



Select Committee on Work and Care
PO Box 6100
Parliament House
Canberra ACT 2600

Email: workandcare.sen@aph.gov.au
8 September 2022

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 familiesⁱ. 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 stressⁱⁱ. 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.

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 leaveⁱⁱⁱ. Less than 50% of the largest employers in Australia offer any paid parental leave^{iv}. Fathers in Australia take less than 20% of the paternity leave days as their global peers^v.

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 nations^{vi}.

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 men^{vii}. Women shoulder a significant financial burden when providing care often with little or no payment and at an enormous saving to the government. The annual value of unpaid care work in Australia is estimated to be approximately \$70 billion^{viii}.

Currently, 12.3% of all women in Australia identify as a carer, and women represent 7 out of 10 primary carers^{ix}. 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 nations^x. Of women in Australia aged between 25-40 with young children just 56% participate in paid work^{xi}. 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 childcare^{xii}. Other factors include inadequate paid parental leave^{xiii}, a punitive

effective marginal taxation rate for secondary earners^{xiv}, a lack of support for carers in workplaces and prevailing stereotypical gender roles^{xv}.

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 superannuation^{xvi}. 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 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”^{xvii}.

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 annually^{xviii}.

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 troubling^{xix}.

Australia must develop interventions to address the growing disparities in child health and wellbeing due to the pandemic^{xx}, and invest in social infrastructure that supports parents and carers to help ensure every child is nurtured to reach their full potential^{xxi}.

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 peers^{xxii}. 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 under^{xxiii}. 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 vulnerable^{xxiv}. 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't^{xxv}.

Well-qualified, well-supported educators are essential to providing high-quality early learning and care^{xxvi}. 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 work^{xxvii}.

Mothers report being reluctant to take advantage of flexible working for fear of impacts on their careers, including promotion prospects^{xxviii}. 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”^{xxix}.

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 work options than men.”^{xxx} 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,

Georgie Dent

Executive Director

[Redacted signature]

-
- ⁱ The Parenthood/Equity Economics, [Making Australia The Best Place In The World To Be a Parent](#), 2021
- ⁱⁱ https://www.aracy.org.au/publications-resources/command/download_file/id/329/filename/Second_edition_The_Nest_action_agenda.pdf
- ⁱⁱⁱ https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf
- ^{iv} WGEA Gender Workplace Statistics at a Glance (August 2020), <https://www.wgea.gov.au/data/fact-sheets/gender-workplacestatistics-at-a-glance-2020>
- ^v 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
- ^{vi} Global Gender Gap Report 2020. World Economic Forum
- ^{vii} Workplace Gender Equality Agency "We know the causes", 2019
- ^{viii} 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
- ^{ix} <https://www.wgea.gov.au/gender-equality-and-caring>
- ^x Global Gender Gap Report 2021. World Economic Forum
- ^{xi} Grattan, [Dad Days](#), 2021
- ^{xii} Cheaper childcare A practical plan to boost female participation. Grattan Institute August 2020
- ^{xiii} 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
- ^{xiv} The Cost of Coming Back: Achieving A Better Deal for Working Mothers. KPMG 2018.
- ^{xv} Wood, D., Griffiths, K., and Emslie, O. (2020). 'Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation'. Grattan Institute, p.45.
- ^{xvi} Back Of The Pack - How Australia's Parenting Policies are failing Women and our Economy, 2021, Equity Economics
- ^{xvii} World of influence: understanding what shapes child well-being in rich countries. 2020 UNICEF
- ^{xviii} Teagher, Fox and Stafford, 2019
- ^{xix} 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
- ^{xx} 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
- ^{xxi} Equity Economics, [Making Australia The Best Place In The World To Be a Parent](#), 2021
- ^{xxii} 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
- ^{xxiii} Mitchell Institute, [Childcare deserts & oases: How accessible is childcare in Australia](#), 2022
- ^{xxiv} 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
- ^{xxv} <https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education>
- ^{xxvi} Early Learning Everyone Benefits. (2019). *State of Early Learning in Australia 2019*. Canberra: Early Childhood Australia. p. 28
- ^{xxvii} 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.
- ^{xxviii} McKinsey Global Institute (2018), 'The Power of Parity: Advancing Women's Equality in Asia Pacific', p. 24 and 69
- ^{xxix} McKinsey Global Institute (2018), 'The Power of Parity: Advancing Women's Equality in Asia Pacific', p. 24 and 69
- ^{xxx} 2 Peach, L. (2019), 'National Working Families Report 2019', Parents at Work Karitane and APLEN, p. 20

Making Australia the best place in the world to be a parent

Overview – February 2021

Reimagining the potential of parents, children and Australia.

Parenting matters. In raising children, parents have the future in their hands. By the age of 5, 90% of a child's brain is fully developed so the early years of a child's life are richly formative. Children fare best when they are well nourished, responsively cared for with learning opportunities from birth onwards, and protected from disease, violence and stress.

Successful policies for early childhood development focus on equipping families with the time, resources, knowledge, and skills they need to provide nurturing care. That requires a deliberate and coordinated effort. Australia lags developed countries in the provision of best practice, evidence-based policies that support families and children and lacks a unified approach to such policies and practices. This fails to deliver optimal outcomes for children, parents, society and the economy. This report lays out a blueprint for a coordinated framework of evidence-based policies to support parents and children.

Making Australia the best place in the world to be a parent requires the deliberate creation of conditions that allow parents and children to thrive, rather than simply survive.

We recommend significant investment in:

- Universal health and wellbeing support for parents and children through pregnancy and the early years;
- A paid parental leave (PPL) scheme that provides one year of paid leave to be equally shared between both parents;
- Free and high-quality early childhood education and care (ECEC) for all families; and
- Flexible and supportive workplaces with universal access to paid carers' leave for sick children.

Our analysis indicates that the combined impact of these recommended policies would:

- Enhance childhood development and lift long term productivity.
- Increase female participation and productivity, reducing the gender gap in workforce participation and earnings.

The cumulative impact of these changes could increase GDP by

4.1%

or

\$166b

 in 2050

The Parenthood is a movement of 68,000 parents, carers and supporters working to make Australia the best place in the world to be a parent so that children can thrive and our community is stronger.

Find out more at www.theparenthood.org.au

Economic modelling:

For a detailed explanation of the economic modelling, please refer to the [Full Report](#).

“Children are the future of Australia so ensuring they are nurtured to reach their full potential is in the nation's best interests. For children to thrive, parents and families need support.”

Wendy McCarthy AO,
Patron of The Parenthood

TheParenthood


EQUITY ECONOMICS
AND DEVELOPMENT PARTNERS PTY LTD

Recommendations and implications: Making Australia the best place in the world to be a parent

Paid parental leave

Australians are missing out, with one of the least adequate PPL schemes among OECD nations. As this policy impacts the start of a child's life, and sets up a pattern for ongoing parental involvement, it is critical.

Recommendation - A parental leave scheme that provides one year of paid leave to be equally shared between parents supports key outcomes:

- Support parents to care for a child at home for the first 12 months of life
- Give both parents an opportunity to develop skills in caring for and forming attachments with their children.
- Ensure mothers are able to maintain a connection to the workforce.
- Provide opportunities for breastfeeding in the first 6 months of a child's life where possible.

Financial implications - Providing families up to 12 months PPL, at full pay and to be equally shared, will lead to:

- A GDP increase of \$116 billion or 2.9 per cent by 2050 from higher female participation and productivity due to less time out of the labour market.
- A 4.6 per cent increase in breastfeeding rates and associated long-term increase in labour productivity.

This scheme will require an investment of an additional \$7.6 billion per year in 2021, increasing to \$10.2 billion per year in 2050.

Early childhood education and care

Participation rates in 3 and 4 year old ECEC in Australia lag global peers and parents pay among the highest out-of-pocket fees in the world. Children and parents miss out. Neither the value of ECEC and educators for early child development, or the considerable productivity benefits associated with supporting parents to work, are fully appreciated. Quality and consistency of ECEC is crucial, both in terms of both parents' confidence and child development outcomes.

Recommendation - Providing free and high-quality ECEC to all Australian children would deliver benefits including:

- Increasing the number of children attending ECEC and reducing the number of children arriving at school developmentally vulnerable;
- Allowing parents to increase the number of paid hours of work; and
- Reducing the financial pressure on families with young children.

Financial implications - The provision of free high-quality ECEC will lift future productivity of children and participation of women in the labour market:

- Future lift in productivity could add up to \$2.15 billion to GDP by 2050.
- Lift in female participation could lift GDP by up to \$47.2 billion or 1.2 per cent by 2050.

This scheme will require an investment of approximately an extra \$9.6 billion per year in 2021, rising to \$13.2 billion per year in 2050.

Parental health

Parental health and wellbeing is a significant challenge that was heightened in the pandemic. In part due to stigma, 75 per cent of parents suffering from anxiety and depression are not getting help until crisis point.

Recommendation - Gold standard care requires universal access to mental health support through ongoing access to screening, telehealth, group prenatal care and care continuity during pregnancy. Ensuring continuity of care either through an obstetrician, GP or midwife should be a priority of all levels of government. Care needs to work for different family cohorts, including Aboriginal and Torres Strait Islander parents and extended family. These additional investments would:

- Improve maternal mental and physical health;
- Reduce rates of low birthweight babies – group prenatal care reduces the risk of low birthweight by up to 68 per cent compared to individual prenatal care;
- Lower rates of stillbirth - while debate is ongoing on the best form of continuity of care during pregnancy, there is overwhelming evidence that it reduces pre-term birth and foetal loss across a variety of settings.

Financial implications - The costs of perinatal mental health challenges are significant. The provision of group prenatal care could reduce the number of Australian babies of low birthweight and could lead to an increase in academic achievement and long-term earnings for these children. This could lift future earnings by 2.5 per cent. The cost of such a scheme would be \$150 million per year.

Workplace practices

Workplace flexibility, culture and carer entitlements are crucial for parents, with research showing this yields positive improvements in workforce participation rates and productivity. Yet pregnancy discrimination is common for women, and fathers also face challenges.

Recommendation - Making Australia the best place in the world to be a parent requires strengthening basic workplace entitlements and driving cultural change in individual workplaces. Holistic approaches are important, encompassing the whole parenting lifecycle, from intending parents through to parents of older children. 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.

Financial implications - Supporting parents to fully participate in the workplace while also caring for children has broad economic and health benefits:

- Improved health outcomes for children;
- Reduced parental stress; and
- Higher workforce participation and productivity.

While we do not model directly the benefits from these policies, we know that in order to realise all the benefits outlined from improved parental health supports, parental leave and ECEC, a cultural shift will need to occur in workplaces.

Help us make Australia the best place in the world to be a parent.

Join the movement: www.theparenthood.org.au/join