



J.17

Legislative Statement: Holidays (Increasing Sick Leave) Amendment Bill: Third Reading

Presented to the House of Representatives under Standing Order 272 J.17

The purpose of the Holidays (Increasing Sick Leave) Amendment Bill (the Bill) is to increase the availability of employer-funded sick leave for employees. It aims to better enable all New Zealand employees to access sick leave when they are sick or injured, or when their spouse or partner or someone who depends on them for care is sick or injured. This will ensure that New Zealand's minimum employment entitlements continue to reflect broadly agreed societal expectations about work and just treatment. The status quo is out of step with those expectations.

The Bill amends the Holidays Act 2003 in the following key ways:

- An employee's minimum sick leave entitlement is increased from 5 to 10 days' sick leave per 12-month period (clause 4 of the Bill, amended section 65)
- The Bill keeps the maximum current entitlement at 20 days. Consequently, the number of unused sick leave days that may be carried over is reduced from 15 to 10 days' sick leave a year (clause 5 of the Bill, amended section 66).

The Bill will come into force 2 months after enactment. This means that the proposed changes do not take effect until that time.

With regards to transitional arrangements, the Bill specifies that employees will be entitled to a minimum of 10 days' sick leave when they next become entitled to sick leave for a 12-month period. For example, an employee who has worked for less than 6 months will become entitled to a minimum of 10 days' sick leave for the next 12 months once the employee qualifies under section 63. For employees who have already worked for at least 6 months, they will be entitled to 10 days' sick leave when they reach the anniversary of the first time they completed 6 months.

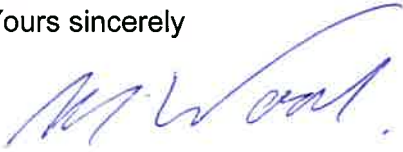
The minimum sick leave entitlement will continue to apply equally to all eligible employees, regardless of whether they work full-time or part-time. Expressing sick leave and other needs-based leave entitlements as a fixed number of 'days' is a core feature of New Zealand's minimum employment standards, and provides certainty and clarity for employers and employees. As sick leave can only be used on days that would otherwise have been working days, an employee's working pattern should in itself reduce the relative likelihood of part-time workers needing to use sick leave.

Currently, employees qualify for sick leave after six months of service with an employer. A number of submissions to the Education and Workforce Committee said that employees should have some entitlement to sick leave from day one of employment, as employees can be sick, or need to care for someone who is sick, at any time. The Government has committed to address this issue, but it is outside of the scope of this Bill and will instead be dealt with under the upcoming broader changes to the Holidays Act that have been recommended by the tripartite Holidays Act Taskforce, which the Government has endorsed.

Officials have begun further detailed policy design work on the Taskforce recommendations and will involve a range of experts and interested stakeholders to make sure we get it right. I

expect to introduce legislation early in 2022 for a package of changes to improve the Holidays Act.

Yours sincerely

A handwritten signature in blue ink, appearing to read "M Wood", with a large, sweeping flourish above the name.

Hon Michael Wood
Minister for Workplace Relations and Safety