



## Chief Executive Women

### **Chief Executive Women Submission to the Inquiry into the provisions of the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022**

Chief Executive Women (CEW) is pleased to make a submission to the Senate Inquiry into the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022. Thank you for providing CEW with the opportunity to comment on the Paid Parental Leave Amendment. We welcome the Commonwealth Government's commitment to supporting parents and families.

In CEW's [Pre-Budget Submission 2023-2024](#), we welcomed the Government's notable commitment to women's economic equality, particularly the extension of the Commonwealth Paid Parental Leave scheme to 26 weeks by 2026. The submission focused on the further reforms necessary to ensure women's economic participation, leadership and equality, which is a foundational element in achieving greater gains in economic productivity and wellbeing.

Leveraging women's participation and leadership is one of the most effective actions for business and government to boost the Australian economy and productivity. As a nation, we have an opportunity to restore Australia as a world leader on gender equality and fully capitalise on our potential.

#### **Unlocking women's workforce participation and leadership**

The National Skills Commission estimates the need for 1.2 million additional workers across the economy by 2026.<sup>i</sup> A large majority of these roles are in highly feminised industries, such as health and early childhood<sup>ii</sup>. A thriving care economy is vital to unlocking women's economic participation in other sectors and progressing gender equality.

CEW and Impact Economics and Policy research [Addressing Australia's Critical Skill Shortages: Unlocking Women's Economic Participation](#), demonstrates that women are an untapped workforce who can play a critical role in meeting these labour shortages.

- Halving the workforce participation gap between men and women would represent an additional 500,000 full-time skilled workers with post school qualifications.
- Engaging women in paid work at the same rate as men could unlock an additional one million full-time skilled workers in Australia.<sup>iii</sup>

#### **Gender Equality boosts productivity**

Now is the time to put in place the foundational elements for sustainable change that will close the gender equality gaps and generate benefits for the economy at large. Intentional steps now and over coming years will build towards a gender equal Australia in 2030.

The return on investment in women and social infrastructure will be significant.

- Deloitte's recent report 'Breaking The Norm' found that more flexible ideas around gender norms could lead to an additional \$128 billion each year for Australia's economy and 461,000 additional full-time employees.<sup>iv</sup>
- By just increasing women's working hours by 2%, \$11 billion would be added to Australia's GDP.<sup>v</sup>



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- The ACTU reports that \$111 billion can be generated every year by cutting gender inequality at work by half.<sup>vi</sup>

CEW welcomes the Bill's focus on gender equality and flexibility and accessibility of paid parental leave for all parents.

### CEW's Recommendations

#### Immediate Action

- Include a 'use it or lose it' provision in the 26 week Commonwealth PPL scheme to encourage parents to share the leave, and specifically to incentivise men to access PPL:
  - include a 6 week 'use it or lose it' provision for each parent, plus 12 weeks to share between them as best suits their family
  - Offer a bonus two weeks leave (which can be used by either parent) if both parents take at least six weeks leave

#### Reform

- Continue to expand the Commonwealth PPL scheme in line with best practice in other OECD nations
- Fathers and non-birth parents be encouraged to access the PPL provisions through effective and targeted campaigns.

*Currently, 88% of parental leave is taken by women.*

#### Use it or lose it

On average, men continue to earn more than women. Whilst the Commonwealth PPL scheme is paid at minimum wage, rather than replacement wage, 'use it or lose it' provisions will be essential to increase men's uptake.

Currently, most new fathers have not accessed their entitled leave. The Regulation Impact Statement found, "In 2020-21, only 89,784 fathers and partners received DaPP (this accounts for only around 30% of births each year, and around 35% of all PPL claimants)".<sup>vii</sup>

The application of PPL must consider the gendered dynamics at play in Australian households and be structured to encourage families to share the paid and unpaid work more equally. 'Use it or lose it' provisions are important given the highly prevalent gender norms that drive gender segregation in workplaces and in care. The Grattan institute found; "[t]he gender split in unpaid and paid work is particularly prominent in Australia"<sup>viii</sup> and "is one of the biggest labour divisions in the developed world".<sup>ix</sup>

We know from international experience that the key to men taking parental leave is a 'use it or lose it' component. In Denmark 'use it or lose it' provisions saw a significant increase in men's uptake of parental leave and men were more likely to continue shared care of their children throughout the early years.<sup>x</sup> By encouraging fathers to better share unpaid work, it encourages them to be capable and confident carers of their children.<sup>xi</sup>

In Quebec, 86% of parents will in some way share their parental leave, compared to 15% of fathers who take parental leave in the rest of Canada, this could be attributed to more flexible shared leave and higher wage replacement rates.<sup>xii</sup>



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Here in Australia, the private sector is leading the way – with many businesses investing in expanded parental leave for both men and women with arrangements to actively encourage men’s uptake.

Encouraging men to take up parental leave normalises flexible work and shared care responsibilities, unlocking women’s workforce participation and strengthening their financial security.

### **Gender-neutral language**

While CEW commends the gender-neutral language in the Bill, it is important to acknowledge that the process of childbirth is unique to the birth parent. Reserving only two weeks for the birth parent is less than the ILO convention requirements and the OECD nations best practice. The ILO Maternity Protection Convention, 2000 (No. 183) provides for 14 weeks of maternity benefit.<sup>xiii</sup> While Australia has not ratified this Convention,<sup>xiv</sup> it provides the relevant international context.

CEW welcomes the Commonwealth Government’s work to enable women’s participation, support working families and strengthen the economy through this Bill.

Susan Metcalf  
CEO  
Chief Executive Women

### **About CEW**

#### **Women leaders enabling women leaders**

Chief Executive Women’s (CEW) shared mission is ‘women leaders enabling women leaders’. CEW’s over 1000 members represents Australia’s most senior and distinguished women leaders across business, academia, government, the arts, and not-for-profit sectors. CEW’s members have leading roles within Australia’s largest private and public organisations. They oversee more than 1.3 million employees and \$749 billion in revenue. Members’ organisations have a combined market capitalisation greater than \$1.144 trillion and contribute in excess of \$249 billion to Australia’s GDP.

Since 1985 CEW has influenced and engaged all levels of Australian business and government to achieve gender balance. Through advocacy, research, targeted programs and scholarships, CEW helps to remove the barriers to women’s progression and ensure equal opportunity for prosperity. CEW’s members work actively to realise our vision of a community where women and men have equal economic and social choices and responsibilities.

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<sup>i</sup> National Skills Commission, Projecting Employment to 2026, 29 March 2022, [Projecting employment to 2026 | National Skills Commission](#)

<sup>ii</sup> Impact Economics and Chief Executive Women, Addressing Australia’s Critical Skill Shortages: Unlocking Women’s Economic Participation, April 2022, [Chief Executive Women Brief \(cew.org.au\)](#)

<sup>iii</sup> CEW and Impact Economics and Policy, 2022, [Addressing Australia’s Critical Skill Shortages: Unlocking Women’s Economic Participation](#)



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- <sup>iv</sup> Deloitte, 2022, *Breaking the Norm: Unleashing Australia's Economic Potential*, <https://www2.deloitte.com/au/en/pages/economics/articles/breaking-norm-unleashing-australia-economic-potential.html>
- <sup>v</sup> Deloitte, 2022, *Breaking the Norm: Unleashing Australia's Economic Potential*, <https://www2.deloitte.com/au/en/pages/economics/articles/breaking-norm-unleashing-australia-economic-potential.html>
- <sup>vi</sup> ACTU, *Delivering Respect for Women at Work*, 30 August 2022, [Investing in women could generate \\$111 billion annually \(actu.org.au\)](https://www.actu.org.au/investing-in-women-could-generate-111-billion-annually)
- <sup>vii</sup> Regulation Impact Statement: Boosting Parental Leave to Enhance Economic Security, Support and Flexibility for Australian Families 2022, p 9.
- <sup>viii</sup> Wood, D., Emslie, O., and Griffiths, K. (2021). Dad days: how more gender-equal parental leave would improve the lives of Australian families. Grattan Institute, Fig 2.5, p 17 <https://grattan.edu.au/wp-content/uploads/2021/09/Dad-Days-Grattan-Institute-Report.pdf>.
- <sup>ix</sup> Wood, D., Emslie, O., and Griffiths, K. (2021). Dad days: how more gender-equal parental leave would improve the lives of Australian families. Grattan Institute, p 3 <https://grattan.edu.au/wp-content/uploads/2021/09/Dad-Days-Grattan-Institute-Report.pdf>.
- <sup>x</sup> Nordic Labour Journal, August 2022 [Dads on equal footing with mums in Denmark's new parental leave law — Nordic Labour Journal](https://www.nordiclabourjournal.com/dads-on-equal-footing-with-mums-in-denmarks-new-parental-leave-law/)
- <sup>xi</sup> [Lancet \(thelancet.com\)](https://www.thelancet.com)
- <sup>xii</sup> [“Daddy’s Home!” Increasing Men’s Use of Paternity Leave \(utexas.edu\)](https://www.utexas.edu/newsroom/2022/08/daddys-home/)
- <sup>xiii</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C183](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C183)
- <sup>xiii</sup> In fact, only 43 nations have ratified ILO 183: