



# Making Australia the best place in the world to be a parent

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**TheParentHood**



EQUITY ECONOMICS  
AND DEVELOPMENT PARTNERS PTY LTD



The Parenthood is a movement of 68,000 parents, carers and supporters working together to make Australia the best place in the world to be a parent. Because when parents are supported, children will thrive and our whole community will be stronger.

Our vision is to remove the barriers that make parenting more difficult than it needs to be: we are lobbying governments and businesses for adequate paid parental leave (PPL), family-friendly workplaces, universal access to quality early childhood education and care (ECEC), and a community that values children.

**Economic modelling:**

For a detailed explanation of the economic modelling, please refer to the [Full Report](#).

**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<sup>1</sup> so what happens in the early years of a child's life is richly formative. Children fare best when they are well nourished, responsively cared for with access to learning opportunities from birth onwards, and protected from disease, violence and stress<sup>2</sup>. There are around 2.6 million families with dependent children aged under 15 in Australia. Almost invariably, these parents want to give their children the best start in life, but they can't do that alone.

Successful early childhood development policies focus on equipping families with the time, resources, knowledge, and skills to provide that nurturing care. The Parenthood's mission is to make Australia the best place in the world to be a parent, because it is when parents are supported that children and families can thrive.

That requires deliberate and intentional focus.

This report lays out a blueprint for a national parenting strategy: a coordinated framework of best practice evidence-based policies that support parents and children.

There is no unifying strategy, currently, when it comes to policies affecting parents; rather, there are disparate approaches to early childhood education and care, parental leave, perinatal health, gender reporting and taxation.

Such a fragmented system is challenging for parents to navigate and fails to deliver optimal outcomes - for children, parents, society and the economy.

The Parenthood has been working with Equity Economics and key partners on this research, supported by the United Workers Union. Economic modelling demonstrates the considerable financial benefit associated with a strategic, coordinated framework of policies that affect the parenting experience in 2021 and beyond.

**To reimagine the potential for parents, children and all Australians, we recommend significant investment in:**

- Universal health and wellbeing support for parents and children through pregnancy and the early years;
- A parental leave scheme that provides one year of paid leave to be equally shared between both parents;
- Free and high-quality 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 the above 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**

**“It is time to prioritise support for parents and children as a critical investment in Australia’s future. If we are to be world-leading in supporting child development and parenthood, there is considerable work to be done. But what reward could be more profound than investing in an Australia in which every child is supported to reach their full potential?”**

*Georgie Dent, Executive Director, The Parenthood*



## PARENTAL LEAVE

**Context** - Australians are missing out, with one of the least adequate parental leave policies among OECD nations. Yet the benefits of PPL are wide-spanning - for children, parents, government and the economy. As this policy impacts the start of a child's life, and sets up caring patterns for parental involvement, it is critical to get right. Parental leave policies have the potential to enable families to thrive, and to support gender equality, including through the redistribution of unpaid care.

Increasing the number of fathers taking extended parental leave is particularly important. Australian men take less than 20 per cent of the paternity leave days of their global peers. 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. While some employers offer generous policies for fathers, these policies are not structurally embedded and can be changed at the whim of the particular workplace, relative to legislated standards and regulation. Both play a significant role in changing future norms.

**Recommendation** - A parental leave scheme that provides one year of paid leave to be equally shared between both parents.

This would maximise the following health, economic and social benefits:

- 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.





“I took paternity leave simultaneously with my wife and relished the time together as a family. I felt like an equal parent, rather than like I was ‘taking a back seat’. In our family, there is no ‘primary parent’. Subsequently, I became a full-time dad and this has been socially isolating at times. When I try to speak about my children with my male friends, they often steer discussions to careers or other interests.”

*Father, Canada*

“It was easy to take maternity leave in Norway. My public sector employer was very supportive and worked to make the process as simple as possible.”

*Sara, Norway*



“The younger, more progressive companies are actively encouraging new fathers to take leave.”

*Father, Germany*



## EARLY CHILDHOOD EDUCATION AND CARE (ECEC)

**Context** – Quality early learning delivers significant benefits to children, parents, the economy and the community. But enrolment rates in ECEC in Australia are lagging global peers, in the crucial years of ages 3 and 4, and the out-of-pocket costs for families in Australia are among the highest in the OECD.

The economic benefit of ECEC is often conceptualised as only the support it provides for workforce participation. Reimagining a future for parents and children requires a shift in mindset that emphasises the value of ECEC and educators for early child development, as well as the productivity benefits. Quality and consistency of care is crucial, both in terms of parents' confidence and child development outcomes. Attendance at high-quality programs is linked to improved educational outcomes and higher lifetime earnings, as these early investments deliver improved cognitive outcomes for children.<sup>3</sup> Children from disadvantaged backgrounds benefit even more from ECEC.<sup>4</sup> Studies have shown that the labour force participation is increased with greater availability of free and high-quality ECEC. The Parliamentary Budget Office estimates that a one per cent reduction in ECEC costs increases hours worked by 0.25 per cent.<sup>5</sup>

**Recommendation** – Providing free and high-quality ECEC to all Australian children would represent international best practice, delivering benefits in the form of:

- 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.

While not modelled, there are also likely positive impacts on reducing the financial pressure of families with young children.<sup>6</sup> Greater levels of financial pressure are associated with increased rates of mental distress<sup>7</sup>, and greater levels of mental distress in parents are associated with increased behavioural issues in children.<sup>8</sup>

ECEC settings need to work for different families. Barriers to Indigenous children's participation in ECEC include: out-of-pocket costs, a limited awareness of services, administrative complexity, lack of transport or locally available services, poor child health, a perception that the child is too young to participate, a lack of confidence in the value of services or fear of racism and judgment.<sup>9</sup>

**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 women's workforce 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.



**ECEC in Australia is far from universal with enrolment rates lagging those of global peers**  
**Participation rate in any formal ECEC, per cent**



Source: McKinsey Global Institute (2018); OECD Family Database (updated to 2017)

**Relative to global peers, Australian parents are footing a significant proportion of the ECEC bill**



## PARENTAL HEALTH

**Context** - Parental health and wellbeing is a significant challenge, heightening in the pandemic with unprecedented levels of distress. 20 per cent of mothers experience depression and anxiety in the perinatal period (being pregnancy and the first year of parenthood).<sup>10</sup> 10 per cent of fathers experience depression and/or anxiety in the perinatal period, while twice as many report feeling totally isolated in the first year of parenthood.<sup>11</sup> In part due to stigma, 75 per cent of parents suffering from anxiety and depression are not getting help until crisis point.<sup>12</sup> Suicide is sadly the leading cause of maternal death in Australia and many other developed countries. A large body of evidence demonstrates the link between parental stress or mental illness and negative outcomes for families and workplaces, with there being a clear need to better support the mental health and wellbeing of parents through pregnancy and the early years.

**Recommendation** - Gold standard care for all Australian mothers requires universal access to mental health support through ongoing access to universal screening, telehealth, group prenatal care and care continuity during pregnancy. Ensuring that all mothers, particularly those in the public health system access continuity of care either through an obstetrician, GP or midwife should be a priority of all levels of government that have committed to lowering the rates of stillbirth in Australia. Care needs to work for different family cohorts, including Aboriginal and Torres Strait Islander mothers and extended family. In particular, there is a need for more training for Aboriginal and Torres Strait Islander health workers and midwives.

These additional investments would deliver long-term dividends through:

- Improved maternal mental and physical health;
- Reduced 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,<sup>13</sup>
- 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.<sup>14</sup>

**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. For impacted babies, Equity Economics estimates this could lift future earnings by 2.5 per cent.

This scheme would require an investment of \$150 million per year on the basis of 5 to 10 group sessions per mother.



## WORKPLACE PRACTICES

**Context** - 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. An Australian survey of 6,000 parents shows that 64 per cent of respondents agreed that "it is more acceptable for women to use family friendly work options than men."<sup>15</sup> Addressing pay equity is crucial as it influences family decisions regarding participation and take up of ECEC. In some workplaces, parenting supports are being reframed as an occupational health and safety issue, with increased accident risks when an employee is chronically sleep-deprived. An employer providing PPL is not just signalling the value of the employee, and that the employer wants the parent to return, but is also formally recognising the role and value of parenting and families.

**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. "Keeping in touch" days are also important.

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

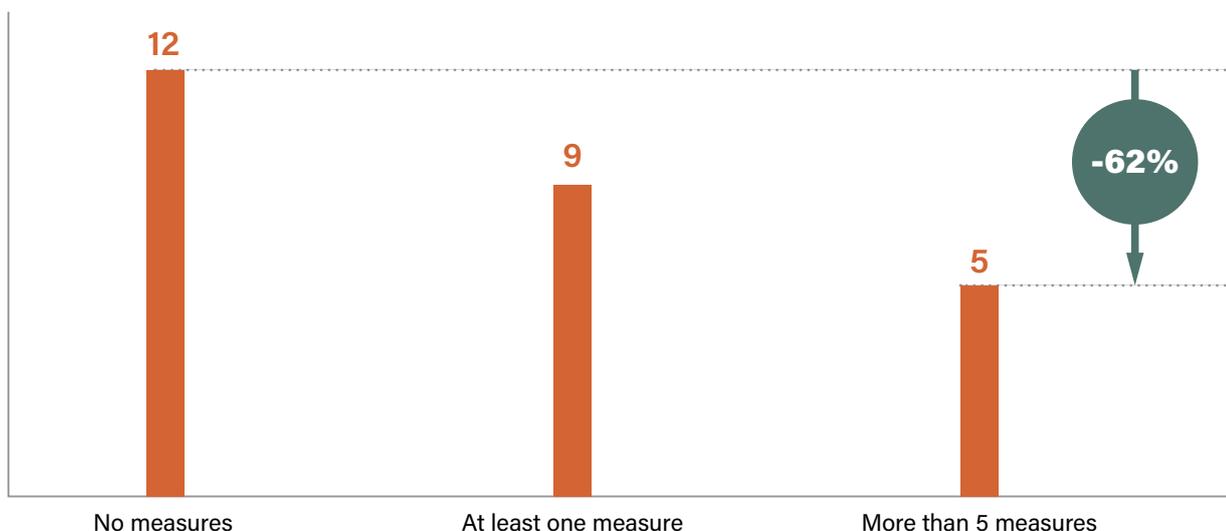
- Improved health outcomes for children;
- Reduced parental stress; and
- Higher workforce participation and productivity.

Flexible workplace practices including allowing parents to work from home and four-day weeks increase retention and productivity and can also act to reduce parental stress.<sup>16</sup> Indeed, workplace flexibility for fathers reduces mothers' risk of postpartum health challenges.<sup>17</sup>

While we do not model directly the benefits from these policies, we know that in order to realise all the benefits outlined from improved maternal health, PPL and ECEC, a cultural shift will need to occur in workplaces.<sup>18</sup>

## A lack of investment in workplace practices and family support is linked to higher resignation rates Greater numbers of workplace family supports are associated with reduced maternal resignation rates<sup>[18]</sup>

Women managers resigning on parental leave for companies with different numbers of informal measures, Per cent



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.

Parenting is a lifecourse experience, and yet policies affecting parents remain fragmented.

Rather than existing piecemeal approaches, a need has been identified for a holistic or “joined-up”<sup>19</sup> approach that supports parents from pre-conception, through to birth, baby, toddler, school child and beyond.<sup>20</sup>

## HOW DO WE WANT AUSTRALIANS TO EXPERIENCE PARENTHOOD?

We want to create a society in which parents and children can thrive. This would create enormous benefits in terms of child development, economic growth and gender equality.

### This report recommends changes and significant investment in:

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

The coronavirus pandemic exacerbated the urgent need for reform with families and children experiencing unprecedented social and economic hardship. Deliberately pursuing policies to support children and families presents the most compelling and valuable path to ensure Australia's recovery from the pandemic leads to a healthier, more equitable and more sustainable future. The impact for parents, children and all Australians would be profound.



**Help us make Australia the best place in the world to be a parent.**



**Join the movement**

[www.theparenthood.org.au/join](http://www.theparenthood.org.au/join)

## ENDNOTES

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The Parenthood is a community working together 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 is stronger.

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