

NZ parental leave 'middling' ^[1]

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Despite playing catch-up with most of the developed world, New Zealand is still only a middling performer when it comes to parental leave provisions, according to a new study.

However, it far outperforms what is currently offered by the big economies of Australia and the United States, according to the report compiled by the Center for Economic and Policy Research.

The US organisation reviewed the parental leave policies of 21 of the world's richest countries with particular attention to generosity and gender equality.

Germany, Sweden, and Norway came out tops in terms of the length of paid leave offered - Germany and Sweden at 47 weeks and Norway 44 weeks. New Zealand offers 14 weeks. The United States and Australia offer none.

Australia does, however, offer an income-tested "baby bonus" of up to A\$5294 (\$6520) tax-free per child, paid in 13 fortnightly installments and has plans for a government-funded paid parental leave scheme.

From January 1 next year, working parents in Australia will be entitled to the national minimum wage of A\$570 before tax for up to 18 weeks after the birth of a child. Those claiming the leave will not be eligible for the baby bonus.

Length of leave offered is only one factor considered in measuring the success of how a country treats its new parents. Other important features are the amount paid and the portion of leave available to fathers. The study compiled a gender equality index, which awarded points for these factors. Sweden, Finland, Greece and Norway topped the table, followed closely by other European countries.

New Zealand came fourth to bottom, trailed only by Japan, Australia and Switzerland.

The way parental leave was structured could have a considerable impact on gender equality, both in the workplace and in terms of child care responsibilities, the report said.

Mothers typically earned less than fathers, which created an incentive for them to cut back their employment and take on most of the child care duties.

"The most obvious problems associated with such outcomes are that women bear a disproportionate burden of child care responsibilities and pay both a short- and long-term penalty in the labour market."

Men were also deprived of the opportunity to take a greater part in providing baby and child care.

In terms of overall best practice which combined time, money, limited eligibility restrictions, and flexibility, Finland, Norway, Sweden, and Greece were the top performers and the United States the worst.

While there is no paid leave there, about 40 per cent of workers there are not entitled to non-paid leave. For those who are entitled, there is strict non-transferability between parents, and the law does not encourage flexible leave arrangements.

New Zealand was a late starter with parental leave, introducing it in 2002, for a period of 12 weeks. This was extended to 14 weeks in 2005. In 2006, the scheme was extended to include self-employed parents.

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