

Australia's Paid Parental Leave Policy: Evaluating a decade of evidence

LP&R Network Meeting June 21-22, 2022

Fordham University, New York

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GENDER EQUALITY AND PARENTAL LEAVE

In understanding gender equality, we refer to

- Increasing women's attachment to the labour market (and their incomes and retirement incomes);
- Increasing men's participation in childcare.

Tensions in the capacity of parental leave policies to achieve gender equality.

- They have the potential to improve workplace gender equality by supporting women to remain attached to paid employment while children are young
- But they also have the potential to reinforce unequal divisions of labour between men and women.
- Unless also coupled with policies to encourage use by men, parental leaves will be limited to mitigating the impact on women's work, and may entrench gender divisions, rather than redistributing work and care across genders

CONCEPTUAL FRAMEWORK

Brighthouse and Wright's (2008) PPL policy equality framework:

- **'equality impeding'** provisions: are either limited to mothers or are unpaid so likely to be used exclusively by mothers;
- **'equality enabling'** provisions: provide leave for families rather than mothers but without being accompanied by measures to encourage parents to share the entitlement; and
- **'equality promoting'** provisions: encourage families to share parental leave in a gender egalitarian way

Baird's (2004) three orientations to parental leave policy-making

- The **'welfare orientation'**, preferred by government
- The **bargaining orientation**, adopted by unions
- The **business orientation**, adopted by organisations

QUESTIONS

What has changed in the Australian parental leave landscape since the introduction of the government scheme in 2010 / 2022?

Do changes to the **government policy** since 2010/12 signal a shift in orientation, and are they likely to impede or promote gender equality?

Do **workplace agreements and company policies** over the same period show evidence of a change in orientation towards promoting gender equality?

METHOD

1 Analyse changes to public policy

2 Using Australian Workplace Agreements Database (WAD) in the Attorney Generals Department, 2009-2019, we assess:

- extent of change in incidence of paid primary and paid secondary carer leave in union & non-union agreements;
- changes in the duration of that leave, measured in weeks.

3 Examine data reported to WGEA 2014-2019, and the Equal Opportunity for Women in the Workplace Agency 2009-2012, on

- incidence of paid leave for parenting
- duration of paid leave for parenting
- how the leave is paid i.e. top up to government scheme or full pay in addition to government scheme

PUBLIC POLICY: THE ORIGINAL SCHEME

- ❖ Australia's Parental Leave Pay scheme: 18 weeks Parental Leave Pay at the National Minimum Wage (\$812pw/\$21.38ph), made to the 'primary carer' of an infant, provided they meet a work test, an income test, a residency test
- ❖ Is 'parental leave' in name, the entitlement is conferred to the 'birth mother'
- ❖ Had to be taken by the primary carer in one continuous block, which meant it was not possible for women transfer part of the balance to a partner.
- ❖ 99% of women use the full 18 weeks
- ❖ Take up by men is extremely low, at 0.5 per cent (ie not transferred to father)
- ❖ Small but significant positive effects on the health, wellbeing and labour market participation of mothers, especially those in lower paid jobs (Martin et al 2014)
- ❖ BUT had limitations in its capacity to improve gender equality: the design features meant that it was almost solely taken by women.



WHAT HAS HAPPENED SINCE?

Baby steps or giant leaps for
gender equality in Australia?

PUBLIC POLICY, CHANGES SINCE 2010

2012 Dad and Partner Pay (DaPP)

- ❖ 2 weeks at the NMW for fathers and partners provided they met the same work, residence and income requirements as PLP
- ❖ BUT DaPP has not had high take up (est. 25-27%), failing to create a big shift in the sharing of parental leave
- ❖ Barriers include low payment rate, lack of flexibility, administrative access, cultural barriers
- ❖ So while DaPP is 'equality enabling' in character it has had limited effect in promoting gender equality.

RESULTS: PUBLIC POLICY, CHANGES SINCE 2010

2020 Changes

- ❖ Jan 2020 – changes to work test giving more women access
- ❖ Jul 2020 – Flexibility provisions remove requirement that 18 week period must be taken by the primary carer in one block.
- ❖ 12-weeks must be used in one block in the first 12 months and remaining 6 weeks can be used at any time, by any parent, within the first 2 years
- ❖ This allows mothers to take a portion of the leave period flexibly, and more easy sharing between parents
- ❖ BUT, the same limits of low wage replacement rates and short duration likely to impede use by fathers and partners.
- ❖ **Potential risk that the amendment signals reduction in the 'normative' duration of paid leave time for mothers**
- ❖ Unlikely to increase use by fathers/ partners much.

2022 PRE-ELECTION PROMISE OF THE CONSERVATIVE COALITION PARTY*

- ❖ Merge 18 weeks and 2 weeks – total of 20 weeks per family
- ❖ Remove distinction between ‘primary’ and secondary carer
- ❖ Taken over 2 years
- ❖ But continue to be paid at National Minimum Wage
 - ❖ Claimed to be more gender equitable
 - ❖ Promoted by employers
- ❖ *Conservative Coalition Party was not elected
- ❖ Waiting to hear new Labor Government policy



australian council of trade unions



Australian Government

Australian Business Register

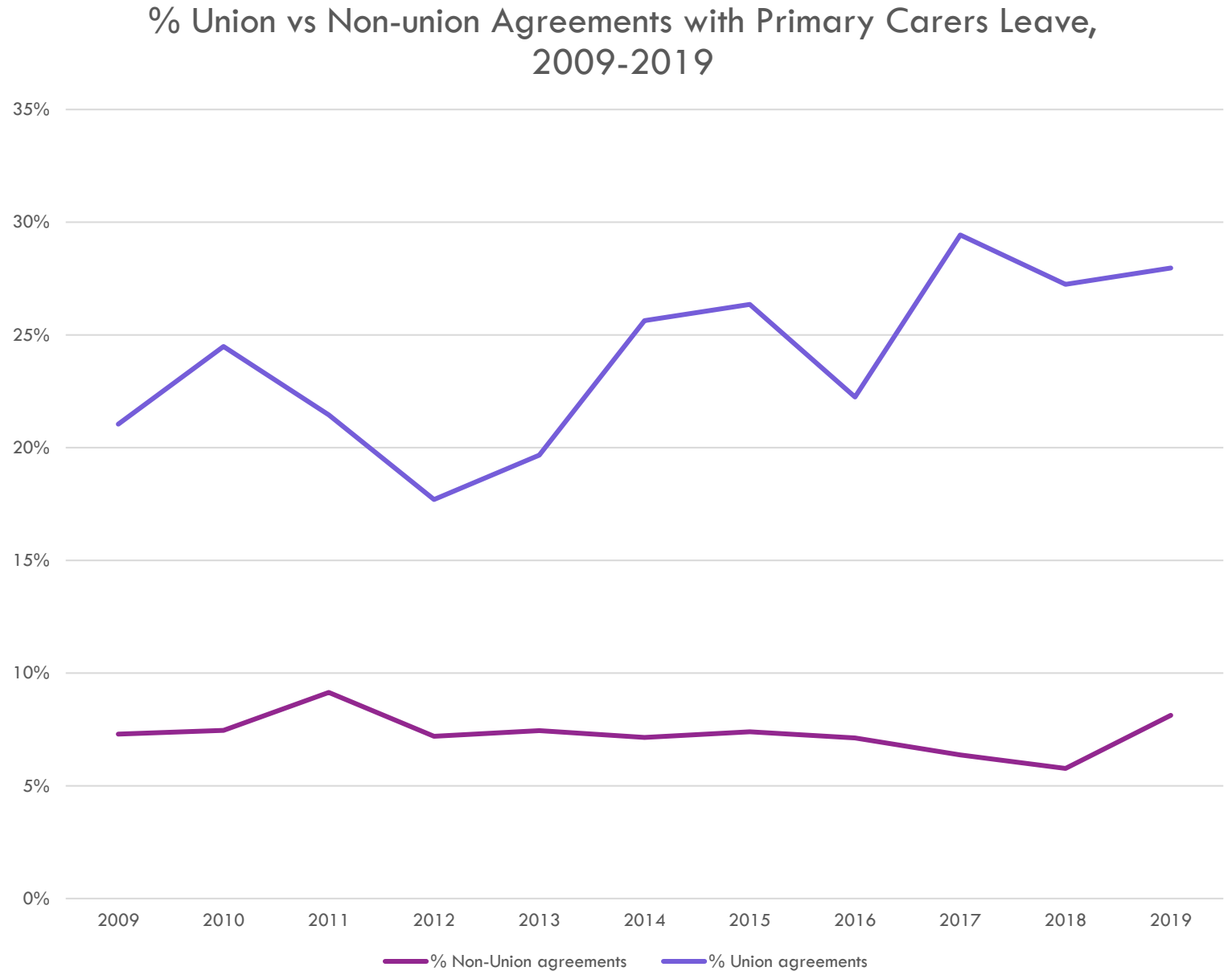
UNION AND EMPLOYER ROLES

Integral to the design is employer paid parental leave:

- Bargained by unions
- or
- Introduced unilaterally by companies

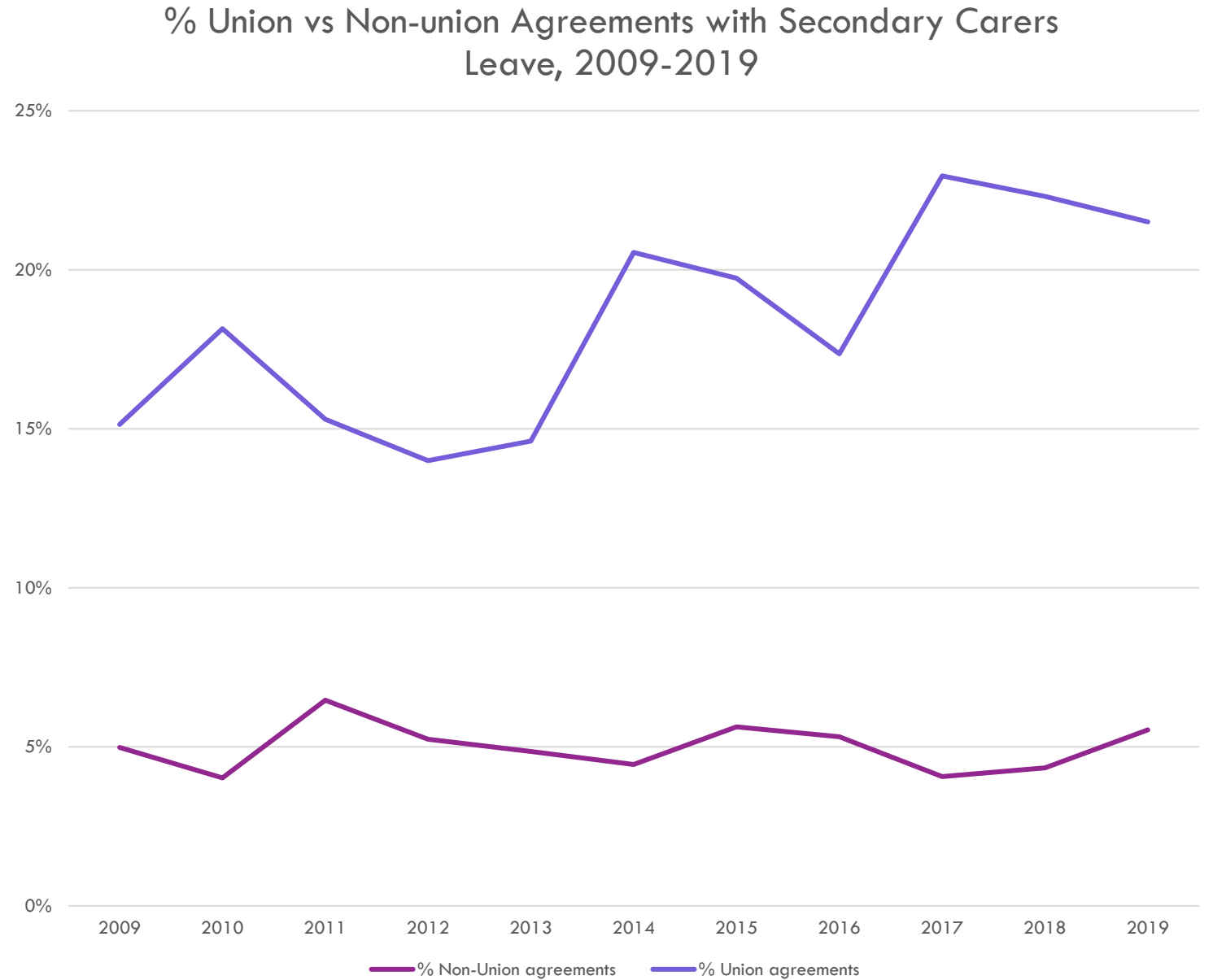
RESULTS - BARGAINING

Proportion of agreements with paid primary carer leave 2009-2019



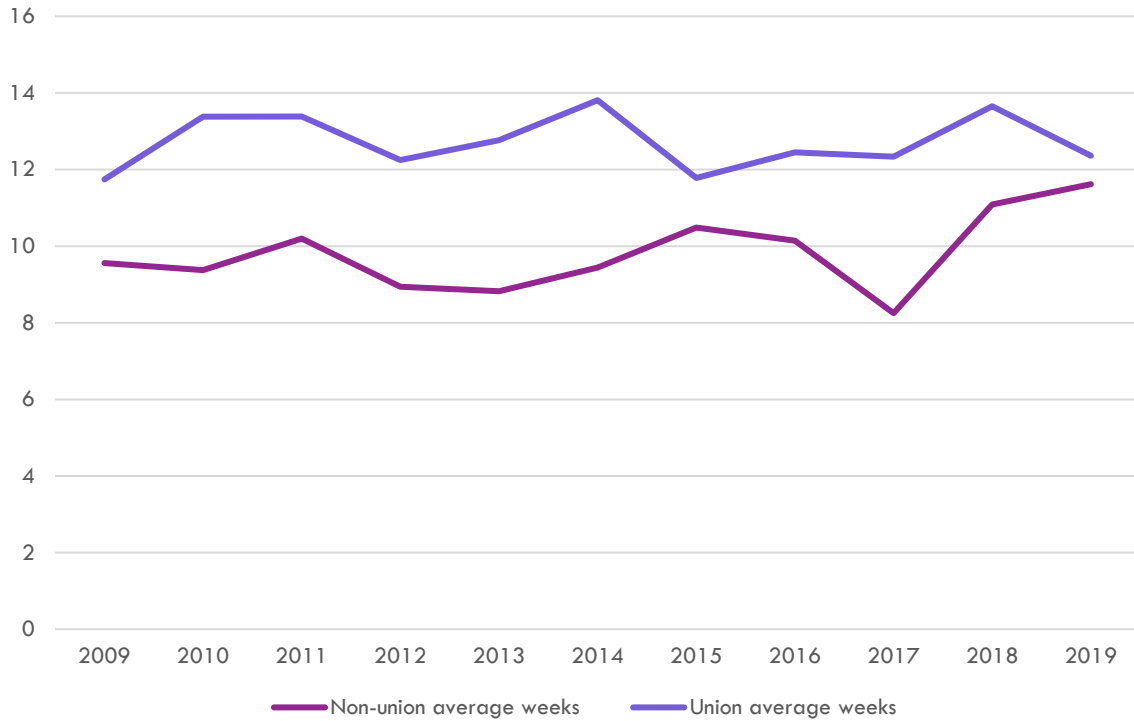
RESULTS - BARGAINING

**Proportion of agreements
with paid secondary carer
leave 2009-2019**



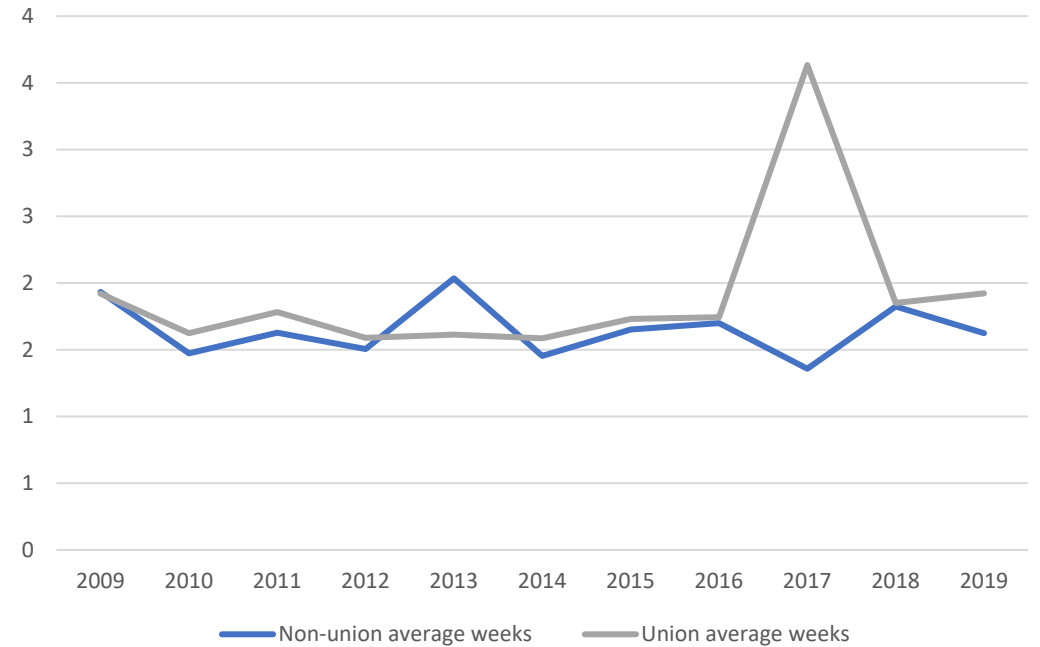
RESULTS - BARGAINING

Average Weeks of Primary Carers Leave for Union vs Non-union Employees, 2009-2019



Duration of paid primary carer parental leave

Average Weeks of Secondary Carers Leave for Union vs Non-union Employees, 2009-2019



Duration of paid secondary carer leave

Between 2014 and 2019, proportion of employers providing paid parental leave for *primary* carer rose from 48.5 to 49.4%.

More than 80% of employers that provide paid parental leave for primary carer pay it at full pay in addition to government scheme.

About 1/10 employers do it by topping up the government scheme

Between 2014-2019, the average *duration* of paid parental leave for primary carers increased from 10.6 to 10.7 weeks

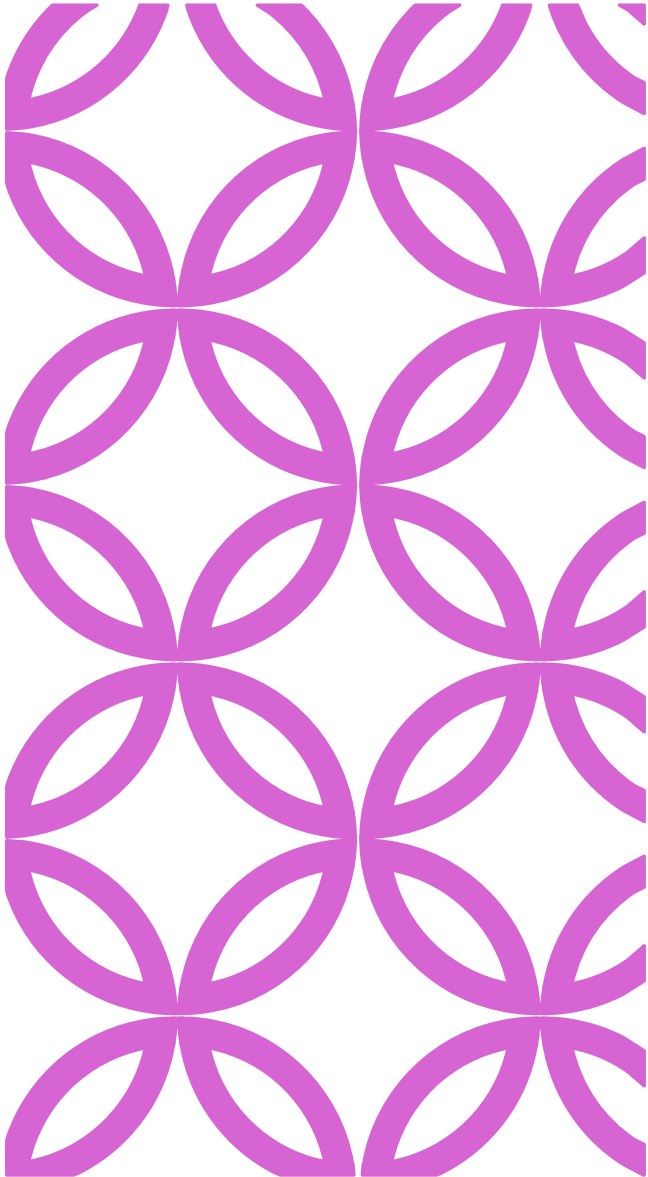
Between 2014 and 2019, the proportion of employers providing paid parental leave for *secondary* carers increased from 38.8 to 43.8%.

Between 2014-2019, the average *duration* of paid parental leave for the secondary carer increased from 1.5-1.7 weeks

95% of primary carer paid parental leave was taken by mothers

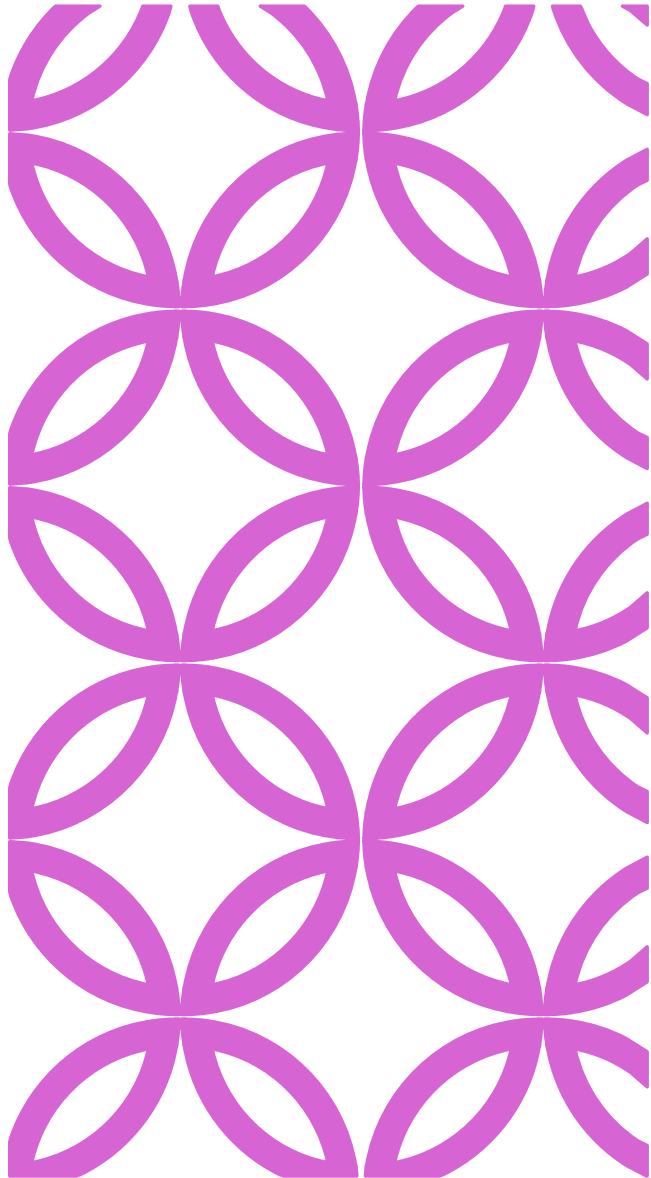
95% of secondary carer paid parental leave was taken by fathers (ABS, 2017)

RESULTS — COMPANY POLICIES



- ❖ While the introduction of the government scheme has seen the state play a stronger role (Baird and O'Brien), collective bargaining and company policy continue to play a significant and slowly growing role.
- ❖ Ten/Twelve years on more attention to fathers and shared care in the early weeks after the birth.
- ❖ The original government scheme had features that could be conceived as 'equality impeding'. DaPP and the new flexibility might be considered a step towards 'equality enabling'
- ❖ But not 'equality promoting' because they do not encourage families to share parental leave in a gender egalitarian way.
- ❖ Company policies moving strongly and quickly to gender egalitarian model
- ❖ **State Policies changing – eg NSW**

CONCLUSIONS



- ❖ WAD and WGEA data reveal small increase in availability of paid primary and paid secondary carer leave, suggesting more attention to improving women's working conditions and acknowledging need for fathers to take leave at birth
- ❖ But secondary carer leave less prevalent and MUCH shorter than primary carer leave.
- ❖ Even when combining the government and employer schemes, the shared pattern of longer primary carer leave taken by women and shorter secondary carer leave taken by men means it will do little to increase men's ongoing involvement in care.
- ❖ Overall, investing in short secondary carer leaves sets normative standards of fathers as 'supporters' at the time of birth.

CONCLUSIONS

Baird, M., Hamilton, M.,
Constantin, V. (2021). ‘

Gender equality and paid
parental leave in Australia:
A decade of giant leaps or
baby steps?’

*Journal of Industrial
Relations*, 63(4), 546-567.

