

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



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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.

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