

Submission to the Senate Select Committee on Work and Care

September 2022

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Executive Summary

UNICEF Australia welcomes the opportunity to provide this submission to the Senate Select Committee on Work and Care. It is timely that the Committee is looking into the nature of work and care across post-pandemic Australia as we use this unique opportunity to reassess what we value most as a nation.

The pandemic has seen many parents, families and carers, particularly women, struggle to manage the competing priorities of caring for children, remaining in the workforce, and dealing with the growing cost of living. These are not new pressures. Long before COVID-19, the balancing of work and care weighed heavily on the minds of parents as they consider whether to spend more time with their children or continue working.

Thankfully, there are evidenced solutions waiting to be implemented which can help us ease these pressures. They include increasing paid parental leave with more shared care between parents, helping employers become Family Friendly Workplaces, and making sensible changes to early childhood education and care subsidies and funding. By turning these ideas into actions, we can create a more family friendly Australia which reevaluates the value we place on the importance of caring for children, elevating it to where it belongs as central to the fabric and prosperity of our society.

Summary of Recommendations

1. Improving care for children and wellbeing for parents through Paid Parental Leave

- Increase the federal Paid Parental Leave scheme to 26 weeks with 'use it or lose it' rules to incentivise shared care.

2. Reducing stress on families through Family Friendly Workplaces

- Commit long-term funding to the Family Friendly Workplaces initiative to deliver research and impact assessments, and participate in dialogue with the private sector to share good practice and encourage workplaces to invest in family friendly policies.

3. Increasing women's economic participation and outcomes for children, particularly First Nations children, through Early Childhood Education and Care

- Implement the Albanese Labor Government's pre-election commitment to lift the Child Care Subsidy rate to 90% for the first child in care.
- Remove the activity test for the Child Care Subsidy to provide greater access, particularly for low-income families.
- Provide sustainable funding for a dedicated Aboriginal and Torres Strait Islander community controlled early years sector.

Detailed Recommendations

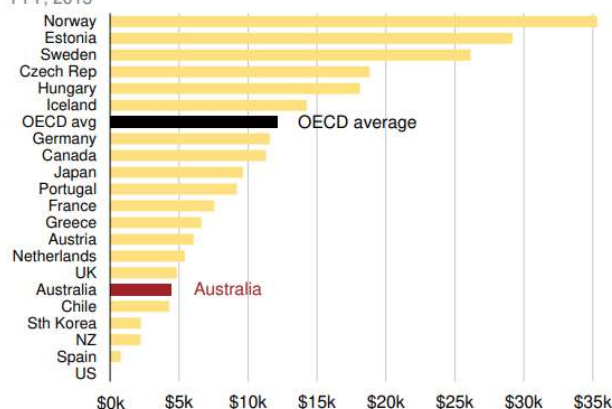
1. Improving care for children and wellbeing for parents through Paid Parental Leave

In 2017-18, almost all Paid Parental Leave (PPL) recipients in Australia were women with less than 0.5% of recipients being men, one of the lowest proportions in the OECD.ⁱ Many countries now have PPL schemes that encourage participation from fathersⁱⁱ and Australia has one of the least generous schemes of all OECD countries.ⁱⁱⁱ

The social and economic benefits of adequate PPL have now been well-established – it increases female workforce participation and health benefits for mothers, lowers infant mortality, and for fathers it increases parental satisfaction through time spent bonding with the child, and creates a more equitable division of household labour.^{iv}

Through its leading research in Australia, the Grattan Institute has found that the sharing of childcare is one of the biggest levers governments can pull to improve women's economic security and safety.^v Their proposed model includes adding up to six additional weeks of PPL to the current 20-week allowance. This would be achieved through a 6/12/6 structure to encourage sharing – 12 weeks to share between parents, with a six weeks 'use it or lose it' provision.^{vi} To incentivise uptake, an additional two weeks of bonus leave could be taken by either parent if both take at least six weeks.^{vii} Single parents would be given the full 26 weeks.^{viii} The proposed model would lead to an increase in GDP of \$900million a year because of an increase in female workforce participation.^{ix}

Figure 1.3: Australia invests very little in parental leave
Public expenditure on maternity and parental leaves per birth, in USD 2010 PPP, 2015



Source: Dad days: How more gender-equal parental leave could improve the lives of Australian families

By equalising access between parents and carers to a more adequate PPL scheme, we can ensure children receive the care they need, increase the participation of men in family life, and reduce the workforce participation gap.

Recommendation

Increase the federal Paid Parental Leave scheme to 26 weeks with 'use it or lose it' rules to incentivise shared care.

2. Reducing stress on families through Family Friendly Workplaces

The unprecedented pressures caused by COVID-19 have seen many parents, families and carers, particularly women, struggle to manage the competing priorities of caring for children, remaining in the workforce, and dealing with the growing cost of living. However, this pressure was being felt even before the pandemic – in 2019 one in four parents had considered or actively intended leaving their job in the next 12 months due to difficulties combining work with caring.^x Additionally, 62% of working parents reported difficulties looking after their own mental and physical health as they attempt to manage competing work and family responsibilities.^{xi}

One of the ways we can help families and carers manage competing pressures is by making workplaces more responsive and resilient to the needs of families and carers, thereby relieving the pressure on caregivers, promoting women's economic participation, and giving men more opportunities to participate in family life. According to the World Health Organisation, an enabling environment of policies is essential in achieving this.^{xii} Governments have to play their part, however, the responsibility can also be shared with employers as well as parents and carers themselves. In particular, the private sector has a significant role to play, and by incentivising and assisting employers to support

working parents, a substantial scale of return can be achieved given the reach and size of the corporate world, which at the same time alleviates pressure on the Government to carry the entire burden of responsibility for this shift.

To this end, we can focus on making workplaces more responsive and resilient to the needs of families and the [Family Friendly Workplaces](#) (FFW) initiative is doing just this. By benchmarking and certifying employers against a set of best-practice [National Work + Family Standards](#) developed for the initiative, FFW has already helped over 70 companies, employing almost 300,000 employees in Australia, to meet the work, family and wellbeing needs of their employees.

The Australian Government provided welcome funding in the 2022-23 Women’s Budget Statement to help FFW expand to even more Australian businesses over the next three years. Moving forward, longer-term government investment in the initiative can help build out research and impact assessments to

National Work + Family Standards



measure improvements for FFW *Source: Bridging the Work and Family Divide: Understanding the benefits of family friendly workplaces* employees and their families. Outside of funding, an appetite from government to participate in dialogue and share good practice and lessons within and between government and the private sector will encourage more workplaces to invest in family friendly policies that improve gender equality and health and wellbeing outcomes for parents and children.

Recommendation

Commit long-term funding to the Family Friendly Workplaces initiative to deliver research and impact assessments, and participate in dialogue with the private sector to share good practice and encourage workplaces to invest in family friendly policies.

3. Increasing women’s economic participation and outcomes for children, particularly First Nations children, through Early Childhood Education and Care

The cost of early childhood education and care (ECEC) in Australia is one of the highest in the OECD.^{xiii} ECEC costs have risen faster than the cost of housing or electricity and a family with two kids in childcare can spend \$25,000 a year.^{xiv} When asked the main reason why they couldn’t look for work in 2021, almost 140,000 Australians cited “childcare” and nine out of ten of them were women.^{xv}

High quality ECEC is fundamental for children’s health, wellbeing and life chances. Australia’s current ECEC system needs improvement to both improve children’s outcomes and support families to balance work and care. For example, only when a child is four years old do all governments commit to providing access to 15 hours of early learning a week.^{xvi}

Lifting the current Child Care Subsidy rate is one lever the Federal Government can pull to ease the cost of ECEC for families and encourage female workforce participation. The Albanese Labor Government committed to this before the 2022 Federal Election and it should be implemented with urgency. The benefits of investment in this space have now been well-documented and are wide-ranging, from increasing children’s cognitive capabilities and educational attainment, to allowing more parents and carers to participate in paid work.^{xvii} In terms of economics, analysis by PwC

found that the \$2.34billion in costs associated with early childhood education in the year before school are matched by \$4.74billion in benefits, approximately a \$2 benefit for every \$1 spent.^{xviii}

Recommendation

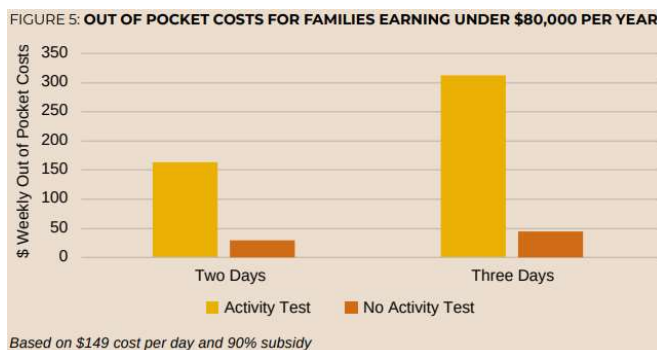
Implement the Albanese Labor Government’s pre-election commitment to lift the Child Care Subsidy rate to 90% for the first child in care.

Families experiencing vulnerability and disadvantage can struggle to access ECEC if they don’t meet the strict requirements of the activity test for the Child Care Subsidy. The current activity test is contributing to at least 126,000 children and families from the poorest household missing out on ECEC.^{xix}

Research from the Australian Institute of Family Studies has shown that the activity test is negatively impacting low-income families, First Nations families, single parents and families from non-English speaking backgrounds, more than other cohorts.^{xx} In terms of workforce participation, the test creates uncertainty for parents in casual employment due to the risk that they will not meet requirements and be left with over-payment debts.^{xxi}

No family should go without ECEC support where it is needed, and simplification or removal of the activity test would ensure greater access to ECEC

for low-income families, improved participation from parents dissuaded from working because of the risk of incurring debts, and reduced red tape and improved efficiency.^{xxii} By removing the activity test for the Child Care Subsidy, we can ensure these benefits are realised.



Source: Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation

Recommendation

Remove the activity test for the Child Care Subsidy to provide greater access, particularly for low-income families.

The cost of ECEC is just one area requiring attention. The ECEC workforce which is made up mostly of women also faces challenges, including low pay, underinvestment in skills development, and limited outlook for career progression, leading to a high staff turnover, which in turn holds back the quality of care provided.^{xxiii} The quality of care can be measured in many ways, such as how prepared children are when they begin school. Currently, one in five children are still starting school developmentally vulnerable and this is even higher for some cohorts, including First Nations children and children in regional and remote areas.^{xxiv}

First Nations children in particular are half as likely to access ECEC as non-Indigenous children.^{xxv} It is essential that ECEC services run by Aboriginal community-controlled organisations are able to provide tailored holistic support to First Nations children, grounded in culture and trauma-informed practice, and capable of responding to the complex needs that the children and their families may be facing.^{xxvi} Culturally-safe ECEC is a key protective factor to ensure the education and healthy development of First Nations children,^{xxvii} and funding for a dedicated Aboriginal and Torres Strait Islander community controlled ECEC sector continues to be a pressing need.

Recommendation

Provide sustainable funding for a dedicated Aboriginal and Torres Strait Islander community controlled early years sector.

About UNICEF Australia

UNICEF believes in a fair chance for every child and we are the world's leading organisation working to protect and improve the lives of children in over 190 countries. At UNICEF Australia we work to protect and promote children's rights by advocating for the rights of children in Australia and overseas.

UNICEF Australia would welcome the opportunity to expand further on any of the measures we have outlined in this submission.

ⁱ Grattan Institute (2021), *Dad days: How more gender-equal parental leave could improve the lives of Australian families*. <https://grattan.edu.au/wp-content/uploads/2021/09/Dad-Days-Grattan-Institute-Report.pdf>

ⁱⁱ Thrive By Five (2022), *2022-23 Pre-Budget Submission*. https://thrivebyfive.org.au/wp-content/uploads/2022/02/TB5_COMMONWEALTH_PRE-BUDGET-SUBMISSION-2022-23-FINAL.pdf

ⁱⁱⁱ Ibid

^{iv} Ibid

^v Grattan Institute (2021), *Dad days: How more gender-equal parental leave could improve the lives of Australian families*. <https://grattan.edu.au/wp-content/uploads/2021/09/Dad-Days-Grattan-Institute-Report.pdf>

^{vi} Ibid

^{vii} Ibid

^{viii} Ibid

^{ix} Ibid

^x Parents At Work (2019), *National Working Families Report 2019*. <https://parentsandcarersatwork.com/national-working-families-report-2019-parents-and-carers-need-our-support/>

^{xi} Ibid

^{xii} World Health Organisation (2018), *Nurturing care for early childhood development*. <https://www.who.int/publications/i/item/9789241514064>

^{xiii} OECD (2022), *OECD Family Database*.

https://www.oecd.org/els/soc/PF3_4_Childcare_support.pdf#:~:text=Gross%20fees%20for%20care%20in%20a%20E%28%98typical%E2%80%99%20childcare,in%20Switzerland%20it%20reaches%2070%25%20of%20average%20earnings

^{xiv} Thrive By Five (2022), *Thrive By Five website*. <https://thrivebyfive.org.au/>

^{xv} Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

^{xvi} Ibid

^{xvii} PwC (2019), *A Smart Investment for a Smarter Australia: Economic analysis of early childhood education in the before school in Australia*. <https://www.thefrontproject.org.au/images/downloads/ECO%20ANALYSIS%20Full%20Report.pdf>

^{xviii} Ibid

^{xix} Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf

^{xx} Australia Institute of Family Studies (2022), *Child Care Package Evaluation: Final report*. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>

^{xxi} Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf

^{xxii} Ibid

^{xxiii} Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

^{xxiv} Ibid

^{xxv} SNAICC (2017), *Ensuring a fair start for our children: The need for a dedicated funding stream for the Aboriginal and Torres Strait Islander early years sector*. <https://www.snaicc.org.au/ensuring-fair-start-children-need-dedicated-funding-stream-aboriginal-torres-strait-islander-early-years-sector/>

^{xxvi} Australian Child Rights Taskforce (2018), *The Children's Report: Australia's NGO coalition report to the United Nations Committee on the Rights of the Child*. <https://www.unicef.org.au/Upload/UNICEF/Media/Documents/Child-Rights-Taskforce-NGO-Coalition-Report-For-UNCRC-LR.pdf>

^{xxvii} Ibid