employer/employee relationship more distrusting by insisting on a medical certificate after one day of sick leave creates a more cohesive or productive work environment. There needs to be clear evidence of why a punitive approach such as that advanced in this Bill is deemed necessary as it is highly likely it may actually undermine a trusting work environment.

Conclusion

CPAG **submits** that this amendment is **unworkable, unnecessary and unfair**. It is likely to have a negative impact on the health and welfare of children and their families. We **submit** this amendment cannot be justified on any available evidence, and that it be deleted.