

# NATIONAL ADVISORY COUNCIL ON THE EMPLOYMENT OF WOMEN (NACEW)

## ANNUAL REPORT 1998/1999

### Introduction

This Annual Report covers the period from 1 July 1998 to 30 June 1999. The major achievement of NACEW in this period has been the completion of the New Zealand Childcare Survey 1998. NACEW also began to plan for a seminar to present and discuss further analysis of the Survey data, and developed the Terms of Reference for a research project examining the employment, training and earning experiences of sole mothers.

In addition to these projects, NACEW submitted comments to the Social Services Select Committee on the Paid Parental Leave Bill, to the Minister of Social Services, Work and Income on changes to employment and benefit policy, and to Statistics New Zealand on the content of the 2001 Census.

### Childcare

After four years of work, NACEW completed its Childcare Survey during the reporting year, with a joint Department of Labour and NACEW report of the findings launched by the Minister of Social Services, Work and Income at the end of July 1999.

### Background

The survey was initiated by NACEW in 1995. With access to childcare having been identified as one of the key barriers to women's participation in paid employment, NACEW was keen to examine the links between childcare and labour market participation.

NACEW and the Department of Labour agreed to work jointly on the project, with the Department of Labour taking responsibility for the overall project management on behalf of NACEW. In June 1997, the Department of Labour applied for and received funding for the survey from the Ministry of Science, Research and Technology, with Statistics New Zealand subsequently being contracted to collect the childcare data using a supplement to the Household Labour Force.

Survey. Interviewing for the Childcare Survey commenced on Monday July 6 1998 and finished on October 3 1998. Interviews were restricted to term time reference weeks only - 11 out of 13 weeks within the September quarter. A total of 3,809 families, comprising 6,474 parents (including 1,066 Maori parents), and 7,185 children under 14 years of age (including 1,815 Maori children) participated in the Childcare Survey. The response rate to the HLFS in the September quarter 1998 was 91%. Of those people who were eligible to participate in the Childcare Survey, 95% provided a full response. The survey used a combination of face to face and phone interviews, and consisted of two questionnaires - one about children and one about parents.

The key areas covered by the childcare survey questionnaires included:

- childcare use in the reference week;
- difficulties with childcare arrangements and the impacts of these difficulties on parent/caregiver participation in paid work, unpaid work and study and training;
- childcare use in the last school holidays and the numbers of respondents taking time off work to care for their children;
- the demand for changes to childcare arrangements and why the arrangements sought are not currently being used;
- the extent to which childcare is a barrier to participation in work, unpaid work and study and training and why childcare could not be accessed; and
- work arrangements used by parent/caregivers.

## Results

Some of the survey results underlined expected findings:

- women's participation in employment is more likely to be affected by a lack of access to early childhood education (ECE) and care than men's is;
- more mothers take time off paid employment during school holidays than fathers do; and
- women's participation in employment is more likely to be affected by disruptions (for example, sick children) to the family's ECE and care arrangements than men's is.

Other new pieces of information raise serious policy issues. As expected, the availability and cost of ECE and care are important barriers to parents' participation in employment. Less expected was the finding that many parents are opting not to use ECE and care for their own children, even when they have work commitments. This suggests that parents need to be able to arrange their work so that they can care for their children themselves. Family friendly workplaces are more important than ever.

Other results illustrate that:

- ECE and care of children during school holidays has an impact on the employment of parents (particularly mothers). It may also be a significant issue for workplaces;
- the need for different types of care for school aged children shows that increased provision of out of school care is required; and

- a number of 3 and 4 year old children (24% and 16% respectively) did not attend any kind of ECE and care facility. The Council is particularly concerned about recurring cycles of disadvantage, as children of families where at least one parent is Māori, where there is a low family income, or where there is no parent employed, are least likely to access early childhood education.

### **Use of ECE and care arrangements**

60% of pre-schoolers had ECE and care arrangements:

- formal types of ECE and care were most often used for pre-school children, with an estimated 19% of pre-school children going to kindergarten, and 17% attending childcare centres;
- 10% of pre-school children were cared by relatives (other than a parent living in the household) on an unpaid basis;
- the use of ECE and care varied according to a number of demographic characteristics. Pre-school children who were European, from higher income families, from families with a sole parent in employment, or two parents in employment were more likely to have care arrangements than other pre-school children; and
- the majority of parents paid less than \$10 per week for pre-school children who had care arrangements. Parents paying more for care tended to be using childcare centres, and/or someone else who was paid to care for their children.

20% of school aged children had care arrangements, with school aged children more likely to have informal arrangements than pre-school children. The most common arrangement for these children was care by unpaid family members (8% of all school aged children). Before or after school care programmes, someone else paid, someone else unpaid were each used by 4% of school aged children.

Around half of school aged children had care arrangements during the last school holidays. The most common types of care during the school holidays were care by relatives on an unpaid basis (33% of school aged children) and school holiday programmes (15% of school aged children).

### **Disruptions to ECE and care arrangements**

For the vast majority of families (90%) regular ECE and care arrangements ran smoothly in the reference week. Those families who made a change mostly did so because a child was ill (66%). Mothers' employment was more likely to be affected than fathers' by a disruption (45% compared with 28%).

### **Demand for ECE and care**

Parents wanted changes to arrangements for 20% of all children. Of those wanting changes:

- most wanted different types of arrangements (73%), and 39% wanted changes to hours they were using (includes the 13% who wanted both types of changes);
- demand was higher for pre-school children, Māori, children from sole parent families, lower income families and children using more than one arrangement;
- the services most wanted by parents for their children were out of school care (6% of school aged children), kindergartens and childcare centres (each of these wanted for 6% of pre-school children); and
- different types of care were wanted for higher proportions of children currently using someone else who was not paid and playgroups, than for those using other types of care.

### **Problems accessing ECE and care**

Problems accessing ECE and care were a barrier to employment over the last year for 15% of all parents:

- mothers were more likely to be affected than fathers (22% compared to 5%);
- sole parents (30%) were more likely to experience problems accessing care as a barrier to employment, than parents from two parent families (12%);
- mothers from lower income families (26%) were more likely to experience childcare related barriers to employment than mothers from higher income families (18%); and
- while similar proportions of Māori and European mothers (26% and 23% respectively) were affected by problems accessing ECE and care, the proportion of Pacific Islands mothers affected was lower (14%). However, the proportion of Māori mothers who were prevented looking for a job (20%), was higher than the proportion of European mothers who were prevented from looking for a job (14%).

The cost of ECE and care was the single biggest reason reported for problems accessing ECE and care. Of those mothers whose employment was affected, 47% reported that the cost of ECE and care was the main reason. Lack of informal care (30%) and lack of flexible/suitable hours (22%) were the next most common reasons given.

### **Work arrangements of employed parents**

Parents were asked about some of the ways their work was structured. This was not necessarily linked to their need to manage childcare responsibilities:

- just over one third of parents worked in the evenings (37%), a third used flexible working hours (35%), and 30% did some work at home;
- 23% worked for at least 3 hours in the weekend;

- mothers were more likely than fathers to have flexible work hours, do some work at home, and work mainly at home, whereas fathers were more likely to do some work in the evenings and to work during the weekend; and
- there were also differences between European and Māori parents, however these differences are largely influenced by differences in the types of occupations undertaken. European parents were more likely than Māori parents to have flexible working hours, or do some work at home. Māori parents were more likely than European parents to have done shift work or worked mainly in the evenings.

The survey also investigated the use of workplace provisions to help parents manage their childcare responsibilities. Of the types of arrangements that were asked about, having children with them at some time while they worked (11%) was most common arrangement used:

- 16% of mothers compared with 8% of fathers had their children with them at some time while they worked; and
- 29% of self employed parents, compared with 6% of those working for wages and salaries had their children with them at some time while they worked.

NACEW plans to consider the data and their implications further. As an initial step, it is planned to hold a policy-oriented seminar towards the end of 1999. This process will assist the Council in making recommendations to Government on policies most likely to enable and encourage the participation and well-being of parents, families and children.

### **Women on low incomes**

During 1998, NACEW became increasingly concerned about the situation of women on low incomes, in particular women on benefits who were moving into employment. In order to address this concern, a Low Income Subcommittee of NACEW was convened in July 1998, to consider ways in which NACEW could further identify and address the relevant issues. After examining available literature and research, the Subcommittee identified that there was little information on the actual financial and employment experiences of sole parent women, and agreed that a case study approach would best fill this information gap.

In order to clarify the aims and most appropriate methodologies of this research, the Department of Labour, on behalf of NACEW, contracted a group of researchers to develop detailed terms of reference for a project aimed at providing significant new information about this group of women. In the development of this proposal, the contractors, Máire Dwyer, Janice Burns, Jo Lynch and Ani Waaka consulted with organisations having an interest in the area, to ascertain what work had already been done or was currently underway and where they considered more information would be desirable.

As a result of this consultation, and an evaluation of relevant New Zealand and international literature, the researchers recommended a proposed methodology for a project which aims to increase knowledge about the work patterns and employment and training experiences of sole mothers; the circumstances in which sole mothers achieve economic independence; and the factors, including government policy and practice, that assist or hinder this goal. In order to meet this aim, they recommended that the research address the following five questions:

- What are the characteristics of the current jobs undertaken by sole mothers? (Number of jobs; occupation; types of contracts; pay; hours including certainty and predictability of hours; EEO/family friendly; sick leave; length of paid holidays, training and development).
- What is the detailed work, education, training, benefit and relationship history of a sample of sole mothers over the last year, and in broad terms, over their working life?
- What skills and experiences do single mothers bring to their jobs? Is their current occupation down-graded or upgraded compared with their earlier work history - and why? Are their hours of work greater or less than other periods over the last year and why?
- What is the range and extent of in-work costs facing sole mothers? What influences these costs ?
- What is the range and extent of other sources of income accessed by sole parents in work and what influences this income?

This research proposal was completed at the end of June 1999. As the budget for the proposed project exceeded NACEW's available research funds, the Council plans to consider possible funding options, including conducting the research in partnership with other interested agencies.

### **Research on performance related remuneration**

During 1998, the NACEW Pay and Economics Sub-group contributed to a research project commissioned by the Ministry of Women's Affairs on remuneration systems and associated human resource practices.

This specification was put to tender by the Ministry of Women's Affairs, with the resulting project being jointly conducted by Top Drawer Consultants, Rose Ryan and Jane Bryson. The research aimed to:

- investigate whether performance related pay systems and associated human resource management practices discriminate against women, and
- identify the key factors which lead to discriminatory practice in performance related remuneration systems and associated human resource practice, and the range of best practice principles/strategies which organisations could adopt to help ensure that such systems and practices are free of gender or ethnic bias.

NACEW made a financial contribution to the project, which was managed by the Ministry of Women's Affairs. Members of the Pay and Economics sub-group also joined the Steering Committee, which provided oversight of the research.

The research, which included a review of literature and case studies in five organisations, was conducted in the early part of 1998, with the final report published in March 1999.

## **Employment strategy**

NACEW continued to monitor the development and implementation of the Government's employment strategy over the last year. During the 1997/98 year the Council made a submission to the Social Services Select Committee on the Social Security (Work Test) Amendment Bill. This was followed up in July 1998, with a separate submission to the Minister of Employment.

## **Submission to the Minister of Employment on employment policy changes and benefit reform**

This submission advised the Minister that there was support from NACEW members for the concept of assisting and encouraging beneficiaries into paid work. Members also believe that women will be keen to take advantage of any opportunities to increase their skills and become independent. The Council was not however unanimously of the view that it is appropriate that parents of children aged 6 to 13 be required to work part time and parents of children over 13 be required to seek full time employment. Some NACEW members, were of the view that this represents an intrusion by the State into decisions that are properly made by the family unit. Furthermore, NACEW believed that care should be taken to ensure that women are not disadvantaged by their care giver responsibilities, and that their responsibilities to their dependants were not compromised by the responsibilities imposed by work testing.

NACEW also:

- believed that there are potential difficulties in the proposal that job seekers be directed into community work;
- had some concerns about the labour market implications of the proposed changes;
- stressed the importance of information about the changes being accessible to those affected; and
- strongly supported the extension of the childcare subsidy to include out of school care for 5 to 13 year olds.

Other specific recommendations made to the Minister included:

- Any organised activities should be "family friendly".
- Any risk to the safety of a spouse of a work tested person should be regarded as good and sufficient reason for the deferral of work test obligations on that spouse.
- Care should be taken to ensure that community work does not cause displacement of existing or prospective paid work.
- Community work schemes must be designed to benefit the job seekers not the sponsor.
- Care must be taken to ensure community work placements do not displace existing voluntary workers.

- Care should be taken that the financial viability of sponsoring organisations is not dependent on community work schemes.
- Consideration should be given to the costs faced by community organisations in meeting their obligations under the Health and Safety in Employment Act.
- Clear operational guidelines should be provided to help sponsors deal with any situations that might arise due to disruptive or reluctant participants.
- No individual should be required to spend long periods in community work.
- It should be recognised that part time work, undertaken by domestic purposes beneficiaries to fulfil their work test obligations, may not provide sufficient income to support a family. Continued access to income support may be necessary.
- Consideration should be given to the possibility that the imposition of stringent work test obligations may have the effect of driving job seekers out of the labour market.

### **Delivery issues arising from the employment and benefit reforms**

In March 1999 the Council made a submission to Work and Income New Zealand, supporting retention of the structure and role of the Community Employment Group (CEG). Following the merger of the Employment Service and Income Support, Council members expressed concern about the possibility that CEG could lose its operational and funding autonomy, possibly jeopardising the effectiveness of the CEG approach to community development and employment creation.

This submission advised the Team reviewing CEG that many within the Council have had contact with CEG, and are uniformly supportive of the work of that group, particularly in small town and rural New Zealand. Some members noted that programmes have provided valuable employment outcomes, sometimes in the short term, other times many years down the track.

Accordingly, NACEW members endorsed the “community focussed” approach of CEG and expressed the Council’s support for this particular delivery mechanism for employment assistance.

The Council also met with the Chief Executive of Work and Income New Zealand during the year, to discuss with her the future of the Community Employment Group, possibilities for formalising dialogue between WINZ and NACEW, and the concerns of some members about the effects of operational policy on women, in particular sole parent beneficiaries.

### **Submission on the Paid Parental Leave Bill**

In April 1999, a representative of NACEW appeared before the Social Services Select Committee to present the Council’s submission on the Paid Parental Leave Bill.

The NACEW submission noted that parental leave has been a concern of NACEW for many years. NACEW has actively worked with other government-established committees

(including the Maternity Services Advisory Committee and the Select Committee on Women's Rights, both set up in the 1970s) and has advocated for paid parental leave provisions since this time. NACEW was also instrumental in work which led to the passage of the original Maternity Leave and Employment Protection Act in 1980, and has over time, consistently argued that the legislation should be amended to provide for payment for leave, and supplemented by better access to child care services.

The Council submission advised the Social Services Committee that the majority of NACEW members supported the concept of paid parental leave. Individual Council members, however, had a range of views on how this can best be achieved. These views reflected the diverse backgrounds of Council members, including the fact that members include representatives from the NZ Council of Trade Unions and the NZ Employers Federation (which dissociated itself from the NACEW submission). The submission therefore did not either unreservedly support or oppose the Bill in its current form. It did however raise a number of issues for the consideration of Committee including that:

- any legislative change should have a clearly specified policy objective, whether it be employment equity or social policy in support of families;
- both the costs and benefits of various funding options should be considered;
- it is timely to reconsider whether eligibility criteria for parental leave are still appropriate for current labour market conditions; and
- there is an urgent need for improved information and education on the provisions of current parental leave legislation.

The 1997 NACEW study of parental leave policies was also appended to the submission. This study recommended that further work be undertaken to identify the costs and benefits of paid parental leave. The report considered the impact of paid parental leave on individuals, organisations and society as a whole. It also summarised current employment practices of New Zealand organisations, and drew attention to an apparent lack of awareness of parental leave entitlements.

### **Submission on the 2001 Census**

In July 1998, NACEW made submissions to Statistics New Zealand supporting the inclusion of questions on income and unpaid work in the 2001 Census.

NACEW contended that income is a key socio-economic variable, and the information collected is vital in public and private sector planning, and for the establishment and monitoring of income support and taxation policies. Specifically, the Council argued that reliable statistics clearly illustrating all factors relevant to women's employment, including income, are essential to enable NACEW to fulfil its brief. While it was acknowledged that information on income is collected in the Household Economic Survey, and the Household Labour Force Survey, the limitations imposed by sample size are sufficient reasons to continue to collect this information in the census. Likewise limitations of other data sources, such as taxation records and the Quarterly Employment Survey make these sources even less appropriate.

NACEW also commented that consideration should be given to collecting income data that differentiates income from earnings, social welfare payments and other sources.

NACEW also strongly supported the inclusion of a question on unpaid work, contending that it is important that the Government has a complete picture of the productive contribution made by all members of society. This contribution is not defined just by paid work, but also the work done by those caring for dependants without pay and undertaking voluntary and community work. In particular, the Council noted that childcare responsibilities still fall predominantly on women, and have a major impact on the ability of women to participate in paid employment.

NACEW also noted that there has been an increasing reliance on community, voluntary and individual resources to provide caring and support services previously supplied by the State. The community and voluntary sector is also increasingly the vehicle for programme delivery. This makes the activities of this sector increasingly significant and contributes to the need to accurately record the impact of such moves.

The submission also supported the inclusion of a question on unpaid work to allow for trends to be monitored by regular time series information. The Council did not agree that the availability of data from the Time Use Survey negated the need for a Census question in this area, contending that the size of the Time Use Survey sample would not provide statistically significant information about regions and population sub-groups. It was also noted that the Time Use Survey is the first such survey to be conducted in New Zealand, and that there was no guarantee that this survey will be repeated.

### **Council membership and direction**

After six years in the position, Adrienne D'Ath resigned as NACEW Chairperson at the completion of her second term. Claire Johnstone, the Chief Executive of the Wellington Regional Chamber of Commerce was appointed to the position in December 1998.

With the appointment of a new Chair, NACEW members agreed that it was timely to consider the role and strategic direction of the Council. Accordingly, during the year some time was devoted to identifying both the issues the Council wished to pursue, and the ways in which it operated. The culmination of this process was the development of a broad three-year statement of strategic direction, which will provide the basis for formulating annual work plans.

### **Looking ahead to 1999/2000**

The coming year will see the results of four years of work by the Council, with the release of the findings of the NACEW childcare survey. The Minister of Social Services, Work and Income launched a publication of the initial findings of the survey, *Childcare, Families and Work*, at the end of July 1999. In addition, one or more seminars around the results of the project are planned for the 1999/2000 year.

The Council also plans to continue to work towards providing the Government with high quality, relevant and useful advice. With a general election at the end of 1999, this may mean developing a relationship with a new Government and Minister.

## Council Membership

The membership of the Council as at June 30 1999 was as follows:

Claire Johnstone (Chair)	Wellington	Ministerial Appointee
Anae Si'anaua Ostler	Auckland	Ministerial Appointee
Colleen Tuuta	New Plymouth	Ministerial Appointee
Suzanne Snively	Wellington	Ministerial Appointee
Rose Ryan	Wellington	Ministerial Appointee
Beverley Main	Wellington	Ministerial Appointee
Philippa Revell	Christchurch	Ministerial Appointee
Susan Wetere-Bryant	Te Awamutu	Ministerial Appointee
Stephenie Knight	Wellington	State Services Commission
Barbara Burton	Wellington	NZ Employers Federation
Annie Newman	Wellington	NZ Council of Trade Unions
Sue Shone	Wellington	NZ Council of Trade Unions
Norine McBride	Wellington	Department of Labour
Anne Riley	Wellington	Ministry of Women's Affairs
Harima Fraser	Wellington	Te Puni Kōkiri
Nicola Barnett	Wellington	Ministry of Education
Sandra Hamilton	Wellington	Ministry of Youth Affairs
Ann Pomeroy	Wellington	Department of Social Welfare
Angela Wallace	Wellington	Work and Income New Zealand