



COVERSHEET

Minister	Hon Michael Wood	Portfolio	Workplace Relations and Safety
Title of Cabinet paper	Increasing the minimum sick leave entitlement	Date to be published	21 January 2021

List of documents that have been proactively released

Date	Title	Author
13 November 2020	Cabinet paper: Increasing the minimum sick leave entitlement	Office of the Minister for Workplace Relations and Safety
16 November 2020	Cabinet minute: CAB-20-MIN-0474	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld pending further Ministerial announcements, and some information has been withheld for the reason of free and frank opinions.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Increasing the Minimum Sick Leave Entitlement

Portfolio **Workplace Relations and Safety**

On 16 November 2020, Cabinet:

- 1 **noted** that the government response to the COVID-19 pandemic has highlighted that New Zealand's minimum sick leave entitlement is low compared to similar jurisdictions, and that five days of sick leave per year is not sufficient in the context of workplace expectations that people should stay home whenever sick;
- 2 **noted** that the government has signalled that it will introduce legislation to increase the minimum sick leave entitlement from five days to ten days before the end of 2020, followed by a full Select Committee process;
- 3 **agreed** that the minimum sick leave entitlement be increased from five days to ten days per year;
- 4 **noted** that in order to meet the timeframe for introducing the legislation:
 - 4.1 a simple policy and drafting approach is required for the introduction version of the Bill, and further consideration of nuanced implementation options can occur during the Select Committee process;
 - 4.2 the Minister for Workplace Relations and Safety (the Minister) has issued drafting instructions to the Parliamentary Counsel Office (PCO) which reflects this approach;
- 5 **confirmed** that the following matters of detail be reflected in the introduction version of a Bill to increase sick leave:
 - 5.1 retain the current provision for up to 15 days of unused sick leave to be carried over in any given year, up to a maximum current sick leave entitlement of 20 days;
 - 5.2 transitional provisions should provide that, after commencement of the legislative amendment, an employee would first become entitled to the enhanced (ten days) sick leave entitlement in the year that begins on their next entitlement date;
 - 5.3 the legislation should commence on the date that is two months after the date that the Bill receives Royal assent;
- 6 **noted** that on 30 November 2020, the Minister intends to seek Cabinet's agreement to introduce a Bill to increase sick leave, and that the legislation could then be introduced to the House in that week;

7 **noted** that Business NZ and the NZ Council of Trade Unions have suggested alternative options for the transitional and commencement decisions outlined in paragraphs 5.2 and 5.3, which could be considered by the select committee;

8 Pending further Ministerial announcements
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

9 **noted** that:

9.1 broader reform of the Holidays Act 2003 is underway;

9.2 Pending further Ministerial announcements
[Redacted]

9.3 Pending further Ministerial announcements
[Redacted]

Michael Webster
Secretary of the Cabinet
