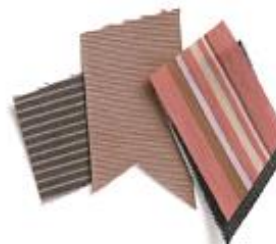


Diversity Council Australia Ltd
Level 1, 225 George Street
Sydney, NSW, 2000
Phone: (02) 9322 5197
Fax: (02) 9255 8372
Email: sydney@dca.org.au

3 March 2020

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
community.affairs.sen@aph.gov.au



ACN 006 898 406
ABN 64 421 748 342

DIVERSITY
COUNCIL
AUSTRALIA

Paid Parental Leave Amendment (Flexibility Measures) Bill 2020

Dear Committee Secretary

Thank you for the opportunity to provide a submission in response to the *Paid Parental Leave Amendment (Flexibility Measures) Bill 2020*.

Diversity Council Australia is the only independent, not-for-profit workplace diversity and inclusion advisor to business in Australia. We have a wealth of experience providing advice to our members on the business benefits of diversity.

Diversity Council Australia strongly supports proposed changes to make the Government's Paid Parental leave scheme more flexible, and to encourage the sharing of parental responsibilities between both parents, particularly in heterosexual headed families.

Encouraging men (in heterosexual families) to take parental leave means that they are more likely to take on a more equal share of parenting responsibilities. What's more, when parental leave policies encourage and allow men to take on more caregiving at home, employers can also benefit from a corresponding increase in women's participation at work.

While we strongly support increasing the flexibility of the Government's Paid Parental Leave, DCA believes the scheme could be further improved by:

- Increasing Paid Parental Leave to 26 weeks
- Making leave gender neutral
- Changing the name of 'dad and partner pay' to parental leave to be more inclusive.

Please feel free to contact myself or Cathy Brown, DCA's Manager Government Relations, [REDACTED] should you require any further information about this matter.

Yours sincerely

Lisa Annese
Chief Executive Officer

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I. ABOUT DIVERSITY COUNCIL AUSTRALIA

Who we are

Diversity Council Australia (DCA) is the independent not-for-profit peak body leading diversity and inclusion in the workplace. We provide unique research, inspiring events and programs, curated resources and expert advice across all diversity dimensions to a community of member organisations.

DCA's Membership represents 15% of the Australian workforce

DCA's prestigious group of over 600 members is drawn from business and workplace diversity leaders and includes some of Australia's biggest employers. Our membership reaches approximately **15%** of the Australian labour market (two million Australians).

About our members

- Over 600 member organisations, including almost 40 ASX100 Listed companies.
- Our members are drawn from across the corporate, government and not-for-profit sectors and vary from small to large workforces in size.
- Our founding members include ANZ, AMP, BHP, Coles, IBM Australia, Myer, Rio Tinto and Westpac.

DCA's Members are listed on our website here: <https://www.dca.org.au/membership/current-dca-members>.

Our mission

In partnership with our members, our mission is to:

- Lead debate on diversity in the public arena;
- Develop and promote the latest diversity research, thinking and practice; and
- Deliver innovative diversity practice resources and services to enable our members to drive business improvement.

What we do

DCA, formerly known as the Council for Equal Opportunity in Employment Ltd, was established in 1985 as a joint initiative of the Australian Chamber of Commerce and Industry and the Business Council of Australia to demonstrate the business community's commitment to equal opportunity for women.

Our focus since then has expanded to cover all aspects of diversity in employment, reflecting changes in practice to embrace all areas of the diversity of human resources.

DCA is not government funded - its income is generated from membership fees, sponsorships and services to business/employers.

Our Research

DCA works in partnership with members to generate ground breaking evidence-based diversity and inclusion resources that enables Australian organisations to fully leverage the benefits of a diverse talent pool.

- **DCA resources are ahead of the curve.** They establish leading diversity thinking and practice, enabling Australian organisations to re-imagine and reconfigure the way they manage talent in today's dynamic operating environments.
- **DCA resources drive business improvement.** They are high impact, driving business improvement through providing evidence-based guidance on how to fully leverage the benefits of a diverse talent pool.
- **DCA resources are practice focused.** They respond to the information needs of industry leaders and the people they employ.
- **DCA resources speak to the Australian context.** DCA projects generate leading diversity thinking and practice that speaks to Australia's unique and distinctive institutional, cultural and legal frameworks.
- **DCA resources considers all diversity dimensions.** The full spectrum of diversity dimensions are investigated including age, caring responsibilities, cultural background and identity, disability, Aboriginal and/or Torres Strait Islander status, sexual orientation, gender identity, intersex status, and work organisation.

II. DCA'S RESPONSE TO THE PROPOSED LEGISLATION

Diversity Council Australia strongly supports proposed changes to make the Government's Paid Parental leave scheme more flexible, and to encourage the sharing of parental responsibilities between both parents, particularly in heterosexual headed families.

Flexible parental leave is best practice

Best practice employers empower parents to take paid parental leave (PPL) in a manner that best suits their circumstances. PPL that is flexible in application includes letting employees take leave at any point during the first few years of a child entering the family and/or enabling parents to take leave in single portion or by working part-time for a set period, taking it together or separately. Not being prescriptive about how and when parental leave is taken is key.

A number of DCA members have leading practice flexible parental leave policies:

- **Medibank:** [Since March 2018](#), all eligible prospective parents, regardless of whether they're the primary or secondary carer, will be able to take 14 weeks of paid leave within the first 24 months. This includes taking leave at the same time as their partner.
- **Deloitte Australia** offers 18 weeks paid leave to all new parents, regardless of gender and [that leave can be taken over three years](#), broken up in a range of flexible ways to suit each family's unique needs.

Sharing parental responsibilities helps with sharing the (unpaid) care

Women in Australia are overwhelmingly responsible for the majority of unpaid care. Women's disproportionate share of unpaid care and domestic work, lack of workplace flexibility and time out of the workforce are key contributors to the gender pay gap.

Gendered divisions of unpaid care and work particularly emerge after the birth or adoption of a child. Before the arrival of a first child, on average, heterosexual partners spend comparable amounts of time on paid and unpaid work, but after a child, the proportion of care and housework undertaken by women increases considerably.¹

The gendered nature of caring commonly kicks off with women being much more likely than men to access primary parental leave, and therefore to experience costly career interruptions. In 2016–17, just one in every twenty parents taking primary parental leave was a father.² 85 per cent of fathers take fewer than four weeks leave. Career interruptions accounted for 21 per cent of the 2014 gender pay gap.³

The gendered nature of caring persists well beyond the immediate arrival of a child. Even ten years after the birth or adoption of their first child, Australian women undertake

62 per cent of domestic work in a household.⁴ In fact, married women with children do more housework than their male partners, even if both partners work full-time.⁵

Women also report carrying the household mental load – the burden of remembering, planning and organising. Nearly 70 per cent of mothers report frequently feeling chronically time pressured compared to 55 per cent of fathers.⁶

Encouraging men (in heterosexual families) to take parental leave means that they are more likely to take on a more equal share of parenting responsibilities.

WGEA explains that:

Paid parental leave policies that are available for each parent support shared responsibility for raising children. In 2014 a Swiss study showed that if parental leave policies are available to each parent, it enables a more equal division of work between women and men by fostering paternal involvement in the care for a child. Similarly, a 2015 study found that the Norwegian paid parental leave policy (46 weeks of parental leave at 100% of the salary and 10 weeks of leave reserved for the co-parent) contributes to a shortening of women's career interruptions and a more equal division of paid and unpaid work among parents. These studies show that the availability of paid parental leave for each parent fosters a more equal division of unpaid care and improves family work-life balance.⁷

What's more, when parental leave policies encourage and allow men to take on more caregiving at home, employers can also benefit from a corresponding increase in women's participation at work.

Recommendations for further improvements to the scheme

While we strongly support increasing the flexibility of the Government's Paid Parental Leave, DCA believes the scheme could be further improved.

Increasing Paid Parental Leave to 26 weeks

DCA strongly supports a national government-funded paid parental leave (PPL) scheme as a central plank of workplace gender equality.

DCA has advocated for a number of years for a government scheme which is accessible to all employees (whether or not they receive paid parental leave from their employer).

DCA strongly supports 26 weeks of paid leave which is an important time for bonding and to establish breastfeeding.

Making parental leave gender neutral

Best practice employers provide the same parental leave provisions and access to PPL to men and women and they ensure gender equal access to parental leave provisions is implicit in the policy wording and communicated clearly to all expectant parents. The policy language used is gender neutral: they do not define parents as 'primary' or 'secondary' carers or assume mothers are the predominate carers.

For example, [QBE's Share the Care](#) initiative eliminates the gendered terms of “primary” and “secondary” carer, instead now offering its existing 12-weeks paid parental leave to every new parent – acknowledging the important roles all parents play within a working family.

Inclusive language: Changing the name of ‘dad and partner pay’ to parental leave

Leading practice organisations use the gender neutral term ‘parental leave’ to refer to all leave (paid or unpaid) taken by new parents whether for the birth of a child, adoption or after a stillbirth. (Noting, however, that people who have experienced stillbirth may not want to use this language. Their personal preferences should be respected).

This is important because it recognises both parents as equal partners in the care of a newborn child.

Currently, the Government’s *Dad and Partner Pay* is only taken up by about one-third of those who are eligible to access it.⁸

DCA believes that changing the name of Dad and Partner Pay would improve uptake of leave by men by not stigmatising men

The name change would also be more inclusive of all families, for example same-sex parented families.

III. DCA'S RESEARCH



Let's share the care: A call to action to reduce the gender pay gap



Introduction

Women's disproportionate share of unpaid care and domestic work, lack of workplace flexibility and time out of the workforce are key contributors to the gender pay gap.

Diversity Council Australia's (DCA) *Let's Share the Care at Home and Work* report, timed to coincide with Mother's Day on 12 May 2019, is a call to action to end the gender pay gap by enabling women and men in Australian families to 'share the care' more equitably.⁹



Australian women earn \$239.80 less than men each week

Closing gender pay gaps is one key pillar to achieving equality of economic opportunity for men and women. Yet World Economic Forum data suggests it will take over 200 years to achieve this.¹⁰

Australia's full-time gender pay gap is 14.1 per cent, meaning women, on average, earn \$239.80 per week less than men.¹¹ While it reached a record low in November 2018, it has remained between 14 per cent and 19 per cent for the past twenty years.¹²

More work is needed to eliminate gender pay gaps in Australia. Nearly nine in ten Australians (88 per cent) agree that inequality between men and women is still a problem in Australia,¹³ while 76 per cent agree that steps should be taken to close the pay gap.¹⁴



One driver of pay gaps is the gendered impact of caring

Women's disproportionate share of unpaid care and domestic work, lack of workplace flexibility and time out of the workforce is a key contributor to the gender pay gap.¹⁵

Gendered divisions of unpaid care and work particularly emerge after the birth or adoption of a child. Before the arrival of a first child, on average, heterosexual partners spend comparable amounts of time on paid and unpaid work, but after a child, the proportion of care and housework undertaken by women increases considerably.¹⁶

The gendered nature of caring commonly kicks off with women being much more likely than men to access primary parental leave, and therefore to experience costly career interruptions. In 2016–17, just one in every twenty parents taking primary parental leave was a father.¹⁷ 85 per cent of fathers take fewer than four weeks leave. Career interruptions accounted for 21 per cent of the 2014 gender pay gap.¹⁸

The gendered nature of caring persists well beyond the immediate arrival of a child. Even ten years after the birth or adoption of their first child, Australian women undertake 62 per cent of

domestic work in a household.¹⁹ In fact, married women with children do more housework than their male partners, even if both partners work full-time.²⁰

Women also report carrying the household mental load – the burden of remembering, planning and organising. Nearly 70 per cent of mothers report frequently feeling chronically time pressured compared to 55 per cent of fathers.²¹

Finally, the gendered nature of caring is not limited to parenting – twice as many women as men are the primary carer to a person with a disability, and of these women, 57 per cent are not in the labour force.²²

The unequal distribution of unpaid care and work responsibilities mean that women face disproportionately more time out of the workforce. This impacts on their opportunities to develop skills and undertake training and therefore to increase their lifetime earnings.



Why does unpaid care fall to women?

The gendered division of time out of the workforce, part-time work and unpaid care and work is driven in part by out-dated stereotypes about gender and caring. In most societies, paid work is considered a masculine task, while unpaid care work is seen as women's domain.²³ Australia is no exception – for instance, 51 per cent of Australians agree that men and women have different skills and talents based on their gender, with 37 per cent believing that women are better at most household chores and 35 per cent that women are better suited to be the primary carer of children.²⁴

Traditional gendered divisions of unpaid work can also be reinforced by economic incentives. If a male partner is earning more, it may be 'rational' for that partner to remain at work. Interactions between the Australian personal income tax, family payment and childcare support systems can also deter Australian women with young children from increasing their workforce participation.²⁵ In this way, national policy setting can expand the caring choices of women and men in Australian families or limit women to traditional 'home maker' roles.²⁶ Take for instance Norway – research found that the Norwegian paid parental leave policy (46 weeks of parental leave at 100 per cent of the salary and 10 weeks of leave reserved for the co-parent) contributed to a shortening of women's career interruptions and a more equal division of paid and unpaid work among parents.²⁷



Closing the gender pay gap by sharing the care: A call to action



If I could choose one thing to change, it would be for caring responsibilities to be shared equally between men and women

Elizabeth Broderick

Former Sex Discrimination Commissioner, 2015



Gender inequality in unpaid care has been described by the OECD as the missing link in understanding gender gaps in labour outcomes.²⁸

We need to:

Recognise unpaid care and work by measuring it

Reduce the burden of unpaid care and work through investments in physical and social infrastructure

Redistribute the work through policies that encourage men to take up more care work.

Source: Diane Elson (2017), 'Recognize, Reduce and Redistribute Unpaid Care Work: How to Close the Gender Gap', *New Labor Forum*, 26(2): 52-61.

There is a high level of support for sharing the care amongst Australians – Australian men and women overwhelmingly believe (90 per cent) that men should be as involved in parenting as women. However, while a significant number of fathers, and in particular young fathers, would like to be able to access better workplace flexibility arrangements, men are much more likely than women to have such requests denied.²⁹

Many strategies can reduce the burden of unpaid work including increasing public and care services and introducing workplace policies that are supportive of families, challenging gender stereotypes and social norms that reinforce traditional gender roles, and implementing fiscal policies that recognise the potential disincentives for female labour force participation.

However, in this report DCA decided to pick one key action government, employers, and families could each take to enable Australians to better share the care between men and women and so close the gender pay gap.

What government can do:

Ensure affordable, available, flexible and accessible universal child care. Universal access ensures that all families can access quality child care, in a form that meets the needs of children, parents and community, and at a cost that does not present a barrier to participation. Research indicates that where affordable, quality child care

The top five OECD countries, with the highest percentage of working mothers, have national child care programs (Iceland, Slovenia, Denmark, Sweden and the Netherlands).²²

is available, women are more likely to work, stay employed and hold better jobs, all of which contribute to narrowing the gender wage gap.

What employers can do:

Make sure flexible work is available to anyone for any reason, and introduce 'shared care' parental leave so all parents have equal paid leave and can access this flexibly.

Evidence from Sweden indicates that fathers' use of parental leave has direct positive impacts on their partner's earnings – with an uplift of 6.7 per cent in earnings of a partner for each month a father stays on leave.³¹

Telstra's [All Roles Flex](#) initiative effectively makes flexibility the starting point for all Telstra jobs rather than a special accommodation or allowance. Here flexibility in some form can be available for all positions, including store-based, customer-facing roles. Workers express preferences for particular shifts, non-traditional working hours, working at other locations and considering job-sharing and part-time work with no reasonable requests

What individuals can do:

Renegotiate in their home who does what when it comes to caring and household management so this is shared equitably and women and men have equal opportunity to work, stay employed and hold better jobs.

Aurizon's innovative [Shared Care](#) parental leave scheme aims to incentivise men to take on primary care of their child in the first year after birth or adoption. It provides a financial incentive based on 'half-pay' for a partner to take a leave of absence to stay at home and care for their child in their first year, allowing the mother to return to work full-time. This not only allows men to take on the primary care of their child it also reduces the impacts of unpaid parental leave and part-time employment on its



What's Next?

KPMG is working with DCA and WGEA to update and expand the 2016 report, *She's Price(d)less – The economics of the gender pay gap*. This work will be released in the coming months.

IV. CONCLUSION & RECOMMENDATIONS

Diversity Council Australia strongly supports proposed changes to make the Government's Paid Parental leave scheme more flexible, and to encourage the sharing of parental responsibilities between both parents, particularly in heterosexual headed families.

Gendered divisions of unpaid care and work particularly emerge after the birth or adoption of a child. Before the arrival of a first child, on average, heterosexual partners spend comparable amounts of time on paid and unpaid work, but after a child, the proportion of care and housework undertaken by women increases considerably.

The gendered nature of caring commonly kicks off with women being much more likely than men to access primary parental leave, and therefore to experience costly career interruptions. In 2016–17, just one in every twenty parents taking primary parental leave was a father. 85 per cent of fathers take fewer than four weeks leave. Career interruptions accounted for 21 per cent of the 2014 gender pay gap.

Encouraging men (in heterosexual families) to take parental leave means that they are more likely to take on a more equal share of parenting responsibilities.

What's more, when parental leave policies encourage and allow men to take on more caregiving at home, employers can also benefit from a corresponding increase in women's participation at work.

While we strongly support increasing the flexibility of the Government's Paid Parental Leave, DCA believes the scheme could be further improved by:

- Increasing Paid Parental Leave to 26 weeks;
- Making parental leave gender neutral; and
- Changing the name of 'dad and partner pay' to parental leave to be more inclusive of a diversity of families and encourage uptake by men.

V. ENDNOTES

¹ R. Wilkins and I. Lass, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16*, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, Melbourne, 2018.

² Australian women took almost all (95 per cent) of the primary parental leave used by non-public sector employees while 95 per cent of secondary parental leave was taken by men. Australian Bureau of Statistics, *One in 20 Dads Take Primary Parental Leave*, Gender Indicators 4125.0, 19 September 2017. Accessed 19 February 2019 at [https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20\(Media%20Release\)~11](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20(Media%20Release)~11).

³ KPMG, *She's Price(d)less: The Economics of the Gender Pay Gap*, KPMG, Sydney, 2016.

⁴ R. Wilkins and I. Lass, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16*.

⁵ Ibid.

⁶ Australian Council for Trade Council, *The Gender Pay Gap over the Lifecycle*, ATCU, Melbourne, 2016.

⁷ Workplace Gender Equality Agency, *Towards gender balanced parental leave Australian and international trends Insight paper*, accessed at: <https://www.wgea.gov.au/sites/default/files/documents/gender%20balanced%20parental%20leave.pdf>

⁸ ISSR, 2014, *PPL Evaluation: Final Report*, Institute for Social Science Research, University of Queensland, accessed at: https://www.dss.gov.au/sites/default/files/documents/03_2015/finalphase4_report_6_march_2015_0.pdf

⁹ DCA notes that this report considers 'care' primarily as it relates to heterosexual couple families, and that this is not inclusive of all families including in particular same sex and single parent families. Future DCA initiatives will consider the pay gap and caring from this broader perspective.

¹⁰ World Economic Forum, *The Global Gender Gap Report*, WE Forum, 2018.

¹¹ The gender pay gap is the difference between women's and men's average full-time equivalent earnings, as a percentage of men's earnings based on ABS data. Workplace Gender Equality Agency, *Australia's Gender Pay Gap Statistics*, 22 February 2019.

¹² Workplace Gender Equality Agency, *Australia's Gender Pay Gap Statistics*, 22 February 2019.

¹³ J. Hammond, *Australian Attitudes to Pay Equity: Report Prepared for Diversity Council Australia*, Auspoll Campaign, 2010.

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- ¹⁴ M. Evans, V. Haussegger, M. Halupka, and P. Rowe, *From Girls to Men: Social Attitudes to Gender Equality in Australia*, 50|50 by 2030 Foundation, Canberra, 2019.
- ¹⁵ Ibid.
- ¹⁶ R. Wilkins and I. Lass, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16*, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, Melbourne, 2018.
- ¹⁷ Australian women took almost all (95 per cent) of the primary parental leave used by non-public sector employees while 95 per cent of secondary parental leave was taken by men. Australian Bureau of Statistics, *One in 20 Dads Take Primary Parental Leave*, Gender Indicators 4125.0, 19 September 2017. Accessed 19 February 2019 at [https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20\(Media%20Release\)~11](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202017~Media%20Release~One%20in%2020%20dads%20take%20primary%20parental%20leave%20(Media%20Release)~11).
- ¹⁸ KPMG, *She's Price(d)less: The Economics of the Gender Pay Gap*, KPMG, Sydney, 2016.
- ¹⁹ R. Wilkins and I. Lass, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16*.
- ²⁰ Ibid.
- ²¹ Australian Council for Trade Council, *The Gender Pay Gap over the Lifecycle*, ATCU, Melbourne, 2016.
- ²² Australian Bureau of Statistics, *Difference Between Men and Women*, Gender Indicators 4125.0, September 2018. Accessed 19 February 2019 at <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202018~Main%20Features~Selected%20Highlights~2>.
- ²³ G. Ferrant, L.M. Pesando, and K. Nowacka, *Unpaid Care Work: The Missing Link in the Analysis of Gender Gaps in Labour Outcomes*, OECD Development Centre, 2014.
- ²⁴ J. Hammond, *Australian Attitudes to Pay Equity: Report Prepared for Diversity Council Australia*.
- ²⁵ KPMG, *The Cost of Coming Back: Achieving a Better Deal for Working Mothers*, 2018. Accessed 19 February 2019 at <https://home.kpmg/au/en/home/insights/2018/10/working-mothers-returning-to-work.html>.
- ²⁶ G. Ferrant, L.M. Pesando, and K. Nowacka, *Unpaid Care Work: The Missing Link in the Analysis of Gender Gaps in Labour Outcomes*.
- ²⁷ Norwegian Labour and Welfare Administration NAV, *Parental Benefit*, 2016, cited in Workplace Gender Equality Agency, *Towards Gender Balanced Parental Leave: Australian and International Trends Insight Paper*, WGEA, Sydney, p. 12.
- ²⁸ G. Ferrant, L.M. Pesando, and K. Nowacka, *Unpaid Care Work: The Missing Link in the Analysis of Gender Gaps in Labour Outcomes*.
- ²⁹ Australian Human Rights Commission, *Face the Facts: Gender Equality*, AHRC, Sydney, 2018.

³⁰ OECD Social Expenditure Database, *Public Spending on Child Care and Early Education, 2012*, cited in *Ontario Gender Wage Gap Strategy Steering Committee, Final Report and Recommendations of the Gender Wage Gap Strategy Steering Committee: Prepared for Minister of Labour Minister Responsible for Women's Issues*, p. 23.

³¹ E.A. Johansson, *The Effect of Own and Spousal Parental Leave on Earnings*, IFAU Working Paper, Institute for Labour Market Policy Evaluation, Uppsala, 2010.