



Select Committee on Work and Care
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Dear Committee,

The Parenthood submission to Select Committee on Work and Care

Thank you for the opportunity to contribute to this committee. The Parenthood is an advocacy organisation that represents more than 77,000 parents, carers and supporters nationally. Our mission is to make Australia the best place in the world to be a parent because when parents are supported, children can thrive. A functional, sustainable intersection between paid work and care is fundamental to the wellbeing of parents, children, communities and our national prosperity.

Background

Australia lags developed countries in the provision of best practice, evidence-based policies that optimally support children, parents and families¹. This leads to negative social and economic outcomes including poorer educational and health outcomes for children and lower lifetime earnings, poorer health and wellbeing outcomes for parents, reduced participation in the workforce and economic security for women and lower rates of fertility that undermine long-term sustainability of government finances.

For children to thrive they need support, and so do their parents and carers. Children fare best when they are well nourished, responsibly cared for, have access to learning opportunities from birth and are protected from disease, violence and stress². Successful early childhood development policies focus on equipping families with the time, resources, knowledge and skills to provide nurturing care and access to appropriate supports and services. Policies and practices that enable parents and families to nurture and provide for their children are critical.

¹ The Parenthood/Equity Economics, [Making Australia The Best Place In The World To Be a Parent](#), 2021

²https://www.aracy.org.au/publications-resources/command/download_file/id/329/filename/Second_edition_The_Nest_action_agenda.pdf

Recommendations to Bridge Great Care Divide

The Parenthood's 2021 report, [Making Australia The Best Place In The World To Be a Parent](#), presents a coordinated framework of best practice evidence-based policies that enable parents and children to thrive in the critical early years. It provides the evidence base and economic modelling that informs the following recommendations:

Recommendation 1: Increase statutory Paid Parental Leave (PPL) for parents and carers to 52 weeks at full pay with super to be shared.

Recommendation 2: Make quality, inclusive Early Childhood Education and Care (ECEC) universally accessible to all families and children.

Recommendation 3: Support parents and caregivers through family inclusive workplace policies.

The cumulative impact of reforming ECEC and PPL could increase national GDP by 4.1 per cent in 2050 or \$166 billion. If Australia could lift female workplace participation to that of males, it would increase GDP by 8.7 per cent or \$353 billion by 2050.

Pursuing world-leading parenting policies presents an opportunity to transform Australia, reduce inequity, create intergenerational change and yield rich rewards for children, women, families, communities and the economy.

Please see Attachment A for further details.

Increase Paid Parental Leave

Among OECD nations Australia has one of the least adequate statutory paid parental leave programs, with just 20 weeks offered at the minimum wage. The OECD average is more than 50 weeks of paid leave³. Less than 50% of the largest employers in Australia offer any paid parental leave⁴. Fathers in Australia take less than 20% of the paternity leave days as their global peers⁵.

Caring patterns that are established in the first year of a child's life persist so the underutilisation of parental leave among fathers entrenches stereotypical gender roles. The gap between how mothers and fathers work, care and earn after a baby is more pronounced in Australia than in comparable nations⁶.

While women and men work a similar number of total hours each week in Australia, almost two-thirds of the hours worked by women are unpaid care work, which contrasts with just over one-third of hours worked for men⁷. Women shoulder a significant financial burden when providing care often with little or no payment and at an enormous saving to the

³ https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf

⁴ WGEA Gender Workplace Statistics at a Glance (August 2020), <https://www.wgea.gov.au/data/fact-sheets/gender-workplacestatistics-at-a-glance-2020>

⁵ Organisation for Economic Co-Operation and Development. (2019). Information drawn from the OECD family database: <http://www.oecd.org/els/family/database.htm> cited in: van der Gaag, N., Heilman, B., Gupta, T., Nembhard, C., and Barker, G. (2019). State of the World's Fathers: Unlocking the Power of Men's Care. Washington, DC: Promundo-US

⁶ Global Gender Gap Report 2020. World Economic Forum

⁷ Workplace Gender Equality Agency "We know the causes", 2019

government. The annual value of unpaid care work in Australia is estimated to be approximately \$70 billion⁸.

Currently, 12.3% of all women in Australia identify as a carer, and women represent 7 out of 10 primary carers⁹. Informal care has, historically, been undertaken mostly by women which has correlated with women's underrepresentation in the paid workforce.

Australia's female workforce participation is peculiarly low, ranked by the World Economic Forum in 2021 as 70th out of 153 nations¹⁰. Of women in Australia aged between 25-40 with young children just 56% participate in paid work¹¹. Of these 61% work part time, one of the highest rates of part time work of any industrialised country. A 2020 Grattan Institute report found that the most significant financial barrier to women in Australia working more is the high cost of childcare¹². Other factors include inadequate paid parental leave¹³, a punitive effective marginal taxation rate for secondary earners¹⁴, a lack of support for carers in workplaces and prevailing stereotypical gender roles¹⁵.

The 2022 research report, [Back Of The Pack - How Australia's Parenting Policies are failing Women and our Economy](#), examines the working patterns of women after they have children in Australia, Canada, Germany and Sweden. Compared to global peers, mums in Australia fall behind in work participation after children and never catch up. This is despite starting at the top of global standings on education levels and working more than women in other countries before having children.

This is explained by an inadequate statutory PPL scheme that promotes 'mothers as primary carers' and 'fathers as primary breadwinners', as well as prohibitively expensive ECEC.

If the average Australian woman had the same workplace participation patterns after having children as the average Swedish woman, she would earn an additional \$696,000 over her working life; and retire with an additional \$180,000 in superannuation¹⁶. Mums in Sweden being able to more consistently participate in paid work after having children is a result of having access to the infrastructure that enables mothers and fathers to equitably and sustainably combine work and care. In Sweden, caring is more equitably shared due to a generous PPL scheme that openly incentivises fathers to take extended parental leave and universal access to quality childcare. Women are able to more freely participate in paid work

⁸ Economic Security4Women's White Paper 2019, https://www.agec.org.au/wp-content/uploads/2020/12/2019-11-12-eS4W-White-Paper_Carer-Economy_20191101.pdf

⁹ <https://www.wgea.gov.au/gender-equality-and-caring>

¹⁰ Global Gender Gap Report 2021. World Economic Forum

¹¹ Grattan, [Dad Days](#), 2021

¹² Cheaper childcare A practical plan to boost female participation. Grattan Institute August 2020

¹³ Organisation for Economic Co-Operation and Development. (2019). Information drawn from the OECD family database: <http://www.oecd.org/els/family/database.htm> cited in: van der Gaag, N., Heilman, B., Gupta, T., Nembhard, C., and Barker, G. (2019). State of the World's Fathers: Unlocking the Power of Men's Care. Washington, DC: Promundo-US

¹⁴ The Cost of Coming Back: Achieving A Better Deal for Working Mothers. KPMG 2018.

¹⁵ Wood, D., Griffiths, K., and Emslie, O. (2020). 'Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation'. Grattan Institute, p.45.

¹⁶ Back Of The Pack - How Australia's Parenting Policies are failing Women and our Economy, 2021, Equity Economics

while managing their caring responsibilities. Workplaces and communities are more accommodating and accepting of men and women sharing the care.

Make quality, inclusive ECEC, delivered by a properly paid and supported workforce, universally accessible to all families and children.

In UNICEF's 2020 annual report analysing child well-being, Australia ranked 32nd among OECD and EU countries in relation to children's mental and physical health, and academic and social skillsets. The report found Australia is "falling short in delivering consistently good health, education and social outcomes for children"¹⁷.

The price Australia pays for not providing the requisite early support to children and families, or late intervention, is estimated at more than \$15 billion annually¹⁸.

The Covid-19 pandemic has been described as a "generation-defining disruption" for children. The cumulative physical and psychological toll the virus and the resulting public health measures has exacted from children, families, parents and carers is troubling¹⁹.

Australia must develop interventions to address the growing disparities in child health and wellbeing due to the pandemic²⁰, and invest in social infrastructure that supports parents and carers to help ensure every child is nurtured to reach their full potential²¹.

Australia has the fourth most expensive ECEC fees in the OECD and participation rates among 3 and 4 year old children in ECEC lag global peers²². More than a third of Australians live in neighbourhoods that are classified as a childcare desert, defined as a place where there are more than three children per childcare place, or less than 0.333 places per child aged four or under²³. Families in regional, rural and remote areas or living in neighbourhoods with lower household wealth are more likely to be stranded in childcare deserts.

More than 20% of all children in Australia arrive at school developmentally vulnerable²⁴. In rural and remote Australia it's 40% of children. Aboriginal and Torres Strait Islander children are twice as likely to arrive at school with developmental vulnerabilities, and half as likely to attend an ECEC program, as non-Indigenous children.

Children who attend quality ECEC for at least one year before school are half as likely to arrive at school developmentally vulnerable as their peers who don't²⁵.

¹⁷ World of influence: understanding what shapes child well-being in rich countries. 2020 UNICEF

¹⁸ Teagher, Fox and Stafford, 2019

¹⁹ Gadermann AC, Thomson KC, Richardson CG, et al Examining the impacts of the COVID-19 pandemic on family mental health in Canada: findings from a national cross-sectional study *BMJ Open* 2021

²⁰ Potential indirect impacts of the COVID-19 pandemic on children: a narrative review using a community child health lens, Sharon Goldfeld, Elodie O'Connor, Valerie Sung, Gehan Roberts, Melissa Wake, Sue West and Harriet Hiscock, *Med J Aust* || doi: 10.5694/mja2.51368

²¹ Equity Economics, Making Australia The Best Place In The World To Be a Parent, 2021

²² McKinsey Global Institute (2018), 'The Power of Parity: Advancing Women's Equality in Asia Pacific', p. 66. OECD Family Database data updated as at 2017

²³ Mitchell Institute, [Childcare deserts & oases: How accessible is childcare in Australia](#), 2022

²⁴ Molloy C., Macmillan, C., Goldfeld S., Harrop C., Perini, N (2019), 'Early Childhood Education and Care: An Evidence Based Review of Indicators to Assess Quality, Quantity, and Participation', p. 3

²⁵ <https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education>

Well-qualified, well-supported educators are essential to providing high-quality early learning and care²⁶. This workforce is in crisis with record vacancies in early learning services nationally and high staff turnover, driven by inadequate pay and conditions. It poses an immediate challenge to families seeking to combine paid work with caring responsibilities.

Investing in ECEC presents a compelling and immediate solution to the workforce shortages being experienced across industries and sectors. The government's Cheaper Childcare package that is due to take effect on the 1st of July 2023 [will result in 8 percent more hours being worked by secondary earners with young children – mostly mums](#). By lowering the cost of care for these families the equivalent of 44,000 additional full-time workers – who are already in Australia, who are skilled, qualified and willing to work - will be freed up.

But to realise the increased productivity the ECEC sector must have the capacity to accommodate the extra days that families will need in order to work additional days and hours. The estimated increase in demand for early learning as a result of the changes will require the equivalent of 9,650 additional full time educators by next year. This is in addition to the 39,000 educators needed by 1 July 2023. Right now, rather than expanding this critical workforce, like many other female dominated workforces, is contracting at an unprecedented and alarming rate. In July there were more than 6,600 vacancies.

The quality of the ECEC workforce has a direct impact on the experiences of children. It is vital to address the supply and retention of suitably qualified teachers and educators, particularly in rural and remote areas, to ensure there is a pipeline of future educators and teachers to deliver the early education children need, and that parents need in order to work and provide for their families.

The Parenthood endorses [Thrive by Five Early Childhood Education and Care Workforce Action Plan](#).

Support parents and caregivers through family inclusive workplace policies

Workplace discrimination against parents in Australia remains prevalent. One in two (49 per cent) Australian mothers have experienced pregnancy-related discrimination at work at some point during pregnancy, parental leave or on their return to work²⁷.

Mothers report being reluctant to take advantage of flexible working for fear of impacts on their careers, including promotion prospects²⁸. Cultural norms constitute a barrier with more than one in five Australians agreeing with the statement “When a mother works for pay, the children suffer”²⁹.

Fathers face challenges too. A 2019 Australian survey of 6,000 parents found that 64 per cent of respondents agreed that “it is more acceptable for women to use family friendly

²⁶ Early Learning Everyone Benefits. (2019). State of Early Learning in Australia 2019. Canberra: Early Childhood Australia. p. 28

²⁷ During pregnancy, parental leave or on return to work. Human Rights Commission (2014), ‘Supporting Working Parents: Pregnancy and Return to Work National Review Community Guide’, p. 8.

²⁸ McKinsey Global Institute (2018), ‘The Power of Parity: Advancing Women’s Equality in Asia Pacific’, p. 24 and 69

²⁹ McKinsey Global Institute (2018), ‘The Power of Parity: Advancing Women’s Equality in Asia Pacific’, p. 24 and 69

work options than men.”³⁰ While WGEA reports that 72.7% of employers promote flexible work, only 2.3% have set targets for men’s engagement.

Workplace flexibility, culture and carer entitlements are crucial for parents, with research showing this yields positive improvements in workforce participation rates and productivity. Strengthening basic workplace entitlements and driving cultural change in individual workplaces are critical.

Flexible and supportive workplaces are needed with universal access to paid carers’ leave for sick children. Workplace policies that support perinatal mental health such as counsellors for parents have been shown to be effective at reducing mental distress and improving participation and productivity of working parents.

Conclusion

Inadequate PPL, inaccessible and expensive ECEC and a lack of family friendly employment practices makes the intersection of work and care profoundly challenging for too many parents and families. The cumulative impact of inadequate policy settings and practices to enable families to combine work and care, compromises child development outcomes, places undue pressure on parents’ mental and physical health, hampers efforts to reduce inequality and acts as a handbrake on Australia’s economic growth and future prosperity.

Australia’s birth rate had slowed substantially even before the Coronavirus pandemic, a trend that has continued, which makes these issues more pertinent economically as reduced fertility undermines the long-term sustainability of government finances. Reducing the “motherhood penalty” is an effective way to lift Australia’s falling birth-rate and increase natural population growth.

Pursuing best practice, evidence-based policies that value the role and function of parenting and caring, provide support that enables parents, particularly mothers, to combine paid work with caring responsibilities, and recognise the wellbeing of children as a national priority, will deliver profound health, social and economic benefits.

We grant permission for this submission to be published and quoted. If you would like to discuss any aspect of our submission further please do not hesitate to contact us.

Kind regards,

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³⁰ 2 Peach, L. (2019), ‘National Working Families Report 2019’, Parents at Work Karitane and APLEN, p. 20