

20001-412-045



Ref: 19528

Telephone: 739 533  
P.O. Box 10152  
The Terrace, Wellington

## Office of the Ombudsman

4th Floor, Chase NBA House  
163-165 The Terrace  
Wellington

25 May 1984

The Secretary  
Domiciliary Midwives Society of  
New Zealand  
250 Puhinui Road  
Papatoetoe  
AUCKLAND

Dear Ms McNicoll

I refer to my letter of 28 March 1984 concerning your Society's complaint about the method of payment on the basis of case load to domiciliary midwives.

The complaint I took up with the Department was that the Society does not consider that payment on the basis of case load allows its members to earn a reasonable income. Further, the recommendation to the Minister of Health that the increase in fees approved by the Department of Trade and Industry be deferred until after the wage freeze, is creating undue hardship to its members. The complaint was supported by the New Zealand Homebirth Association. There are two separate issues involved, the first concerns the decision not to introduce the 17% increase in fees which was approved to come into effect in October 1982. The second is the method of payment. The situation is that on 5 April 1982, the Cabinet Committee on Expenditure approved payment of a 17% increase in fees. The Prime Minister agreed on 9 June 1982 that the increase should be notified to the Society. However, with the introduction of the price freeze on 23 June 1982, Cabinet decided to withhold payment of the increase in line with a decision to withhold payment of a number of other health services benefits paid by the Department of Health.

The Society applied to the Department of Trade and Industry in late 1982 for waiver of the provisions of the price freeze regulations on the grounds of hardship. The Secretary of Trade and Industry recommended to the Department of Health that the increase be paid. The Department had sympathy with the request but was concerned about the precedent set for other health professionals who did not receive the benefit increase because of the price and income freeze regulations. In addition, at the time, (December 1982)

it was considered that the freeze would be removed within four months and therefore any increased expenditure would not be particularly great. A submission was made to Cabinet for the increase to be approved. It was not adopted. I am not authorised to investigate decisions of Cabinet and my enquiries have been limited to a consideration of the advice and recommendation of the Department. I have not found any grounds for criticising the Department and this part of the complaint is not sustained. I understand the Department is giving the matter further consideration.

On the second part of the complaint, that is that the method of payment for domiciliary midwife services is not appropriate, the Director-General acknowledges that the rates of benefits for domiciliary midwifery services are too low but he believes the method of payment is an appropriate one. It is based on a fee for service principle which is the same principle as applies to a number of other health benefits payable to other health professionals. He says, however, that there are two aspects which would lead to improvements in the situation for midwives.

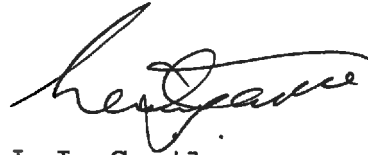
It is seen that a negotiating committee would provide a forum for reviewing the quantum of benefits payable and provide an avenue for an explanation of the work loads of domiciliary midwives. Such a committee could also discuss the appropriateness of the distribution of the benefit amongst the various services provided. The Director-General recognises that there are few nurses engaged in the work and he does not know whether such a committee is warranted. This is a matter to which your Society might like to give further consideration.

The Director-General has also drawn my attention to the recommendation of the Board of Health Maternity Service Committee in its report: "Mother and Baby at Home: The Early Days" where it was recommended that domiciliary midwives should come under the aegis of a hospital board because the obstetric unit in an area is a more logical base from which supervision can be more readily carried out by people who themselves are practicing midwifery, and who are familiar with most recent activity and progress in this area. He recognises that your Society has strong reservations about the recommendation and does not wish to accept a change of supervision. He makes the point that the recommendation was particularly concerned with the quality of services provided in the domiciliary area. This seems to me to mean not only those services provided by the midwives themselves but the appropriateness and availability of services available for nurses to call upon.

It seems to me that it is for your Society to consider further the merit of forming a negotiating committee which

could also provide a forum for discussing the recommendations of the Maternity Services Committee and that I should discontinue my enquiries into this aspect of the complaint.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'L.J. Castle', written in dark ink.

L.J. Castle  
Ombudsman



Ref: 19528

Telephone: 739 533  
P.O. Box 10152  
The Terrace, Wellington

## Office of the Ombudsman

4th Floor, Chase ABA House  
163-165 The Terrace  
Wellington

28 March 1984

Ms Gillian McNicoll  
Secretary  
Domiciliary Midwives Society of  
New Zealand  
250 Puhinui Road  
Papatoetoe  
AUCKLAND

Dear Ms McNicoll

Thank you for your letter of 19 February 1984 in which you ask me to proceed with the investigation requested by the New Zealand Homebirth Association in November 1983.

The aspect of the payments which Ms McFarlane brought to my attention was the recommendation of the Minister of Health that the increase in benefit approved by the Department of Trade and Industry be deferred until after the wage and price freeze ended. I had at first thought that what was involved was a fee for service which might be increased now that the price freeze has ended. However, I am advised that the payments made to domiciliary midwives are by way of benefit from the Department of Health and are regarded as a wage. I have therefore asked the Department for a report on the complaint and I will write to you when I have received and studied it.

Yours sincerely

L.J. Castle  
Ombudsman



REF: 19279

Telephone: 739 533  
P.O. Box 10152  
The Terrace, Wellington

## Office of the Ombudsman

4th Floor, Chase NBA House  
163-165 The Terrace  
Wellington

2 December 1983

Ms B. MacFarlane,  
P.O. Box 7093,  
AUCKLAND 1.

Dear Ms MacFarlane,

Thank you for your letter of 10 November 1983, which has been referred to me by the Auckland Office of the Ombudsman. You ask me to investigate the method of payment on the basis of case load to domiciliary midwives because you consider it does not allow them to earn a reasonable income. You believe that the recommendation to the Minister of Health that the increase in fees approved by the Department of Trade and Industry be deferred until after the wage and price freeze ends in February 1984 is creating undue hardship to members of your association.

I note that it was the national body of the Domiciliary Midwives Association Inc. which has negotiated with the Department of Health and made representations to the Department of Trade and Industry. It seems to me that if I am to investigate a complaint in the terms stated in the first paragraph, it should come from the national executive of that association.

It may be that I have misunderstood the role of the New Zealand Home Birth Association and, in particular, the Auckland Branch in this matter. If so, I should be pleased if you would clarify for me the Association's involvement in the negotiations. If you would like to talk about the complaint please let me know and I will make arrangements with my Auckland office for you to do so. I shall await your advice.

Yours sincerely,

L.J. Castle,  
Ombudsman.

# The New Zealand Home Birth Association

Auckland Branch

---

The New Zealand Home Birth Association,  
P.O. Box 7093, Wellesley St., Auckland, 1.

Affiliated with NATIONAL ASSOCIATION for PARENTS and  
PROFESSIONALS for SAFE ALTERNATIVE CHILDBIRTH, U.S.A.

The Parliamentary Commissioner for  
Investigations,  
5th Floor, Southern Cross Buildings,  
High Street, AUCKLAND 1

10th November 1983

---

Dear Sir,

Our Association is concerned with the matter of the case load basis payment made to domiciliary midwives by the Department of Health. Domiciliary midwives are employed on a contract basis by the Department.

On the 6th December 1982 the Domiciliary Midwives Association Inc. made application for an exemption from the Wage and Prices Freeze Regulations. They had been granted a 17% increase in 1982 but this was not passed on due to the Freeze.

The secretary of that Association, Lyn McLean, wrote to Dr Philips, director of clinical services of the Department of Health, as she understood from a telephone communication, that the Department of Trade and Industry had agreed to the increase and recommended it to the Department of Health. She wrote to him on 8th February 1983. On the 18th February 1983 she received a reply from him stating that the department of Trade and Industry's recommendation has been passed on to government and was being assessed.

On 22nd March 1983 Lyn McLean received a letter from R.K. Hynd, Sec. of Trade and Industry. (Ref. RKH:Com:Ord PC 60/4/97/6). This letter states that the application made on the basis of hardship for an exemption from the Freeze Regulations had been considered and that a recommendation has been made to the Department of Health. "Domiciliary midwives fees are paid by that Department, which meant that we were not able to approve an increase in them." "No approval to an increase in the fees has been given and in consequence of this the Department

cannot take the matter any further".

We are concerned to know if the Minister of Health can hold up a positive recommendation for an increase on the basis of hardship and secondly whether the reasons Mr Malcom gives for this are proper decisions based on our interpretation of the relevant Acts.

On the 5th April 1983 Mr Malcolm wrote a letter to Mrs Bloomfield in which he makes some assertions which we feel need investigation. He stated that the benefits paid to domiciliary midwives were not considered as equating to a full time income and he compares the medical services provided by doctors where maternity benefits make up only a proportion of the total income. Thus, he states, it was not expected that domiciliary midwives or doctors would normally earn their total livelihood from maternity care. (Hard to imagine the full time domiciliary midwife also working in a take-away bar to make up her full income; she certainly by definition has no role other than that of domiciliary midwife in the health system.) Mr Malcolm concluded, in a confusing letter, that women should have the choice but that the exemption would not be passed on to domiciliary midwives because it was the duty of government to ensure that every woman had maternity care and that hospitals were doing this job. He went on to support choice for the pregnant woman but said that it was more than the country could afford etc.

Many of these letters are held on file by domiciliary midwife, Jillian McNicoll who may be contacted at phone 2782222.

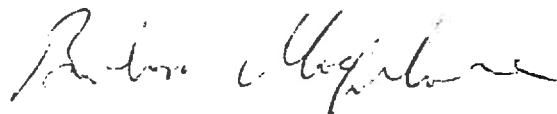
I enclose a photocopy of an article written by lawyer, Mary Nacey, for our Home Birth Association Newsletter in September 1982. You will see that our interpretation of the relevant Acts is that women have the right to a home birth and that therefore the government has a duty to provide this service when required.

The reason for the lack of domiciliary midwives is economic. They can earn only a fraction of what they would get working in a hospital. They are on 24 hour call, do not qualify for overtime, holidays or sick leave. If a domiciliary midwife assists 60 women a year, at a gross rate of \$141.50 plus mileage allowance (+ 17% from 1st October 1982 to be added after the wage price Freeze ends) per birth, she earns \$8,490 before tax. This figure does not include job related expenses such as a vehicle, disposable and permanent equipment. This is not a living wage.

grant the exemption application, and in fact to pay the domiciliary midwives a living wage. In addition, the Nurses Amendment Bill, currently before the Select Committee on Health and Welfare may be interpreted as one more attempt to knock domiciliary midwives out of the system. Many clauses in this Bill affect domiciliary midwives and we would draw your attention to the submissions made to the Select Committee by the Home Birth Association (Auckland Branch) and by the Save the Midwives Association. We understand that over 250 submissions have been made to that Select Committee.

I enclose the fee of \$2 and would be interested in your response to this matter.

Yours faithfully,



Barbara Macfarlane M.A., LL.B.