

Departmental Disclosure Statement

Parental Leave and Employment Protection Amendment Bill

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Business, Innovation and Employment.

The Ministry of Business, Innovation and Employment certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

7 November 2017

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Part One: General Policy Statement

This Bill is the Parental Leave and Employment Protection Amendment Bill and will implement an increase paid parental leave to 26 weeks in 2 stages. Entitlements to parental leave payments and primary carer leave will increase to 22 weeks from 1 July 2018, with a further increase to 26 weeks from 1 July 2020.

These measures are part of the new Government's 100 day plan after the 2017 general election. Funding for the costs associated with these proposals will be provided in Budget 2018. The measures are intended to provide increased support for working parents with newborns and young children.

It is important for child development at a child receive full-time personal care in the first year of their life, particularly the first 6 months. Most working parents require monetary support to enable them to take time off work to provide this full time personal care. Providing parental leave and monetary support –

- greatly assists a mother, father or other primary carer to develop close bonds with the child; and
- supports exclusive breastfeeding for the first 6 months (which is the World Health Organization's recommendation); and
- reduces parental and family stress;

all of which improves short- and long-term child and society outcomes.

This Bill amends the Parental Leave and Employment Protection Act 1987 to provide additional parental leave and monetary support to help parents achieve these improved outcomes.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	NO
<i>There is no single inquiry, review or evaluation report that has informed or is relevant to the change in the number of weeks a person will be eligible for paid parental leave (PPL). However, there is a range of domestic and international publications outlining the benefits of mothers having increased time away from work to bond with their newborn children.</i>	

Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<i>Impact Statement: Increasing Parental Leave, MBIE, 3 November 2017</i> <i>The RIS is available on the Treasury website at:</i> http://www.treasury.govt.nz/publications/informationreleases/ris <i>and on the MBIE website at:</i> http://www.mbie.govt.nz/publications-research/publications/employment-and-skills/ris-increasing-paid-parental-leave.pdf	

2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?	YES
<i>[Treasury comments are based on the revised expectations for regulatory impact statements covering the new Government's 100 Day Plan priorities.]</i> <i>Although monitoring arrangements are well covered the RIS contains only very minimal analysis of the likely impacts. Fiscal impacts are set out in the Cabinet paper and social impacts are touched on, but there is no assessment of broader impacts, for example on employers (particularly small or medium size enterprises), or on women's employability. It would be important to evaluate the monitoring data to assess these and other impacts once the policy is implemented.</i>	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	NO
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Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
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2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	NO
<p><i>The extension of the period for PPL imposes primarily a fiscal cost. Business will not suffer a substantial or unavoidable loss of income or wealth and eligible employees will be eligible to an increased entitlement for PPL.</i></p> <p><i>The potential size of the costs and benefits are set out in the RIS.</i></p>	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	NO
<p><i>The Bill extends a state provided benefit. As such the issue of compliance does not arise.</i></p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?

The Policy proposals extend the period for PPL. New Zealand's international obligations are not relevant to a consideration of such an extension. However, the extension will bring New Zealand's PPL period closer in line with other OECD countries.

Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?

YES

Advice provided to the Attorney-General by the Ministry of Justice is generally expected to be available on the Ministry of Justice's website upon introduction of a Bill. Such advice will be accessible on the Ministry's website at <http://www.justice.govt.nz/policy/constitutional-law-and-human-rights/human-rights/bill-of-rights/>

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:

(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?

NO

(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?

NO

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?

NO

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?

NO

While there was no specific consultation on the policy that is given effect to in this Bill, it formed part of the new Government's manifesto commitments.

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	YES
<i>There have been previous extensions to the duration of the scheme and IRD and MBIE are well-prepared to implement these new changes.</i>	

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
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Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
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Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
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4.8. Does this Bill create or amend any other powers to make delegated legislation?	NO
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Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	NO
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