26 for Babies submission to the Government Administration Select Committee on the Parental Leave and Employment Protection (Six months’ paid leave and work contact hours) Amendment Bill)

It’s only 8 more weeks

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26 for Babies welcomes the opportunity to submit on the Parental Leave and Employment Protection (Six Months’ Paid Leave and Work Contact Hours) Amendment Bill.

26 for Babies is a coalition of organisations working to promote the benefits of extending paid parental leave to 26 weeks.

All the members of the 26 for Babies coalition support this Bill to extend paid parental leave to 26 weeks which we believe the Select Committee should progress without delay to ensure parents have a sustained period of time at home with a newborn baby or young child.

Adequate paid parental leave ensures precious time of care, bonding and nurturing that is vital in the early weeks and months of a newborn’s life. It supports the physical, emotional and financial recovery of parents following the arrival of a new infant; it supports secure attachment and breastfeeding; and it supports women to achieve equity in the labour force by keeping them linked to their jobs and enabling their easy return to work.

Members of the 26 for Babies coalition welcome the opportunity to make an oral submission to the Committee.

Our membership includes:

» Plunket
» NZ Women’s Studies Association
» Every Child Counts
» Unicef NZ
» Breastfeeding Authority
» National Council of Women
» Carol Bartle: Canterbury Breastfeeding Advocacy Service
» Maritime Union of New Zealand
» FIRST Union
» Post Primary Teachers Association
» NZEI Te Riu Roa, Public Service Association
» Etū
» Working Women’s Resource Centre
» New Zealand Nurses Organisation
» Tertiary Education Union
» New Zealand Council of Trade Unions
» Family First
» Women’s Health Action Trust
» La Leche League New Zealand
» NZ Playcentre Federation
» Action Station
Rationale

The health, social and economic benefits that stem from ensuring that each and every child has the best possible start to life in his/her first 1000 days of life are unarguable. Stable and secure attachment to an emotionally available care-giver is a foundation stone for physical, emotional and mental health lasting well into adult life. The Every Child Counts-Infometrics report in 2009 showed that poor outcomes for children cost the nation in the order of 3 percent of GDP or approximately $6 billion per annum.

Early bonding and breastfeeding are important protective factors for good health outcomes. The current government says it is committed to improving the lives of children. Ensuring that parents can provide optimal care to their newborns in the earliest weeks and months is fundamental to achieving this. Parents who are adopting or those with primary care responsibilities for young children are entitled to adequate support to ensure the best start for children.

We have obligations as a signatory to the United Nations Convention on the Rights of the Child (UNCROC) for policy and legislation that is in the best interests of the child. It is a discomforting fact that we are so ungenerous in our support of parents with babies and young children. Our policies lag well behind other OECD countries. This does not augur well for our future social, health or economic outcomes. The current provision of 16 weeks paid parental leave – increased to 18 weeks in 2016 - is very low when compared with other OECD countries. Sitting almost at the bottom of the OECD table for paid parental leave provision is unacceptable, unsustainable and unnecessary.
Extending paid parental leave puts a very clear stake in the ground. It says that we, Aotearoa New Zealand, value our babies and children. Investing in them is one of the most important things we can do as parents, families, communities and as a society.

Healthy, securely attached babies and children deliver cost-savings to the economy. Paid parental leave also has other benefits for the economy by overcoming barriers to women’s participation in paid work and enabling them to remain attached to the labour force when they have a child or are the primary caregiver.

We reject the view that extending paid parental leave is unaffordable. All policy is a choice, subject to what the government of the day prioritises for investment. Parental involvement in the earliest weeks and months of a child’s life is indeed a priority for a socially and economically sustainable nation. Our position, supported by international and New Zealand evidence, is that investing in the early years promotes productivity in the economy and in society at large with much higher rate of return than later interventions in remedial services.

The cost of paid parental leave for 2014/15 was $174.8 million. The budgeted cost of 18 weeks paid parental leave in 2016/17 is $240 million. Paid parental leave figures are gross figures which don’t take into account the tax paid on paid parental leave and also fail to take into account likely savings to the government of reduced demand for expensive childcare subsidies when parents can spend time at home with their newborn infant or young child. When all this is taken into account, extending paid parental leave is both affordable and an investment in the lives of new babies, children, parents and families and in a good society.
8 reasons for supporting 8 more weeks of Paid Parental Leave

Longer paid parental leave has multiple and compounding benefits.

1) It strengthens child and parental attachment

Studies of parental leave report on the compelling evidence of the benefits to child and maternal health and welfare from a period of full time bonding of the primary caregiver with a new born child for six months. A study of OECD countries concluded that parental leave is a cost effective method in improving child health.

Longer paid parental leave is necessary for secure parent-child attachment. The current provision of 16 weeks paid time off work is insufficient time for bonding between a newborn and their primary caregiver.

Children, on average, do better cognitively and have fewer behavioural problems if a parent can be home at least part time in their first year. Evidence suggests that longer periods of paid parental leave are associated with reduced rates of infant mortality and that the more generous the earnings-related parental leave benefits, the lower the infant mortality. Studies found that a ten week extension in paid leave has the potential to reduce infant mortality by around 2.5 percent.
2) It is essential to support breast feeding

Paid parental leave of six months assists with supporting breast feeding and meeting the World Health Organisation (WHO) and the Ministry of Health recommendation for infants to be breast-fed exclusively up to six months.

All women should be provided with the opportunity to take a period consistent with the WHO, Ministry of Health and public health recommendations on breast feeding.

The benefits from exclusive breast feeding for up to six months are significant.

They include reductions in a wide range of infant illnesses and conditions as well as improved health outcomes for adults, including psychological benefits and reduced maternal cancer risks.

3) New Zealand lags well behind other OECD countries

New Zealand’s paid parental leave provisions are among the least generous and least comprehensive in the industrialised world.

The leave period of 14 weeks remained static from 2004 to 2015. Despite an increase of four weeks in Budget 2014, New Zealand still remains near the bottom of the OECD table on paid parental leave.

The OECD average in 2014 stood at one year’s paid leave. The United Kingdom provides Statutory Maternity Pay of 39 weeks at 90 percent of earnings. Canada offers 52 weeks of paid maternity leave.
4) Longer paid parental leave improves equity and values unpaid work

Longer paid parental leave signals that having a child and taking time out for the newborn and child care is an expected and normal part of life, involves substantial unpaid work, and is a necessity for managing major life transitions and events. It should be seen as having equal importance to other leave arrangements.

Longer paid parental leave for mothers could encourage fathers to take more leave and improve gender equity in the home and more equal sharing of domestic responsibilities. The evaluation of the New Zealand paid parental leave scheme found that fathers are not using their unpaid partner / paternity leave and instead are using annual leave during the time of the birth/adoptions of a child.6

Longer paid parental leave would contribute to pay and employment equity for women as it reduces the financial disadvantages that women face from being out of the workforce for extended periods. The gender pay gap has grown and measured by the median income rose from 9.9 percent to 11.8 percent this year.7 Adequate paid parental leave can reduce the gender pay gap through continuous income and returning to employment without loss of seniority or income.
5) Longer paid parental leave is good for society and reduces other costs

The gains from a longer period of absence from paid work with improved child caregiver bonding accrue not only to parents but also to society as a whole. Longer paid leave would encourage deeper parental attachment with long term social benefits for children, families and society. The Prime Minister’s Chief Scientist, Sir Peter Gluckman, is among those arguing that strong secure parent attachments helps children’s development into adulthood.8

Investing in parental leave protects against costs arising from insecure child parent attachment. Poor outcomes for children produce high health costs and spillover social costs. Such costs to the economy and society include higher expenditure on prisons, remedial education and medical interventions.

An Australian study estimates that the extra tax revenue associated with the higher workforce participation of women on paid parental leave would be significantly more than the cost of their parental leave payments.9

Paid parental leave changes the mix of jobs in the economy and creates opportunities for replacement employees to gain experience and skills which will benefit them and society.

There are economic benefits to GDP and to society from longer periods of breast feeding encouraged by paid parental leave. Breast feeding reduces the private and public costs of commercial breast milk substitutes and avoids the costs from children being prematurely weaned or going too early on to formula or solid food.10

Spending on paid parental leave is found to be a highly effective way to stimulate the economy and is more effective than cash bonuses, infrastructure spending and tax cuts in the context of the economic crisis.11

The introduction of a paid parental leave scheme in Australia at the rate of the adult minimum wage was identified as generating additional GDP and the creation of more employment.12
6) Paid parental leave improves health and reduces infant mortality

Parental interventions make a difference and having a child at home and monitoring a child has a major impact on a child’s health. A study of 16 European countries from 1969 to 1994 found that more generous paid leave policies reduced deaths of infants and young children. (Ruhm, 2000)

A study of parental leave and child health across OECD countries reported that a 10 week extension in paid parental leave predicts a decrease in infant mortality rates by 2.4% and 2.5% respectively.¹³

Longer periods of leave are associated with better health outcomes for women and infants and were reported as potentially leading to better developmental outcomes according to a symposium on paternal leave, early employment and child outcomes.¹⁴
7) It is good for mothers and their employment options

Too short a period of paid parental leave creates pressures on women to go back to work against the preferences of parents. The evaluation of the New Zealand paid parental leave scheme found that on average mothers returned to work when their baby is six months old, but the preference of mothers was twelve months.\textsuperscript{15}

Paid parental leave improves women’s attachment to the labour force. Leaving the workforce because of too short a period of paid parental leave breaks the link with the workforce and makes it hard to re-enter.

Longer paid parental leave is good for the labour force as a whole. If women leave the labour market because of too short a paid parental leave period, the accumulated skills and human capital are lost for longer than would otherwise occur.
8) Longer paid parental leave reduces financial pressures at a stressful time

Parents are economically vulnerable when new children arrive. The biggest barrier to taking the full 12 months available parental leave was financial pressure and this is the key reason for returning to work earlier than is desired.\textsuperscript{16}

Debt heavily affects family well-being. Reduced financial pressure will help management of the other inevitable pressures during a period of major family transition. Paid parental leave is a means of buffering the potential for debt in families with dependent children and preventing debt accumulation.\textsuperscript{17}

Relieving financial pressures is particularly important for low-income families who are less likely to have accumulated leave and financial reserves. Paid parental leave is typically taken at the end of all other available leave.


10 Smith, J. Ingham, L. (2005), Mothers’ Milk and Measures of Economic Output, *Feminist Economics*,11:1, 41-


12 Ibid.


16 Ibid.

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