

22nd August 2019

Next Steps for Paid Parental Leave in Australia

Roundtable Discussion Report



The Australian National University, Families Australia, and the Work +
Family Policy Roundtable

The Roundtable

The Australian Government Paid Parental Scheme was announced in 2009 to increase mother's employment while supporting maternal and child health and gender equality.

Ten years since this historic decision, on 22 August the Australian National University, in collaboration with Families Australia and the Work and Family roundtable, held a public forum and national roundtable to evaluate how far we have come and discuss next steps for advancing paid parental leave policy in Australia.

The national roundtable, held at the ANU, comprised a mix of policymakers, academics, trade union and industry affiliated representatives, and advocates from diverse sectors and disciplines with a strong professional interest in paid parental leave.

Participants heard from an Icelandic scholar on lessons from Iceland where a relatively modest scheme for dedicated mothers and fathers leave has achieved major gains in gender equity in care and work.

Discussions centered on the benefits of Australia's scheme so far, lessons from the agenda-setting processes that led to the scheme, and the gaps that remain for parents and families in Australia.

“Australia’s scheme has led to improvements in women’s workforce participation, gender equality and maternal and child health” – Dr. Belinda Townsend, ANU

The Problem

According to the Workplace Gender Equality Agency's Australia's Gender Equality Scorecard, in 2016-17 fewer than half (45%) of employers offered paid parental leave in addition to government-paid leave and only 39% of employers offered paid leave for secondary carers for an average length of leave of 7.3 days, with rates varying widely by industry and organisation size.

Australia also falls well short of the OECD average for 53.9 and 8.1 weeks of paid leave entitlements for mothers and fathers respectively.

“There is a stigma around dads taking paternal leave. Fathers worry about taking time off from work and not advancing their careers. A male-breadwinner culture remains in Australia – dads go to work.”- Dr. Liana Leach, ANU

Currently, 1 in 20 men take primary care-giver paid parental leave in Australia. Although fathers have access to the government scheme and some to employer schemes, there remain several barriers to fathers to fully utilize the schemes available. This low level of uptake has ramifications for gender equality, both at work and in the home, for families and for health of parents and children alike.

Australia's paid parental leave entitlements still lag behind world leaders, in particular Nordic and other European countries where extensive reforms have been made to extend paid parental leave.

It is time to assess what is needed to garner support for and commitment to policy change.

The Challenges

The Roundtable identified some key challenges and barriers to Australia's PPL scheme:

- Only 0.4% of individuals taking publicly administered primary carer paid parental leave are fathers. Primary carer leave is transferred to fathers in about 2% of cases. Although leave exists for fathers the uptake rates remain low.
- Fathers are unaware of their parental leave entitlements. Information on the policies and the application process is complex making access to leave difficult.
- Workplace culture creates a barrier for many males taking parental leave as many worry about the impacts on their career and feel ashamed for taking leave. The entrenched stereotype of the male bread-winner poses a sizable barrier to PPL utilization.
- The scheme uses a flat rate wage, based on the national minimum wage, rather than wage replacement, placing Australia below the OECD average for payments. This creates economic barriers for parents if employers don't provide any additional paid parental leave.
- The current scheme provides for 18 weeks leave, below the WHO recommendation of 26 weeks required for optimal infant health via breastmilk feeding. Two weeks leave for fathers is insufficient for fathers to be significantly involved in the raising of their child.

“Australia’s welfare state evolved to favour male employment and has not evolved with changes in women’s workforce participation.”
Dr. Belinda Townsend, ANU



- Recent reports by economists have suggested that raising a child accounts for a 17% loss in lifetime wages for women. This economic disadvantage, primarily due to time out of the workforce, is irreversible with women never able to recoup the financial loss. Superannuation may assist to reduce this loss however, the current system does not currently require employer contributions to superannuation during parental leave.
- The 18 weeks government funded leave must be continuous, which does not enable flexibility for parents to take the leave at different periods.

The Solutions

After identifying the challenges and barriers, the roundtable discussed possible solutions and potential changes to the scheme such as:

- Increasing the duration of paid parental leave for Australian parents closer to the OECD average.
- Making the current scheme more equitable for uptake by men and partners by designating additional 'use it or lose it' paid leave.
- Addressing inequities in access to leave by encouraging employers who are not currently doing so to provide paid leave.
- Empowering fathers to utilize the leave benefits available by providing greater information on policies and the application process and normalizing taking parental leave.
- Including superannuation in paid leave entitlements.

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In summary

The Roundtable identified many opportunities and levers to improve Australia's scheme in the future. One of the most recurring themes, agreed upon by policy influencers and academics alike, was the need to improve gender equality around Australia's paid parental leave scheme and facilitate the use of the scheme by fathers. Lessons from Iceland on dedicated leave provisions for mothers and fathers and associated gender equity benefits provide one potential model for Australia.

