



Together, the best start for every child | Whānau āwhina

Royal New Zealand Plunket Society (Inc.)

Submission on the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill

October 2012

Contact:

Jenny Prince

Chief Executive Officer

Royal New Zealand Plunket Society (Inc).

Jenny.prince@plunket.org.nz

To the Government Administration Committee, submission of the Royal New Zealand Plunket Society Incorporated on the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill

Introduction

1. The Royal New Zealand Plunket Society (Inc.) has been part of New Zealand's landscape for over one hundred years, and our mission - supporting the development of healthy children and families - is just as relevant now as it was when Plunket was established by Dr (Frederic) Truby King in 1907.
2. Plunket provides universal well child health services and parenting education and support services in the community, to 92% of families in New Zealand (refer: diagram 1 below)¹. This submission represents the combined experience and views of around 7,000 New Zealanders currently engaged in a variety of voluntary roles with Plunket, as well as more than 650 professional staff who deliver the Well Child/Tamariki Ora service framework to families with children aged from birth to 5 years.
3. Plunket's 7,000 volunteers represent a broad spectrum of New Zealand parents working in Plunket centres from Invercargill to Te Tai Tokerau.
4. Plunket has been a long-time advocate of paid parental leave as a way to improve indicators of child and family wellbeing. A remit on parental leave was passed at the organisation's Rotorua conference in 2009. Around a thousand Plunket volunteers, community services staff, clinical and national office staff attended. The remit was: "[t]hat the Royal New Zealand Plunket Society Inc. advocate for improvements to paid parental leave to support parents to spend more time with their new baby to enhance a secure relationship".

Engaging parents and whānau in:

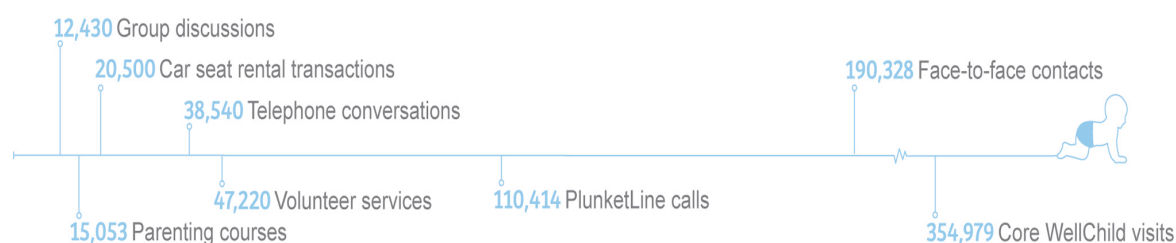


Diagram 1 Plunket provides well child health services and parenting education and support services to 92% of families in New Zealand.

Summary of submission

5. **Clause 4** - Plunket supports the intent of this Bill to increase the duration of paid parental leave as stated in Clause 4.
6. **Clause 5** - With respect to Clause 5's proposed phased introduction, we submit that children's needs increasingly urgently require budgetary priority if New Zealand is to improve indicators of child and family wellbeing. Accordingly Plunket recommends the Bill's target of 26 weeks paid parental leave is reflected in Budget 2013. To achieve this, we propose the amendment of Clause 5(3) of the Bill along the following lines:

(3) After section 71J(b), insert:

"(c) the duration of paid parental leave shall be extended to a maximum of 26 weeks on 1 April 2013"

7. **Plunket submits that:**
 - a) the benefits for society of extending paid parental leave will outweigh the costs over the long term
 - b) enhancing opportunities for infants' secure attachment in the family unit in that crucial first six months is socially responsible and likely to save significant expenditure in future health, education and social costs
 - c) increased paid parental leave is likely to improve progress towards the attainment of Ministry of Health breastfeeding targets, resulting in health benefits for mother and child, and savings on health and welfare spending
 - d) it will always be possible to argue that fiscal constraints frustrate extensions to paid parental leave. Governments may choose to increase spending on policies that are known to improve child and parental wellbeing; the corollary would be to deny families the opportunity to create a family environment that offers their children the best start in life.
8. Plunket's submission includes experiences from clinical staff, Plunket volunteers and parents with 'Plunket babies' (who make up the 92% receiving Well Child Tamariki Ora services via Plunket).
9. Should the bill proceed, Plunket notes the requirement for consequential amendments to the following sections of the Principal Act: ss 9(1), 9(3), 26(2), 27(1), 32, 45, 71A, 71L, and 71LA.
10. Plunket would support government research into the costs and the subsequent benefits of the proposal regardless of the Committee's recommendations to the House.

Long-term economic benefits of the proposed law change

11. Plunket's vision of 'Together, the best start for every child' 'Mā te mahi ngātahi, e puāwai ai ā tātou tamariki' is best met by policies and legislation that put children first and take immediate and long-term benefits for children and therefore society into account. This Bill benefits children whose parents are employed at the time of the birth; other strategies are needed to enhance prospects for children born into families without paid

work at the time of the birth. Plunket encourages steps to address the needs of these children equitably.

12. The Bill proposes a progressive increase in the length of paid leave to a maximum of 26 weeks, whilst responding to the research showing the benefits to society of extending paid leave for a primary parental caregiver. Plunket submits that children's needs require urgent budgetary priority if New Zealand is to improve indicators of child and family wellbeing. Accordingly Plunket would like to see the target of 26 weeks reflected in Budget 2013 and that entitlement be available from 1 July 2013.

13. The evidence is clear that New Zealand is well behind many OECD countries in its provision of paid parental leave (as well as when measured on other OECD indicators of wellbeing). As our submission will show, failing to invest in increased paid parental leave for New Zealand families is a false economy. A report into international parental leave comparisons by the Labour Group (of the Ministry of Business, Innovation and Employment) states:

"Very many countries are now strengthening their statutory leave policies, with the state intervening increasingly to regulate the labour market and increase social benefits for parents taking leave. In nearly all cases, the direction of the change is toward increasing the scope and flexibility of leave entitlements, and many focus on extending fathers' rights."²

14. That was in 2006. Today, the value of investing in the health and well being of young children and their mothers has become even clearer: from an economic, moral and political perspective.

The value of secure attachment

15. The creation of secure infant-parent relationships is termed 'attachment' in child development theory. Secure attachment is shown to build resilience, which is a protective factor in the face of adversity later in life. Resilience is an area of interest for social policy research, because it begins to answer questions about why some people or families don't cope under adversity, while others do.³

16. All babies are vulnerable, dependant as they are on their caregivers. Evidence suggests that babies develop attachment optimally when provided care by one primary caregiver in their first six to eight months. They will also recognise and show a preference for their mother from birth. This is a time of phenomenal brain development; millions of neural pathways are built over this time. Perry and Pollard (1998) identify the primary caregiver as the major provider of the environmental cues necessary to this development:

² <http://dol.govt.nz/publications/research/parental-leave-international>

³ Sir Peter Gluckman, the Prime Minister's Chief Scientist, emphasizes the importance of secure attachment as a protective factor as children develop. Refer: Gluckman, P. (2011) *Improving the Transition: Reducing Social and Psychological Morbidity During Adolescence*, A Report from the Prime Minister's Chief Science Advisor, Wellington, May 2011, at page 36ff.

“This development can proceed in an optimal fashion when the presentation of new stimuli is safe, nurturing, predictable, repetitive, gradual and attuned to the infant’s or child’s development stage.”⁴

17. Babies’ development at this stage is heavily focussed on social and emotional skills, skills that will be required to support optimal cognitive development in later life.⁵ Secure attachment (the deep connection established between a child and caregiver) profoundly affects a child's development and ability to express emotions and develop relationships in later life. The proposed increase in paid parental leave will enhance opportunities for healthy attachment. We know the personal and societal costs of disordered attachment: relationship difficulties, educational problems, mental illness and crime.

18. Enactment of this Bill’s proposals would contribute to the time and low-stress components that are so important to successful attachment. Many first-time mothers report that they were surprised about how they felt about returning to work after their baby’s birth. One mother reports:

“I have just recently had a baby. During pregnancy I thought I'd be fine returning to work after my Paid parental leave had run out, but now as I watch my baby grow and learn - I want more time than Paid Parental leave allows.

19. This quotation touches on the importance of the opportunity for optimal attachment for mothers also, many of whom experience distress when forced to return to work when their baby is still so young.

20. As the Committee would expect, secure attachment is particularly important for babies who are adopted. Happily, the principal Act extends paid parental leave to parents adopting a baby. As the term “adoption” is not defined in the principal Act, it would be reasonable to assume it includes babies adopted in accordance with tikanga Māori.⁶ However, it was reported in the House during the Bill’s first reading that there has been confusion in this regard.⁷ This suggests that the law is subject to an interpretation by the Ministry of Business, Innovation and Employment’s Labour Group ⁸ that indirectly discriminates against a group of people on the basis of family status (i.e. applicants who

⁴ Perry, B. and Pollard, R. (1998). Homeostasis, stress, trauma and adaptation. *Child and Adolescent Psychiatric Clinics of North America*, 7, 1, 33-51, at 37.

⁵ Perry, B. *Speech to Littlies Lobby Parliamentary Breakfast*, March 2005.

⁶ Māori use the term ‘whāngai’ to refer to babies adopted within a kinship group. The word is defined in section 4 of *Te Ture Whenua Maori Act; Maori Land Act 1993*: “**Whangai** means a person adopted in accordance with tikanga Maori”

⁷ http://www.parliament.nz/en-NZ/PB/Debates/Debates/c/1/1/50HansD_20120725_00000032-Parental-Leave-and-Employment-Protection.htm The then Department of Labour informed an applicant for paid parental leave that she was not entitled.

⁸ Then the Department of Labour

have the responsibility for care of whāngai children).⁹ It is difficult to see how that this could be described as a reasonable limitation that is justifiable.¹⁰

21. Whāngai is a traditional Māori parenting arrangement;¹¹ Plunket submits that it is within the scope of this Bill, and therefore this Committee's power, to confirm an interpretation of adoption in the principal Act that includes whāngai. This would ensure that access to paid parental leave avoids the risk of indirect discrimination against parents with whāngai responsibilities.¹²
22. We recommend the insertion of a subsection (4) in the interpretation section of the principal Act at section 2 along the following lines:¹³

2 Interpretation

...

(4) A reference to "adopt", "adopted", adoption", "adoptions", "adopts", "adoptive" [or "A reference to "adopt" or any of its derivatives"] shall be deemed to include "whangai" as defined in section 4 of Te Ture Whenua Maori Act; Maori Land Act 1993.

Breastfeeding

23. The Ministry of Health aligns with the World Health Organisation in setting targets to affirm breastfeeding as the normal and preferred infant feeding method to around 6 months of age.¹⁴
24. A large body of research shows that breastfeeding has a whole range of health benefits for both the child and the mother. Breastfed babies are less likely to develop gastric and respiratory conditions. There is evidence that breastfeeding helps protect against Sudden Unexplained Death of an Infant (SUDI) and may decrease the likelihood of obesity in later life. It is also thought to enhance bonding between mother and child and contribute to healthy brain development. Health benefits for the mother include a reduction in the risk

⁹ Section 21(1)(l) Human Rights Act 1993

¹⁰ Section 5 New Zealand Bill of Rights Act 1990 states: "*Subject to [section 4](#) [immaterial], the rights and freedoms contained in this Bill of Rights may be subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.*"

¹¹ The term 'adopt' and its derivatives is not defined in the principal Act with reference to the Adoption Act 1955 or in any other way

¹² Sections 3, 5 and 19 New Zealand Bill of Rights Act 1990; sections 21, 65 and Part 1A Human Rights Act 1993

¹³ "Adopt*" appears 88 times in 32 sections of the principal act, so it might be unwieldy to reference each section in which it appears.

¹⁴ <http://www.health.govt.nz/our-work/life-stages/maternity-and-breastfeeding/breastfeeding>. New Zealand's targets were set in 2002, refer: *Breastfeeding: A Guide to Action*, Ministry of Health, November 2002.

of post-partum bleeding, ovarian and breast cancer and post partum fertility, for instance.¹⁵

25. Women report that there are considerable barriers to sustaining breastfeeding when they return to work after only three months. Many feel conflicted about continuing to breastfeed even during parental leave and begin introducing formula in preparation for their return to work. One Plunket nurse (working with families in areas with high deprivation scores of 7 to 10) describes it this way:

“Family A: First time mum who started introducing one bottle of formula at the five weeks so that she could get baby taking a bottle for her anticipated return to work at three months. At my second visit i.e. 8 weeks the amount and frequency of bottles had increased to top ups after every feed. Return to work is anticipated in 4 weeks. ...At the third visit baby is 12 weeks and mum returns to work in a week. Baby is fully bottle feed apart from night time feed to settle.”

26. Plunket data shows that the more socioeconomically deprived the area, the less likely it is infants will be breastfed. For these babies, this is a health opportunity missed. Māori infants continue to have lower breastfeeding rates than other ethnicities except for Pacific infants. Pacific infants continue to have lower breastfeeding rates than all other ethnicities except at six months. So, while there have been some gains in breastfeeding,¹⁶ overall rates are still well below the Ministry of Health’s breastfeeding targets.¹⁷

Affordability of the proposed extension

27. As the Committee will know, New Zealand’s public investment in children is very low when compared with other OECD countries. There is unlikely to ever be an optimal fiscal environment to introduce extensions to paid parental leave if the focus is not on children’s needs as a priority budget area. Yet by failing to extend paid leave for babies’ parents, we are denying many ordinary New Zealand families the opportunity to create an environment that offers their children the best start in life. As one mother says:

“I was lucky enough to have 6 weeks annual leave to use prior to my Paid parental - so I will have some form of income until early-mid November, and I am due to return to work start of December. But I am so scared that I am going to miss out on so many milestones of my child’s development.”

¹⁵ Communication with Marianne Grant, Clinical Advisor, RNZ Plunket Society. National Breastfeeding Advisory Committee (2007). Primary research includes work by Rosenblatt and Thomas 1993, Bernier et al 2000, Negishi et al 1999, Gross and Burger 2002.

¹⁶ 2011-2012 Plunket data shows that 85 per cent of ‘Plunket babies’ up to the age of six weeks were getting some breast milk, a 5 per cent increase over the last 10 years.

¹⁷ Source: Royal New Zealand Plunket Society breastfeeding data. Plunket has very robust information about breastfeeding; it sees over 90% of New Zealand babies and breastfeeding data is collected at each Plunket ‘core contact’. For Jul 2011 to Jun 2012, for instance, that represented 56,620 (92%) new born babies. Statistics NZ recorded a total of 61,031 births <http://www.stats.govt.nz/infoshare/>

I agree that it is important for parents to work - but not at the expense of raising their child, bonding and being part of/seeing those most precious moments in their child's development."

28. Ultimately, by saving public money in the first few months of babies' lives, government risks creating costs at later stages. A mother described her vulnerable [premature] baby and the start they had together:

"By 3 months of age he was [the size of] and feeding like a typical new-born, breastfeeding was only just established. For the whole first year he was pretty vulnerable. I avoided situations where he was likely to pick up bugs as what is just a 'cold' to the average baby put him into hospital. My views on returning to work completely changed after this experience, I didn't feel I could put him in a day-care situation with bugs etc. I was lucky that financially I could afford to quit my job and be a full time mum due to my husband having well paid work."

29. This mother emphasised that she had options because of her husband's level of income. For many families this is not the case. The most obvious costs with babies such as the one described above are health-related, but as we have said, there are other costs when parents return to work too early. Sometimes these costs only become apparent as the child grows older. Of particular concern is the comment made by the Labour Group that:

"Kamerman (in Moss and O'Brien 2006) points out that longer paid maternity leave reduces infant mortality and neo-natal mortality, but unpaid leave does not have the same protective effect. In addition, longer leave improves other health outcomes, as children whose mothers return to work within the first three months after birth receive less health care."¹⁸

30. A number of researchers have identified adequate parental leave policies as one of a small number of essential strategies to lift child outcomes. Such policies keep mothers attached to the labour force.¹⁹ Women who continue to participate in the labour force stimulate productivity to support New Zealand's aging population, as well as keeping their skills within the workforce and decreasing turnover costs to employers.²⁰ The costs of their tertiary training are then well-utilised by the paid economy. One mother, whose baby had poor health, reported:

"I would have extended my Maternity Leave (which would have been no problem with my employer) except that having already had 3 months on one income we couldn't afford for me not to go back to work at that point."

31. She goes on to say:

¹⁸ *Parental leave and carers' leave: international provision and research*. Department of Labour, 2006.

¹⁹ Vleminckx and Smeeding (2001), Oxley, et al (2001) and Immervoll, et al (2001), quoted in *Social Policies, Family Types, and Child Outcomes in Selected OECD Countries*, an OECD working paper, Kamerman, et al, 2003.

²⁰ Refer for example to: *Paid Parental Leave: Support for Parents with Newborn Children*. Australian Productivity Commission Inquiry, No. 47, 28 Feb 2009.

“The financial implications of unpaid Maternity Leave are also one of the main problems in our discussions of whether or not to have a third child. I would love to have a third child but my husband is convinced that we can't afford for me to be off work with no pay for the same period of time and I wouldn't/couldn't consider going back to work any sooner than 6 months ”

Additional issues

32. Plunket's engagement with clients, volunteers and clinical staff raised two issues not covered above. These are referred to below.

33. **Partners' entitlements based solely on maternal entitlements**

A woman who suffers considerable ill health during pregnancy might be unable to average 10 hours' employment per week, thereby not meeting the principal Act's hours of work threshold.²¹ Partners in such cases are not entitled to *any* parental leave (because their entitlement is purely subject to the woman's entitlement). The result can be partners struggling with a new baby, an unwell mother, possibly another child, and leave that's limited to any annual leave entitlements that partner might have.

34. **The changing labour force – implications of increasing job insecurity**

The increasing use of fixed term employment agreements (particularly for women registered with temporary employment agencies) means that women who are on such agreements find that they are not eligible for paid parental leave. This arises typically because of the timing of their baby's birth and the termination date of their employment agreement. Financial pressures can result in these women having to return to work very soon after baby's birth.

35. These women have often worked in a series of fixed term positions. Plunket recommends that policy consideration be given to paid parental leave being connected to a woman's attachment to the labour force, rather than to a specific employer. We would welcome a recommendation from the Committee that the Ministry of Business, Innovation and Employment be instructed to research the implications of the changing labour force on women's access to paid parental leave.

Conclusion and recommendations

36. In conclusion, as a State Party to the Convention on the Rights of the Child, the New Zealand government has undertaken to ensure that children's best interests are paramount when legislative decisions are made and that children have the care and protection necessary for their well-being.²² This Bill represents an opportunity to put children first by allowing families the opportunity to create an environment that offers their children the best start in life.

²¹ Section 7 requires an average of 10 hours with the same employer for the 6 or 12 months immediately preceding delivery.

²² Article 3, United Nations Convention on the Rights of the Child (ratified by New Zealand in 1993).

37. The advantages to the labour force economy and improvements in social and health outcomes that stand to be gained by increased paid parental leave are critical factors weighing in favour of the Committee recommending that the Bill be progressed into law. We reiterate that the benefits of the proposed extension to paid parental leave will be seen to outweigh the costs over time.

38. **Plunket recommends:**

- a) Labour Group research into: the implications of the changing labour force on access to paid parental leave; the impact of partners' entitlements being based solely on maternal entitlements; and any further matters that have been demonstrated to undermine parental access to paid leave;
- b) Insertion of a subsection into the principal Act to clarify that a reference to "adopt" or any of its derivatives includes "whāngai" as defined in section 4 of Te Ture Whenua Maori Act; Maori Land Act 1993, in order to alleviate discrimination against applicants for paid parental leave who have the responsibility for care of whāngai children;
- c) Prioritising implementation of the Bill's target of 26 weeks' paid parental leave, with this priority reflected in Budget 2013;
- d) The amendment of Clause 5(3) of the Bill to state that the duration of paid parental leave shall be extended to a maximum of 26 weeks to take effect from **1 July 2013**.
- e) That this Committee recommends the Bill be progressed into law.

Thank you for considering Plunket's submission. We would appreciate the opportunity to appear before the Committee.