

NEXT STEPS FOR PAID PARENTAL LEAVE ASSESSING AND ADVANCING LEAVE POLICY IN AUSTRALIA

**A REPORT ON A FAMILIES AUSTRALIA
'BUILDING STRONGER AUSTRALIAN FAMILIES' POLICY FORUM
AT THE AUSTRALIAN NATIONAL UNIVERSITY**

CANBERRA ACT

22 AUGUST 2019

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Building Stronger Australian Families
What do they need to thrive?

AN INITIATIVE OF
Families Australia

About Families Australia

Families Australia is a national, peak, not-for-profit organisation that strives to improve the wellbeing of Australian families, especially those who experience the greatest vulnerability and marginalisation. Families Australia does this by providing policy advice to, and working with, the Australian Government and Parliament on behalf of more than 800 member organisations around Australia.

Since 2007, Families Australia has coordinated the National Coalition on Child Safety and Wellbeing, a consortium of around 200 major non-government community service organisations and prominent researchers from across Australia who work closely with the Commonwealth, State and Territory Governments to implement the National Framework for Protecting Australia's Children 2009-2020.

Acknowledgements

Families Australia acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their Cultures, and to Elders past, present and future.

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Abbreviations

ACTU	Australian Council of Trade Unions
ANU	Australian National University
BSAF	Building Stronger Australian Families
DSS	Commonwealth Department of Social Services
HREOC	Human Rights and Equal Opportunity Commission
IRC	Industrial Relations Commission
ISSR	Institute for Social Science Research (University of QLD)
NHMRC	National Health and Medical Research Council
NCEPH	National Centre for Epidemiology and Population Health
OECD	Organisation for Economic Co-operation and Development
PHXchange	Population Health Exchange (ANU)
PPL	Paid Parental Leave
REGNET	School of Regulation and Global Governance (ANU)
WGEA	Workplace Gender Equity Agency
WHO	World Health Organisation

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NEXT STEPS FOR PAID PARENTAL LEAVE

ASSESSING AND ADVANCING LEAVE POLICY IN AUSTRALIA

Summary

Australia's first legislated, publicly administered Paid Parental Leave (PPL) scheme commenced on 1 January 2011. The scheme was augmented in 2013 to include Dad and Partner Pay to encourage fathers and partners to spend time with their newborn or recently adopted child and take a greater share of caring responsibilities. PPL has two clearly articulated, legislated objectives: firstly, to signal that taking time away from paid work to care for a child is part of the usual course of life and work for both parents; and secondly, to promote equality between men and women and balance between work and family life.¹

The introduction of a paid leave scheme has been an important first step in Australia contributing to small but significant improvements in the health and wellbeing of mothers and babies and women's workforce participation. However, further development is required to optimise health outcomes for mothers and babies, help overcome persisting gender inequalities in the distribution of caring and workforce participation and reduce the gap in superannuation savings for women. A number of possible solutions and potential changes to Australia's current PPL scheme in response to these issues were discussed at this policy forum and are outlined below.

Introduction

This report sets out the main themes from a policy forum held at, and co-hosted with, the Australian National University (ANU) in Canberra on 22 August 2019. The forum consisted of a public forum and national roundtable to evaluate progress since the Australian Government Paid Parental Leave Scheme was announced in 2009 and discuss next steps for advancing paid parental leave policy in Australia. It was the sixth in a series convened by Families Australia since 2015 as part of its Building Stronger Australian Families (BSAF) policy forum series. Further information about Families Australia's Building Stronger Australian Families Policy Series is available on the [Families Australia website](#).

Families Australia began the BSAF policy forum series in 2015 as part of its mission to represent the interests of families and children, especially those experiencing the greatest vulnerability and marginalisation. The BSAF forums aim to assist both DSS and Families Australia to explore contemporary challenges facing families in Australia and to help chart new ways of responding to them.

All policy forums are chaired by Families Australia and those that are held at DSS are web hosted for non-ACT based DSS officials. Those forums that are video-recorded are posted on the Families Australia website. Families Australia works closely with DSS to ensure invitations to attend the forums are extended to representatives of other Commonwealth agencies, the ACT Government, non-government organisations and the research sector. Details of previous forums are summarised at **Attachment A**.

Families Australia partnered with the ANU (NHMRC Centre for Research Excellence in the Social Determinants of Health Equity at the Menzies Centre for Health Governance, PHXChange at the Research School of Population Health, REGNET and the Gender Institute) to deliver the latest policy forum, *Next Steps for Paid Parental Leave - Assessing and Advancing Leave Policy in Australia* - the sixth in the series under BSAF.

¹ Martin, B. et al PPL Evaluation Final Report, ISSR, University of Queensland, November 2014 viewed at https://www.dss.gov.au/sites/default/files/documents/03_2015/finalphase4_report_6_march_2015_0.pdf October 2019

The Forum was also a collaboration with scholars from the Work and Family Policy Roundtable (W+FPR), a research network of [32 academics from 17 universities and research institutions](#) with expertise on work, care and family policy.

A panel of six speakers, including one international speaker sponsored by Families Australia, addressed a range of issues relevant to PPL:

1. **Dr Lyndall Strazdins**, Professor and ARC Future Fellow (PhD Psychology, M Clinical Psych) at the ANU National Centre for Epidemiology and Population Health (NCEPH). Dr Strazdins gave a brief overview of Paid Parental Leave in Australia, including policy goals and outcomes from the [2014 evaluation](#)² conducted by ISSR at the University of Queensland. Comparisons between Australia and other OECD countries with parental leave schemes were also explored.
2. **Professor Marian Baird AO**, Professor of Gender and Employment Relations at the University of Sydney spoke about gender equality over the employment life cycle and the need for PPL and industrial relations policy to recognise and redistribute family and care responsibilities.
3. **Associate Professor Elizabeth Hill**, W+FPR Co-convenor spoke briefly about the principles that should guide work, care and family policy and the need for a life course approach to policy supporting gender equality. She advocated for policies surrounding PPL to connect to promote seamless transitions such as return to work and uptake of childcare and emphasised the importance of flexibility in PPL policy to support the needs of parents.
4. **Dr Belinda Townsend**, NHMRC Centre for Research Excellence in the Social Determinants of Health Equity, Menzies Centre for Health Governance, School of Regulation and Global Governance, ANU, spoke in depth about the historical advocacy and framing approaches used to overcome the barriers and gain support for a PPL scheme in Australia.
5. **Dr Liana Leach**, Research Fellow in the Society, Culture and Health research stream at NCEPH gave a presentation about gaps in Australia's PPL system – inequities and opportunities.
6. **Ásdís Aðalbjörg Arnalds**, PhD student at the Faculty of Social Work and Project Manager at the Social Science Institute at the University of Iceland presented a brief summary of the history and features of the parental leave scheme in Iceland under the Icelandic Act on Maternity/Paternity and Parental Leave (2000). Ms Arnalds also presented the findings and conclusions from her research led by Professor Guðný Björk Eydal and Associate Professor Ingólfur V. Gíslason that sought to determine whether the objectives under the Act had been achieved.

Approximately 100 people attended the Forum representing a range of Australian Government agencies, research and academic institutions, trade union and industry affiliated representatives and non-government organisations.

An audio recording of speakers at the public event is available [here](#).

A short summary of the Forum can be found [here](#).

Summary of main presentations and policy implications

Professor Strazdins' presentation, *PPL in Australia and Internationally*, included an overview of the history of Australia's first legislated scheme that commenced on 1 January 2011. Australia was the second last OECD nation to introduce a paid leave scheme driven in part by history, politics and ideology.

Professor Strazdins outlined the key drivers and features of the scheme and enhancements to include Dad and Partner Pay from 1 January 2013. She summarised the findings of the 2014 PPL evaluation commissioned by the Department of Social Services against the policy objectives – namely: to improve women's labour force participation; support gender equality and improve work/life balance; and, improve the health of babies and mothers as well as child development.

²Martin, B. et al PPL Evaluation Final Report, ISSR, University of Queensland, November 2014 viewed at https://www.dss.gov.au/sites/default/files/documents/03_2015/finalphase4_report_6_march_2015_0.pdf October 2019

This evaluation found: no impact on household division of labour but improvement in work-life balance for mothers by decreasing their sense of time pressure; an increase in the time early returning mothers delayed returning to work post birth (from 1-3 months post birth to 4-6 months); an increase in the number of mothers returning to their pre-birth job and those returning to their pre-birth job with the same conditions; improvements in mothers' physical and mental health and improvements in infant health, including delaying cessation of breastfeeding.

Professor Strazdins outlined the diversity of parental leave schemes in the OECD when examined against the variables of length (weeks), average rate of payments and full-rate equivalent (length x payment rate). Out of a total of 36 countries, Australia ranks 28th for total paid leave available; 28th for average payment rate; and 34th for full rate equivalent. Against users of paid parental leave by gender, Australia ranks second last on a list of 20 countries, followed only by Chile. Against public expenditure on maternity and parental leave (per live birth) (2015), Australia ranked 28th out of 34 countries.

Professor Marian Baird spoke about gender equality over the employment lifecycle. She noted some key statistics for the Australian workforce 1978 – 2017 including employment rates by gender, employment rates for men and women by age, and employment rates (% full-time employed) for all employment for women and men. Women's employment rates are continuing to grow (67.2% as at February 2017) while men's have plateaued (77.8%). There is an increase in the number of mothers and mature age women in the workforce however, rates continue to be lower than those for men across the life course and particularly for women of child bearing age.

Professor Baird identified a number of inequality markers across the lifecycle perpetuating gender gaps, while noting the current policy framework in Australia that aims to reduce the male/female participation gap by 25% by 2025. The National Employment Standards in the Fair Work Act and provisions in the Paid Parental Leave Act are included in this framework. While women are no longer leaving the workforce for long periods to care for children, they are managing work and caring responsibilities with part-time work.

While the gap between the rates of men and women aged 20-24 in paid employment has decreased significantly over time, pay gaps emerge for women from age 25-29 due to motherhood and maternity leave. This gap continues for both mothers and mature age women due to work and care responsibilities across the life course. Recent reports by economists have suggested that raising a child accounts for a 17% loss in lifetime wages for women³. An employer does not have to pay superannuation when an employee is on paid or unpaid parental leave. The government parental leave scheme does not attract the superannuation guarantee.⁴ Consequently, many women do not receive employer-paid contributions to superannuation while on paid parental leave and this further contributes to women's economic disadvantage.

Professor Baird emphasised the need for policy and industrial relations reform to address gender inequalities, noting the policy implications of some key findings from a co-authored study [*Young women and men: Imagined futures of work and family formation in Australia*](#)⁵ that used data collected in the Australian Women's Working Future (AWWF) Project 2017 to analyse what young workers imagine will be important to their future success in work and family:

- Formal workplace supports for care, such as paid parental leave and childcare, and workplace flexibility were identified as very important.
- Shared domestic labour is desired.
- Parents have the strongest expectations for care policy supports.

³ Adda J. Dustmann C. and Stevens K., (2010). The career cost of children. Economic Working Paper Series 2011-13, The University of Sydney, cited in <https://www.wgea.gov.au/sites/default/files/documents/australian-unpaid-care-work-and-the-labour-market.pdf>

⁴ WGEA, Unpaid Work and the Labour Market

⁵ Hill E., Baird M. et.al (2019), *Sage Journals* <https://doi.org/10.1177/1440783319877001>

- Young men without children are least likely to factor these supports into future work trajectories, while young women do. However, data on women’s plans for family formation, compared with men’s, suggests that difficulties accessing vital care supports pose a risk to young women’s ability to work, form families and care.
- Gender role convergence is occurring with young male and female parents thinking similarly about what is needed for future success at work, and young working fathers are less traditional in their gender role beliefs than expected.

Dr Belinda Townsend’s presentation was based on her co-authored, recently published research, [*How can multiple frames enable action on social determinants? Lessons from Australia’s paid parental leave.*⁶](#)

Dr Townsend used PPL in Australia as a case study to demonstrate how health equity can be made a political and policy concern for government. She spoke to the Australian political and social context and implications for social policy. Of note, Dr Townsend described the ‘wage earner welfare state’ model adopted by Australia from 1907 that prioritised the full employment of men in work and provided a generous family wage to support men’s families at home. Unlike other European and Scandinavian countries, Australia did not develop a broad social insurance scheme, opting instead for a modest welfare safety net of payments, financed from general revenue and complementing the ‘male breadwinner’ model. Dr Townsend argued that one legacy of this model is that entitlement to take paid parental leave from work has historically been seen as an industrial relations matter, rather than a health or social policy issue.

Dr Townsend described the factors that constrained, then enabled the implementation of a legislated, government-funded PPL scheme in Australia by comparing approaches across two phases. The first, unsuccessful phase began in the 1970s through to 2000 when the case was fought in the industrial relations arena and ultimately lost because of Australia’s highly gendered employment framework and socially conservative ideologies. The second, successful phase commenced from 2000. Key enablers to this success were identified by Dr Townsend as:

- (i) the use of three different framings by advocates—for the economy (ie. the ‘business case’), health (based on evidence) and gender equality;
- (ii) the formation of a broad coalition of non-traditional allies through these frames including civil society, industry, academia, business, government and political parties;
- (iii) the use of different policy venues such as the IRC and HREOC and parliamentary processes to promote the three framings and secure political support; and
- (iv) a political appetite for social policy reform.

Dr Townsend concluded that broad informal coalitions of supporters, different framing arguments, evidence and debates in different institutional venues need to continue to influence further policy and legislative change. Further change is needed as the current PPL model was always seen as a first step and the scheme remains inequitable in terms of access, including duration of leave, who is taking leave and the income they receive. The issue of compulsory employer superannuation contributions for people on PPL as recommended by the Productivity Commission is also unresolved.

Dr Liana Leach presented on the gaps in Australia’s PPL system and described the inequities as well as opportunities that still exist to improve child and parental wellbeing, with a particular focus on fathers. Only 0.4% of individuals taking publicly administered primary carer paid parental leave are fathers. Primary carer leave is transferred to fathers in approximately 2% of cases.

⁶ Townsend B., et al. (2019), *Health Promotion International*, daz086, <https://doi.org/10.1093/heapro/daz086>

Dr Leach outlined some key findings of the evaluation of PPL completed in 2014 including that the scheme was extending the time parents take off work (including a small but important increase for fathers), an increase in the rate of mothers returning to work (child turned 1) and some improvement in maternal health and the opportunity to breastfeed. However, she identified a number of gaps and limitations that need to be addressed. These gaps and limitations include:

- the duration of PPL for both mothers and fathers that currently sits at 18 weeks at the minimum wage to the primary carer (95% of uptake is women). 18 weeks is below the WHO recommendation of 26 weeks required for optimal infant health through breastfeeding;
- the Fathers' and Partners' PPL (DAPP) provisions that allow only for 2 weeks at the minimum wage for fathers and secondary carers and the low uptake;
- the requirement that PPL be continuous, denying parents flexibility and choice in how they take leave;
- the variation in employer-paid PPL across organisations; and
- the lack of superannuation while on publicly administered PPL (significantly impacting women).

Dr Leach reported that while most fathers (~80%) did take time off work for the birth of a child, this remained at about 10-14 days on average with the leave usually supported by annual leave and some PPL but PPL was hardly ever accessed by men as the primary carer (2%). The share of men using publicly administered PPL in Australia is approximately 2% - the lowest in the OECD - and Australia is second lowest in the OECD for gender distribution of parents accessing PPL. In relation to employer funded PPL that is not a legislative requirement in Australia, WGEA data from 2017-18⁷ shows that in larger organisations (with > 100 employees) less than half offered PPL for primary carers with the average length approximately 10 weeks across all industries. Around 42% offered PPL for secondary carers with the average length offered being 1.6 weeks. Comparative data from 2013-14 to 2017-18 also indicates access to parental leave in Australia is not improving with significant inequality in PPL across industries.

Prefaced on our understanding that fathers' care is important to the family, Dr Leach concluded further research is needed to understand why DAPP continues to be underutilised in Australia. We know that some of the barriers to PPL and DAPP for fathers include lack of awareness, economic barriers (PPL and DAPP are paid at the minimum wage rather than a replacement wage), workplace cultures and entrenched stereotypes of the 'male breadwinner' that persists in Australia. Policy changes are required to: improve gender equality – both at work and in the home: better support families, and promote the health and wellbeing of parents and children.

The final key presenter was **Ásdís Aðalbjörg Arnalds** who spoke on PPL policy development in Iceland and the findings of her (unpublished) joint PhD research, [Childcare and labour market participation of parents of children under the age of three](#)⁸ that explored if legislation introduced in 2000 had achieved its aims. Prior to 2000, Iceland already had a system of universal entitlements to paid parental leave – three months in 1981 increasing to six months in 1991. The parental leave could be used by fathers, but they only used a fraction of it and mothers remained the main caregivers of young children.

In 2000, the Act on Maternity/Paternity Leave and Parental Leave (the Act) was introduced that aims to ensure children receive care from both parents, and also enables both women and men to co-ordinate family life and work outside the home. The Act provides for nine months (39 weeks) of paid parental leave shared between mothers and fathers. Working parents receive 80% of their income while on leave while a flat-rate benefit is paid to non-working parents. When first introduced in 2000, there was no ceiling on the benefit payable however, in 2004 a relatively high ceiling on benefits was introduced to manage demand. This was lowered significantly in 2008-2009 due to the global financial crisis. In 2013-2019 Iceland introduced an incremental restoration of the benefit ceiling.

⁷ WGEA, Australia's Gender Equality Scorecard, November 2018 viewed at https://www.wgea.gov.au/sites/default/files/documents/2017-18-gender-equality-scorecard_0.pdf

⁸ Arnalds, Á. Eydal, G. and Gíslason, I. (2019) University of Iceland

Under the Act, parents each have an independent entitlement to maternity/paternity leave for up to three months due to a birth, primary adoption or reception of a child in permanent foster care. In addition, parents have a joint entitlement to an additional three months, which either parent may draw in its entirety or the parents may divide between them. Mothers are obligated to take leave for the first two weeks after childbirth, however PPL can then be used as parents choose until the child reaches age 2. Only if the child does not have a second parent is one parent given the right to all 39 weeks.

Ms Arnalds' study used repeated surveys among parents who had their first child before and after the fathers' PPL quota was introduced. The four waves conducted in 2001, 2007-2008, 2014 and 2018 involved questions on parents' labour market status from one year before childbirth until the child reached the age of three, as well as questions about who cared for the children during the first three years. The findings show that:

- Icelandic fathers use their PPL quota while mothers use their quota plus the period parents can divide as they choose.
- If the ceiling on benefits is too low, fathers' uptake is adversely influenced. Therefore, fathers' uptake is still more vulnerable compared to mothers'.
- Since the fathers' quota was introduced, Icelandic parents divide work and care more equally. The change is incremental and still ongoing 19 years after the law was passed.

In addition, data from [Health behaviour in school-aged children⁹](#), a WHO collaborative, cross national survey, revealed that Icelandic children report a closer relationship with their fathers than do children in many other countries.

Conclusion and Next Steps

The Australian Government Paid Parental Leave Scheme was announced in 2009 to increase mothers' employment while supporting maternal and child health. Recognising the importance of fathers in children's lives, DAPP was introduced in 2013.

Key outcomes from the Forum indicate that, while the introduction of a paid leave scheme has been an important first step in Australia, there are a number of challenges and barriers that must be overcome if the scheme is to achieve its aims. In particular, there is a need to improve gender equality around the scheme and facilitate uptake by fathers to promote gender equality in the workplace; further improve work life balance for both mothers and fathers/partners and achieve better financial outcomes for families.

Learnings from Iceland that provides dedicated leave provisions for both mothers and fathers and benefits that promote gender equity could be considered when developing future policy and legislative responses relevant to the Australian context.

A number of possible solutions and potential changes to improve the scheme in the future were discussed at the forum, including:

- Increasing the duration of PPL to bring it closer to the OECD average;
- Making the current scheme more equitable for uptake by men and partners. For example, additional 'use it or lose it' paid leave;
- Addressing inequities in access to leave by encouraging more employers who are not currently doing so to provide paid leave;
- Empowering fathers to utilise PPL by raising awareness, reducing the complexity of the application process and normalising leave-taking by fathers;

⁹ Currie C et al., eds. Social determinants of health and well-being among young people. Health Behaviour in School-aged Children (HBSC) study: international report from the 2009/2010 survey. Copenhagen, WHO Regional Office for Europe, 2012 (Health Policy for Children and Adolescents, No. 6)
<http://www.euro.who.int/HBSC>

- Including superannuation in paid leave entitlements to help reduce the economic gap for women.

Families Australia supports further policy development to improve work life balance and financial outcomes for parents across the family life course and address the economic realities for parents.

Families Australia has hosted six BSAF Policy Forums with the support of the Department of Social Services.

The initial 2015 forum was led by Professor Alan Hayes AM, Distinguished Professor in Family Studies, Director, Family Action Centre, Faculty of Health and Medicine, University of Newcastle and Dr Lyndall Strazdins, Clinical Psychologist and (now) Professor at the National Centre for Epidemiology and Population Health, Research School of Population Health, the Australian National University. The forum focussed on broad trends of Australian families and the connections between work and family.

The 2016/17 and the 2017/18 BSAF forum series commenced with an initial presentation on 7 November 2016 by Ms Allyson Essex, Principal Advisor, Behavioural Economics Team of Australia within the Commonwealth Department of the Prime Minister and Cabinet.

The third Forum was held on 24 March 2017 and provided participants with the opportunity to explore research undertaken by Professor Lyndall Strazdins and colleagues entitled 'Hour-glass ceilings: Work-hour gendered health inequities'¹⁰.

The fourth BSAF forum, on 5 June 2017, led by Dr Liana Leach from the National Centre for Epidemiology and Population Health at the Australian National University's College of Medicine, Biology and the Environment explored issues relating to the transition to parenthood and their potential to impact on family formation, work and mental wellbeing.

The fifth BSAF forum was led by Professor Lyndall Strazdins and Dr Graeme Russell, an independent researcher and consultant on gender equality, diversity, inclusion and flexibility. Professor Strazdins explored the topic of fathering and work through her paper, 'Long Hours and Longing'¹¹, about how aspects of fathers' jobs are associated with children's views about fathers' work and time. Dr Russell discussed learnings from his career on fathers and work.

¹⁰ Dinh H, Strazdins L, Welsh J. *Hour-glass ceilings: Work-hour thresholds, gendered health inequities*. *Social Science & Medicine* 176 (2017) 42-51.

¹¹ Strazdins L, Baxter, JA, Li J. *Long Hours and Longings: Australian Children's Views of Fathers' Work and Time*. *Journal of Marriage and Family* (2017).