



## The Parenthood's Pre-Budget Submission to the Australian Treasury Budget 2022-2023

### A NATIONAL PARENTING STRATEGY

“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**

“Children and adolescents experiencing adversity before the pandemic have been disproportionately affected, potentially leading to a widening of disparities in child health, wellbeing, and developmental outcomes.” **Paediatrician and Professor Sharon Goldfeld, Murdoch Children’s Research Institute.**

“The COVID-19 pandemic has led to unprecedented global morbidity and mortality, with population mental health impacts recognised as a growing concern and particular risks identified within the family context. Specifically, the COVID-19 pandemic has posed new threats to families through social isolation due to physical distancing measures, school/child care closures, financial and employment insecurity, housing instability and changes to health and social care access,” **Dr Anne C Gademann, Assistant Professor, University of British Columbia**

### Overview

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<sup>i</sup>.

Australia must develop interventions to address the growing disparities in child health and wellbeing due to the pandemic<sup>ii</sup>, and invest in social infrastructure that supports parents and carers to help ensure every child is nurtured to reach their full potential<sup>iii</sup>.

Every child, in every household, shapes our future. In raising children, parents and carers have the future of Australia in their hands. By the age of 5, 90% of a child’s brain is fully developed<sup>iv</sup>. The early years set the foundations for life long optimal health, educational<sup>v</sup>, wellbeing and economic outcomes<sup>vi</sup>.

For children to thrive and lead happy, healthy and productive lives, they need support, and so do their parents and carers<sup>vii</sup>. Children fare best when they are well nourished, responsively cared for, have access to learning opportunities from birth onwards and are protected from disease, violence and stress<sup>viii</sup>. Successful early

childhood development policies focus on equipping families with the time, resources, knowledge, and skills to provide nurturing care.

Investing in children and their caregivers represents an investment in human capital and potential that benefits everyone and can create intergenerational change.

A 2021 research report The Parenthood commissioned Equity Economics to undertake, [Making Australia The Best Place In The World To Be a Parent](#), presents a coordinated framework of best practice evidence-based policies that would enable parents and children to thrive in the critical early years. It makes four recommendations, underpinned by comprehensive economic modelling, to comprise a National Parenting Strategy:

- 1. Universal health and wellbeing support for parents and children through pregnancy and the early years;**
- 2. A parental leave scheme that provides one year of paid parental leave to be equally shared between both parents;**
- 3. Free and high-quality Early Childhood Education and Care for all families; and**
- 4. Flexible and supportive workplaces with universal access to paid carers' leave for sick children.**

The case for reform is compelling from a social and economic perspective with improved child development outcomes, reduced inequality, improved security for women and significant economic growth among the benefits.

The cumulative impact of reforming early childhood education and care (ECEC) and paid parental leave (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.

Prioritising support for children and parents, particularly mothers, represents a critical investment in Australia's COVID recovery and future. Pursuing world-leading parenting policies is a compelling opportunity to transform Australia for the better and yield rich rewards for children, women, families, communities and the economy.

## **The Parenthood's primary recommendations are:**

**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: Protect children from poverty.**

**Recommendation 4: Commit to reducing gender inequality.**

**Recommendation 5: Support parents and caregivers through family inclusive workplace policies.**

## Background

Australia lags developed countries in the provision of best practice, evidence-based policies that optimally support children, parents and families<sup>ix</sup>. 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, particularly for women; and
- Lower rates of fertility that undermine long-term sustainability of government finances.

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"<sup>x</sup>.

The price Australia pays for not providing the requisite early support to children and families, or late intervention, is estimated at \$15 billion annually<sup>xi</sup>.

Solutions exist. The late 2021 report '[Starting Better, A Guarantee for Children and Young Families](#)'<sup>xii</sup>, from the Centre for Policy Development, lays out a comprehensive model for a world-class early childhood development system for Australia, that includes reforming key supports for parents, and provides a roadmap to implement it.

Among OECD nations Australia has one of the least adequate statutory paid parental leave programs, with just 18 weeks offered at the minimum wage. The OECD average is more than 50 weeks of paid leave<sup>xiii</sup>. Less than 50% of the largest employers in Australia offer any paid parental leave<sup>xiv</sup>. Fathers in Australia take less than 20% of the paternity leave days as their global peers<sup>xv</sup>.

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<sup>xvi</sup>.

Australia has the fourth most expensive early childhood education and care (ECEC) fees in the OECD and participation rates among 3 and 4 year old children in ECEC lag global peers<sup>xvii</sup>. More than 20% of children in Australia arrive at school

developmentally vulnerable<sup>xviii</sup>. 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<sup>xix</sup>.

Australia's female workforce participation is peculiarly low, ranked by the World Economic Forum as 70th out of 153 nations<sup>xx</sup>. A 2020 Grattan Institute report found that the most significant financial barrier to women in Australia working more is the high cost of childcare<sup>xxi</sup>. Other factors include inadequate paid parental leave<sup>xxii</sup>, a punitive effective marginal taxation rate for secondary earners<sup>xxiii</sup>, a lack of support for carers in workplaces and prevailing stereotypical gender roles<sup>xxiv</sup>.

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

The cumulative impact of these policy settings and practices 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.

A 2021 research report by Equity Economics, commissioned by The Parenthood, [Back Of The Pack - How Australia's Parenting Policies are failing Women and our Economy](#), examines how mothers in Australia fall behind their global peers in regard to workforce participation when they have 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.

It is explained by an inadequate statutory paid parental leave scheme that promotes 'mothers as primary carers' and 'fathers as primary breadwinners', as well as prohibitively expensive early childhood education and care.

If an average Australian woman had the same workplace participation patterns after having children as an average Swedish woman, she would earn an additional \$696,000 over her working life; and retire with an additional \$180,000 in superannuation<sup>xxvi</sup>. In Sweden, where caring is more equitably shared as a result of a generous PPL scheme that openly incentivises fathers to take extended parental leave and childcare is universal, women are able to more freely participate in paid work while managing their caring responsibilities.

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.

## Recommendations

### 1. Increase statutory paid parental leave for parents and carers.

The benefits associated with paid parental leave are wide-spanning for children<sup>xxvii</sup>, parents, government, workplaces and the economy. It is recognised as one of the “few policy tools available” to governments to directly influence behaviour among parents<sup>xxviii</sup>. PPL impacts the start of a child’s life and sets up a pattern for parental involvement and caring that persists<sup>xxix</sup>.

Currently for heterosexual couples in Australia a mother’s role as dominant carer for a new baby is carried through the child’s first decade and beyond. This is true in almost all heterosexual two-parent families, even where the mother earned more than her partner before the child was born<sup>xxx</sup>.

In countries where mothers and fathers share PPL to a greater extent than in Australia it leads to greater parental satisfaction for men, improvements in child development and higher economic participation by women.

#### **Longer paid leave has been associated with:**

- Benefits for mothers such as a lower employment gap between mothers and non-mothers, an increase in the proportion of household income earned by women and a more equitable division of housework, as well as long-term improved maternal mental health<sup>xxxi</sup>.
- Increased rates of breastfeeding until a baby is six months old.
- Enhanced workplace diversity with research showing the low numbers of women in leadership positions in the private sector “can be linked to the uneven distribution of parental leave and care at home”<sup>xxxii</sup>.

#### **Paternity leave benefits include:**

- Improved child development outcomes; engaged fatherhood is linked to positive outcomes for children such as higher school achievement, better cognitive and social skills, higher self-esteem, fewer behavioural problems and increased stress tolerance<sup>xxxiii</sup>.
- Enhanced gender equality in caring roles: The likelihood that fathers will share care when their child is three years old is significantly higher if the father shared care in the first nine months after birth<sup>xxxiv</sup>.

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- Paternity leave take-up has been linked with improved parental relationships<sup>xxxv</sup>.
- Increased earnings for mothers: In Quebec, the introduction of non-transferable paternity leave reserved for men led to mothers earning an additional \$5,000 per year and doing an hour extra of paid work per day<sup>xxxvi</sup>.

With the exception of the United States, Australia offers the lowest level of statutory PPL support among OECD nations<sup>xxxvii</sup>. Australia offers 'primary carers' up to 18 weeks of PPL at the minimum wage, and Dad and Partner Pay of up to 2 weeks at the minimum wage. The OECD average is in excess of 50 weeks of paid leave.

The OECD average for paid parental leave at a full-time equivalent pay is 36 weeks, while Australia offers 8.6 weeks.

The use of parental leave by fathers is very low by global standards. Fathers in Australia take less than 20% of the parental leave their international peers take and receive just 0.04% of all publicly-provided PPL.

Some large employers offer employees very generous PPL and are promoting "shared care" among new parents by openly encouraging men to take extended parental leave and removing labels like 'primary' and 'secondary' carers. These are very attractive policies that benefit children, parents and the employer but remain rare. Less than 50% of Australia's largest employers offer *any* paid parental leave.

**The Federal Government can amend the statutory PPL scheme to provide one year of paid leave to be equally shared between both parents. This scheme will require an investment of an additional \$7.6 billion and 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.**

## **2. Make high quality early childhood education and care (ECEC) universally accessible to all children.**

The evidence that quality ECEC has a profound positive and enduring impact on a child's development and their future learning and economic outcomes is irrefutable. It is a critical component of a child's education and sets children up for lifelong success. In addition to boosting educational achievement, making quality ECEC accessible is a critical policy lever for increasing women's workforce participation.

Australia lags the OECD average in access, participation, affordability and investment in early childhood education and care. A PWC report commissioned by The Front Project in 2019 concluded that \$2 of benefits flow for every \$1 spent on early



childhood education<sup>xxxviii</sup>. Disadvantaged children stand to benefit most and the return on investment is greater than 2:1.

One in five children in Australia start school developmentally vulnerable<sup>xxxix</sup> and children who start behind their peers rarely catch up. Children who attend quality ECEC for at least a year before starting school are half as likely to have developmental vulnerabilities when they start school as children who have not<sup>xl</sup>.

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.

Despite success in lifting enrolments of children in preschool programs in the year before school (four year olds) Australia is in the bottom third of countries ranked by the OECD in relation to enrolment of three-year-olds. Participation of four-year olds in ECEC in Australia is significantly lower than in the United Kingdom, New Zealand and Norway<sup>xli</sup>.

The cost of ECEC is very high: among OECD countries Australia has the 4th most expensive fees<sup>xlii</sup>. Out-of-pocket fees for ECEC absorb about a quarter of household income for an average earning couple with two young children in Australia<sup>xliii</sup>. Even before the COVID19 pandemic hit and the economy contracted, half of Australian parents with children under five struggled with the cost of ECEC.

A 2020 Grattan Institute report<sup>xliv</sup> recommended improving the design of the Child Care Subsidy so that second income-earners take home more pay from additional hours of work and increasing the subsidy from 85 to 95% for low-income households, gradually tapering for families with incomes above \$68,000.

They noted that doing this would provide a triple dividend by supporting children's access to early learning, putting more money back into family budgets and supporting economic recovery. It would cost an estimated \$5 billion, but would boost GDP by \$11 billion a year.

Eliminating the annual child care subsidy cap that affects families earning over \$189,000 per annum reduces workforce disincentives to working full-time<sup>xlv</sup>.

Appropriate and secure funding for the workforce that delivers early education and care is critical. Building workforce capability in ECEC was identified as a key initiative in improving the quality of early learning in the Lifting our Game report.<sup>xlvi</sup>

Well-qualified, well-supported educators are essential to providing high-quality early learning and care<sup>xlvii</sup>. The current crisis affecting the ECEC workforce with record vacancies, high staff turnover and inadequate pay and conditions poses an immediate challenge in maintaining the current national universal access to early childhood education as well as ensuring early childhood services meet the National

Quality Framework. The quality of the 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 teachers in place for a national roll-out of three year old programs, provide professional development and support, and build a continuous learning culture to underpin quality improvement in programming and pedagogy in early childhood education.

Taking immediate action to improve the pay of educators and teachers in early learning is critical. The Parenthood notes and endorses the Minderoo Foundation's 2022-2023 Pre-Budget Submission in its call to increase the remuneration and conditions for ECEC workers.

**Providing free and high-quality ECEC to all Australian children, delivered by a properly paid and valued workforce, 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.

**This will require an investment of approximately an extra \$9.6 billion but 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.

**Short of offering free, universal access to quality ECEC for all children the Federal government can reform current ECEC policy settings to ensure:**

- The crisis in the ECEC workforce is addressed. With thousands of job vacancies, an untenable staff turnover rate and inadequate pay and conditions, the viability and quality of early learning is at risk. The Parenthood supports the Short, Medium and Long term recommendations in the CPD's 'Starting Better. A Guarantee for Children and Young Families' Report to address the workforce crisis.
- All children can attend at least three days per week of quality ECEC, irrespective of their parents' workforce participation or other activity;
- Children have access to high-quality early education for at least two years before school, with the national rollout to prioritise children experiencing



educational disadvantage including children in rural and remote areas and children from non-English speaking backgrounds;

- All Aboriginal and Torres Strait Islander children have access to quality early learning and family support by following the recommendations made in the SNAICC and Early Childhood Australia (ECA) position paper – Working Together to ensure Equality for Aboriginal and Torres Strait Islander Children including:
  - Ensure Aboriginal and Torres Strait Islander three and four-year-olds have a minimum of three days per week of high-quality preschool with a bachelor-qualified teacher;
  - Adjust the activity test within the Child Care Subsidy so that Aboriginal and Torres Strait Islander children can have up to 30 hours per week of subsidised early education and care, without parents having to meet work or study requirements;
  - Fund a targeted program to support evidence informed, culturally safe, and well integrated early childhood and family-focussed programs, across the nurturing care spectrum in early education and care services that work with high numbers of Aboriginal and Torres Strait Islander children.
- Affordability is addressed by:
  - Improving the Child Care Subsidy so that second income-earners take home more pay from additional hours of work;
  - Increasing the Child Care Subsidy from 85 to 95 per cent for low-income households, gradually tapering for families with incomes above \$68,000;
  - Removing the annual Child Care Subsidy cap of \$10,560 per child per year;
- Long-term funding commitments are made to provide security for children, parents, educators and early learning centres.
- Establish a roadmap to achieve universal access to quality ECEC.

### **3. Protect children from poverty.**

One in six children in Australia live in poverty<sup>xlviii</sup>. Children in single parent families are more than three times as likely to live in poverty (44 per cent) as children in couple families (13 per cent). In June 2021, 283,000 households with children aged 0-14 were jobless families<sup>xlix</sup>.

Family poverty and financial stress have significant adverse impacts on children's development, wellbeing and future outcomes throughout their lives, including poorer health and educational outcomes. For most families, regular adequate income is the single most important determinant of their economic situation<sup>l</sup>.

A landmark US study published in 2022 highlights the impact of a poverty reduction intervention on infant brain activity, showing a causal link<sup>li</sup>. Creating positive outcomes for children requires action to address the social determinants of disadvantage and poverty.

The biggest risk to living in poverty in Australia is to receive Newstart, Youth Allowance or another allowance as the sole source of income. These payments have not been increased in real terms in 25 years and trap people in poverty. We support the advocacy of ACOSS to raise the rate of Newstart and Youth Allowance and other allowances.

**To protect children from poverty the Federal government can:**

- Commit to a permanent increase in JobSeeker and Youth Allowance and other improvements to the income support system as outlined by ACOSS in their submission.
- Increase family payments for single parent families and commit to a single parent supplement to be benchmarked to the costs of children of different ages and reflect the diseconomies of scale experienced by single parents, and indexed to wages.
- Invest in localised housing and job generation collaborations in disadvantaged locations to address intergenerational unemployment, overcrowding and homelessness that create poverty for children.
- Increase statutory paid parental leave for parents and caregivers to one year, with super, shared between parents.
- Make quality inclusive ECEC universally accessible to all families and children.
- Invest in reducing gender inequality.

**4. Commit to reducing gender inequality.**

Gender inequality remains firmly entrenched in Australia and COVID-19 has intensified the inequity. Meaningful progress towards improving the economic security of women living in Australia, and closing the gender gap in key dimensions including workforce participation, the wage gap and superannuation, has been limited<sup>liii</sup> and exacerbated by COVID-19<sup>liiii</sup>. Relative to other countries the gender gap between men and women in Australia has grown in recent years<sup>liv</sup>.

Significant structural, systemic and cultural barriers prevent women from engaging in paid work to the same extent as men. The average superannuation balance of a woman in Australia is less than a man across all ages<sup>lv</sup>. Women are at greater risk of experiencing absolute poverty in retirement than men.

The vulnerability of women to economic insecurity is evidenced in the fact women aged over 55 have comprised the fastest growing demographic of Australians experiencing homelessness for several years<sup>lvi</sup>.

The Grattan Institute notes that policies which facilitate men and women to share the care for children is one of the single biggest levers that Governments can use to improve women's safety and economic security<sup>lvii</sup>.

Women's financial disadvantage and economic insecurity has far-reaching impacts. There are just under 1 million single parent families, with 81.8 per cent headed by a single mother so the impact of women's poverty and financial insecurity on children is significant<sup>lviii</sup>. The "motherhood penalty" which describes the additional economic disadvantage women face upon having a child is relevant and concerning.

As a member of the United Nations and G20, Australia is committed to achieving the 17 Sustainable Development Goals (SDGs) that form a roadmap for global development efforts to 2030 and beyond. In 2016 the G20 marked its commitment to achieve all 17 SDGs by 2030 through its Action Plan on the 2030 Agenda for Sustainable Development.

SDG 5 seeks to achieve gender equality and empower all women and girls. Due to the universal nature of the SDGs Australia has committed to examine domestic policy and progress to ensure we are universally meeting the goals and targets set within the SDGs. In 2014, under Australia's presidency, G20 leaders committed to reduce the gender participation gap between men and women (aged 15-64) by 25 per cent by 2025 in their respective countries.

We note and support the recommendations made by Chief Executive Women and Women For Progress in their 2022-2023 Federal Budget Submissions.

To address gender inequality and drive significant economic growth, the Federal Government can:

- **Make work a safer place by:**
  - Implementing all 55 recommendations of the Respect@Work report, and particularly a positive duty for employers under the Sex Discrimination Act; and a prohibition on sexual harassment in the Fair Work Act.
  - Include at least 10 days of paid family and domestic violence leave in the National Employment Standards.
- **Apply a robust gender lens to all budgets and policies:** In 1984 Australia was the first country in the world to develop, apply and implement Gender Responsive Budgeting and had a 30-year history of delivering the Women's Budget Statement (WBS). In 2014 under the Abbott Liberal-National Coalition

Government a WBS was not published. This was despite major policy and budgetary changes in the 2014-15 federal budget that had major implications for gender equality and women's empowerment.

A robust gender lens is needed to evaluate policies and practices affecting women<sup>lix</sup>. The Federal Government can reinstate the annual gender budget statements and integrate gender impact assessments into budgetary decision-making processes.

- **Take measures to increase women's workforce participation:**
  - Prioritise access to high quality, affordable ECEC and establish a roadmap to achieve universal access to quality ECEC<sup>lix</sup>;
  - Expand statutory paid parental leave to one year with super to be shared between parents<sup>lxi</sup>;
  - Strengthen the support, funding and reporting role of the Workplace Gender Equality Agency's (WGEA) gender equality reporting scheme with the requirement for employers to specify targets, timeframes, and incentives for addressing workplace gender equality outcomes, including with the engagement on and uptake of formal flexible working arrangements by gender;
  - Invest in the female-dominated 'care economy', including early learning and care and other social services, as it will create twice as many jobs as the same level of investment in construction and can lift women's employment by 5.3%<sup>lxii</sup>.
- **Address the pay gap and superannuation gap:**
  - Legislate above average wage increases for sectors and professions with a high proportion of female workers;
  - Amend the equal pay legislation by ensuring women in historically underpaid female-dominated industries receive the same remuneration as men in different but equal-value work;
  - Maintain the legislated timeframe for increase in the SDG levy and increase the government's superannuation contribution to at least 12 per cent;
  - Remove the \$450 monthly threshold for superannuation.
  - Introduce legislation that ensures all employers continue to provide the superannuation guarantee to staff while on parental leave.
- **Invest in preventative and crisis housing for older women and people experiencing family and domestic violence (including those on temporary visas).**
- **Recognise unpaid care work:** 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<sup>lxiii</sup>. 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<sup>lxiv</sup>. We note and endorse the

recommendation from Economic Security4Women that the Federal Government provide a government funded “carer credit” for qualified carer benefit recipients. Credits are allocated in the form of superannuation payments, pension top ups and other government services as a payment for the savings to the budget these carers implicitly accrue from their unpaid care for dependent family members. The provision of financial compensation for carers should rise and be expanded to reflect the financial contribution that carers make both directly and indirectly to society and the economy. In doing so, it would be a recognition of the savings to the Federal government from such work and the significant financial cost of care delivered at home.

## **5. Support parents and caregivers through family inclusive workplace policies.**

Workplace discrimination against parents in Australia is prevalent. One in two Australian mothers have experienced pregnancy-related discrimination at work at some point during pregnancy, parental leave or on their return to work<sup>lxv</sup>. Mothers report being reluctant to take advantage of flexible working for fear of impacts on their careers, including promotion prospects<sup>lxvi</sup>. 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”<sup>lxvii</sup>.

As noted earlier Australia’s female workforce participation rate lags peers so workplace discrimination is relevant to consider. Women constitute 37.6% of all full-time employees and 67.9% of all part-time employees in Australia<sup>lxviii</sup>. The WGEA notes that women regularly choose part-time employment or other forms of vulnerable employment below their skill level, to combine unpaid care and paid work<sup>lxix</sup>. This indicates that part-time employment is a common practice for managing work and family responsibilities for women in Australia. Given research that working part-time reduces promotion opportunities this compromises efforts to increase the representation of women in leadership<sup>lxx</sup>.

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.”<sup>lxxi</sup> While WGEA reports that 72.7% of employers promote flexible work, only 2.3% have set targets for men’s engagement.

Ensuring non-discrimination for both men and women is essential. A survey of 35 countries found that one of the best ways to increase men’s unpaid care work at home was to “ensure that men are not discriminated against if they take leave to care for dependents.”<sup>lxxii</sup>

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

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

Family-inclusive workplace practices and policies that enable parents to more equitably manage their paid and unpaid responsibilities can serve to reduce the caring - and income - gap between men and women. Women's labour force participation sits at 59.9 per cent in Australia, compared to 73.5 per cent in Nordic countries<sup>lxxiii</sup>. Academics indicate these countries' workplace practices play a key role in the significant successes in relation to women's labour force participation and associated growth in GDP. Specifically, they argue these figures can be linked to a "well-functioning" system of stakeholders focused on gender equality, with the private sector playing a crucial role in backing up the government's targeted policies<sup>lxxiv</sup>.

## **To support parents and caregivers through family-inclusive workplace policies and practices the Federal Government can:**

- Strengthen the support, funding and reporting role of the WGEA;
- Increase statutory paid parental leave;
- Extend access to paid carers' leave and the right to request flexible work to casual and gig-economy workers;
- Address workplace practices to ensure:
  - non-discrimination of men and women is enshrined;
  - enhanced access to flexibility;
  - policies reflect gender balance; and
  - workforce mental health and wellbeing strategies addressing stresses and fears facing parents are implemented.

The Parenthood makes these recommendations for the 2022-23 Budget, confident that pursuing best-practice evidence-based parenting supports will help transform Australia into a prosperous, inclusive and equitable nation with a strong economy and even stronger communities.

**Yours sincerely,**

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## **The Parenthood**

The Parenthood is an inclusive, independent, not-for-profit advocacy organisation that represents 74,000 parents, carers and supporters across Australia. Our mission

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is to make Australia the best place in the world to be a parent because when parents are supported, children can thrive and our whole community will be stronger.

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- <sup>i</sup> 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
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- <sup>iii</sup> Equity Economics, Making Australia The Best Place In The World To Be a Parent, 2021
- <sup>iv</sup> Center on the Developing Child (2007), The Science of Early Childhood Development (InBrief).
- <sup>v</sup> Brennan and Pascoe (2017), Lifting our Game.
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- <sup>viii</sup> [https://www.aracy.org.au/publications-resources/command/download\\_file/id/329/filename/Second\\_edition\\_The\\_Nest\\_action\\_agenda.pdf](https://www.aracy.org.au/publications-resources/command/download_file/id/329/filename/Second_edition_The_Nest_action_agenda.pdf)
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