

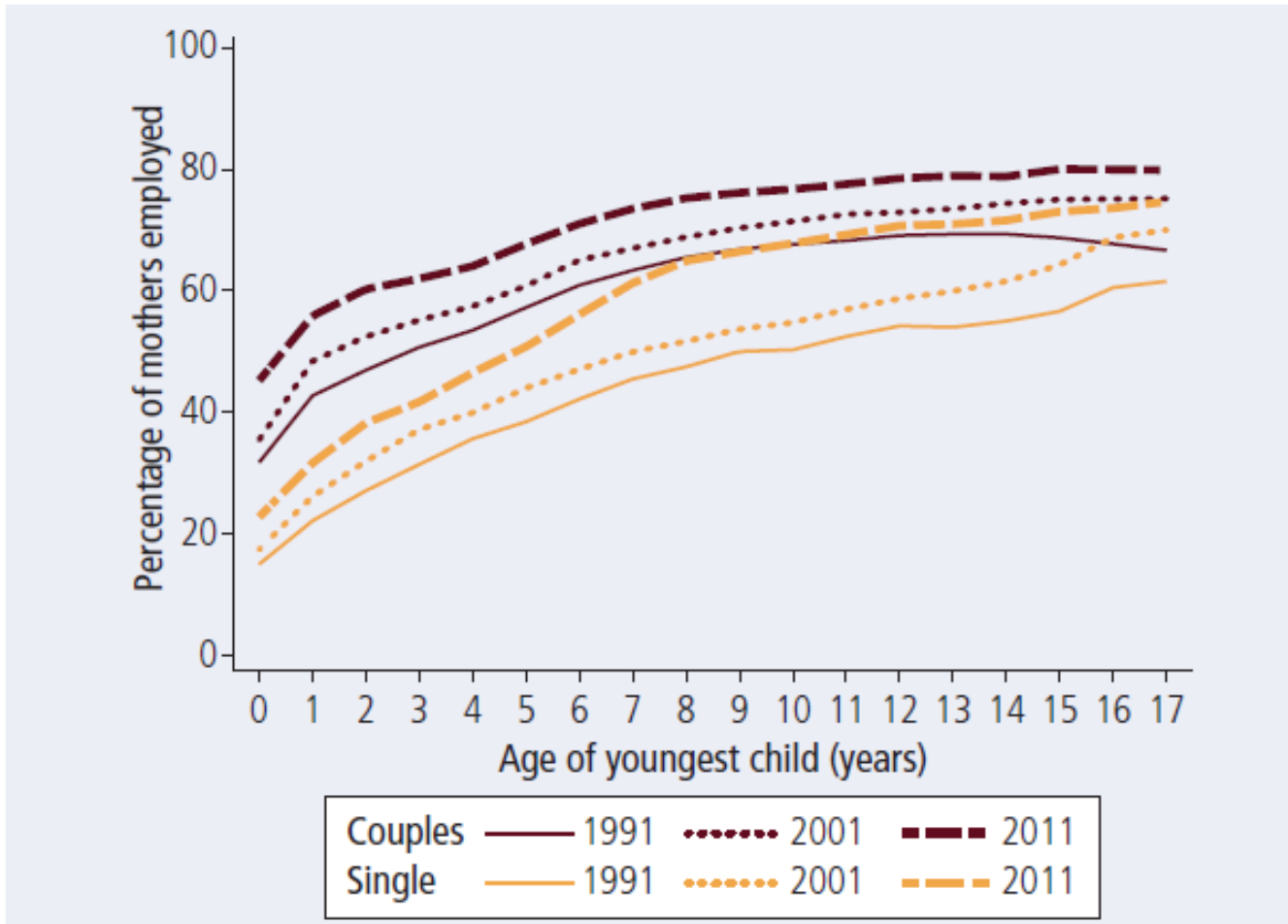
Social Support for Parental Employment: reconstructing policy for gender equality and a future labour force

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Setting the context: parental employment patterns in Australia

- ▶ Prevalence of 1.5 earner families; around two-thirds of employed mothers with a youngest child 5 years of age were working part-time in 2011 (Population Census)
- ▶ Australian Bureau of Statistics (2017) *Labour Force Status and Other Characteristics of Families*, Cat. No. 6224.0.55.001 shows that for couple families with youngest child aged 0-4:
 - ▶ Only one parent was employed in 36% of these families in 2017
 - ▶ Both parents were employed in 56% of these families in 2017
 - ▶ In 61% of families where both parents were employed, one parent worked full-time and the other part-time
- ▶ This ABS survey also showed that among single mothers with youngest child aged 0-4:
 - ▶ 37% were employed in 2017
 - ▶ 65% of employed single mothers worked part-time

Mothers' employment rates, by age of youngest child, all mothers, 1991-2011

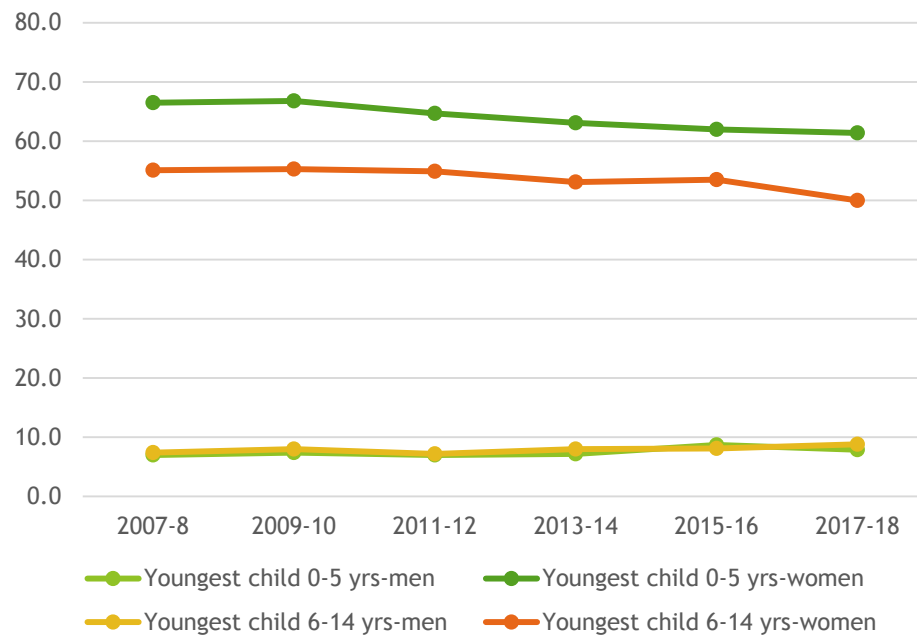


Source: Jennifer Baxter (2013) *Parents working out work* Australian Institute of Family Studies, Melbourne, p2. (Figures based on Australian Population Census data)

Part-time and casual employment among parents

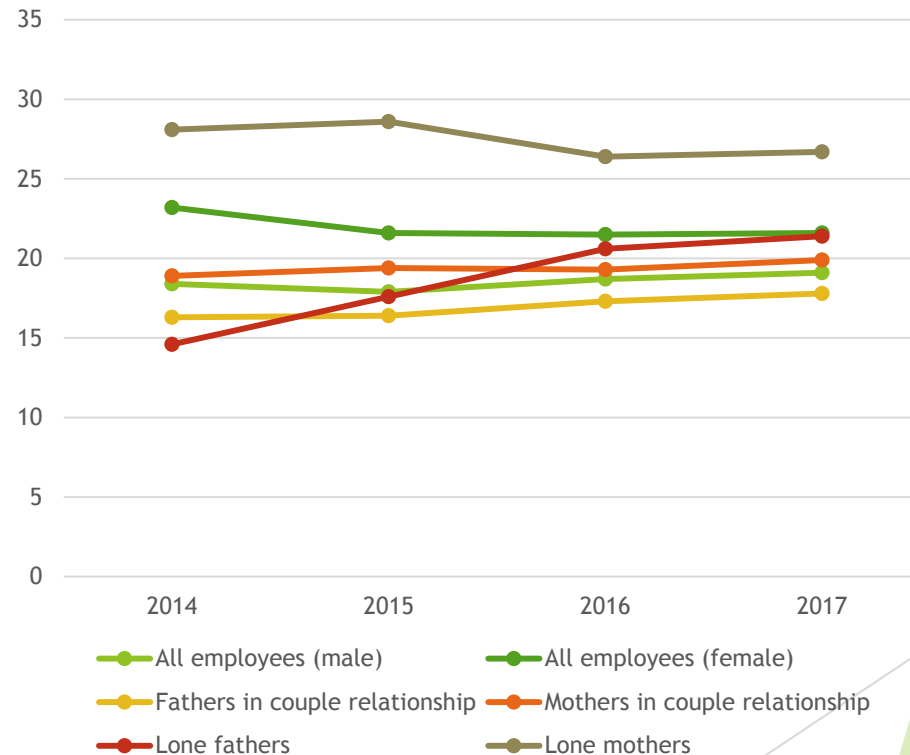
- ▶ High levels of part-time employment among mothers, although slight decline over recent years; low (static) levels of part-time employment among fathers

Proportion of employed persons working part-time: men and women with youngest child aged 0-5, 6-14.



- ▶ Highest levels of casualisation among lone mothers, highest increase among lone fathers

Proportion of employees without paid leave entitlements (a measure of casual status)



Part-time employees are defined as those working fewer than 35 hours per week.

Casual employees are defined as those without paid leave entitlements.

Source of data: Australian Bureau of Statistics, Gender Indicators, Australia, Cat. No. 4125.0, September 2018

Framework for analysis

Seeks to understand to the degree to which mothers encounter conflicting or complementary policy aims (in regards to maternal employment).

Seeks to understand this experience of conflicting or complementary policy aims at *critical lifecourse transitions*

Critical lifecourse transitions are defined as those that significantly shape the direction of women's subsequent employment trajectories.

- ▶ Birth of child, particularly first child
- ▶ Parental separation or loss of a spouse
- ▶ Youngest child starting school

Key questions for analysis

What *social policy packages* are available to women following critical lifecourse transitions?

Policy packages: the social policies and programs that potentially shape mothers' employment decisions.

To what extent are there contradictory (or complementary) objectives in regards to maternal employment across the different policies in a policy package?

Our work has focused on *paid parental leave, family tax benefits, childcare (systems and subsidies), income support, and child support* but you could also include a wider (or narrower) range of policies.

Foci

How has, and does, the Australian welfare and employment regime shape gender equality for parents at these critical lifecourse transitions?

- ▶ Welfare and employment regimes
 - ▶ Post WWII to pre-Henderson inquiry into poverty(1972-1975)
 - ▶ Henderson inquiry to Welfare-to-work (2006)
 - ▶ Post Welfare-to-work

In the context of structural and technological changes in the labour market how should the welfare and work regime be reformed to decrease gender inequality in paid and unpaid work?

Following birth of first child

Overview of gender norms in policy packages by welfare and employment regime

- ▶ Post WWII, pre-Henderson inquiry into poverty
 - ▶ Social norms, income support and employment regulations all converged to encourage married women to remain at home
 - ▶ Strong norms for unmarried mothers to give up children and no Australia Government income support for unmarried mothers.
 - ▶ No large scale government involvement in childcare
- ▶ Henderson inquiry to Welfare-to-work
 - ▶ Late 1970s introduction of income support to support caregiving, including for unmarried mothers.
 - ▶ Child Care Act 1972 (Cth) - subsidies directly to non-profit services
- ▶ Post welfare-to-work
 - ▶ The persistence of the gender wage gap and the gender of de-gendered parental leave.

Following birth of first child

Post welfare-to-work regime: parental leave and return to work policies

- ▶ Unpaid, job protected, parental leave, 12 months per employee (available as maternity leave from 1979, as parental leave from 1990)
 - ▶ Excludes self-employed, but includes casuals who have been engaged on 'a regular and systematic basis' for at least 12 months and have a reasonable expectation of continuing regular employment
 - ▶ Requires 12 months continuous employment with same employer prior to birth/adoption
- ▶ Parental leave payments (18 weeks' Parental Leave Pay available since 2011, 2 weeks' Dad and Partner Pay available since 2013, both paid at national minimum wage)
 - ▶ Includes self-employed
 - ▶ Broad work test for eligibility that only requires 300 hours of work within a 10 month period in the 13 months prior to the birth of a child

Parental leave and return to work policies cont'd

- ▶ Statutory 'right to request' flexible working arrangements for:
 - ▶ employees with caring responsibilities, parents or guardians of children who are school age or younger, employees with a disability, employees aged 55 years or over and employees experiencing family violence or caring for a family or household member who is experiencing family violence.
- ▶ Statutory right to return to the same job after unpaid parental leave, even if someone else is working in it as a replacement

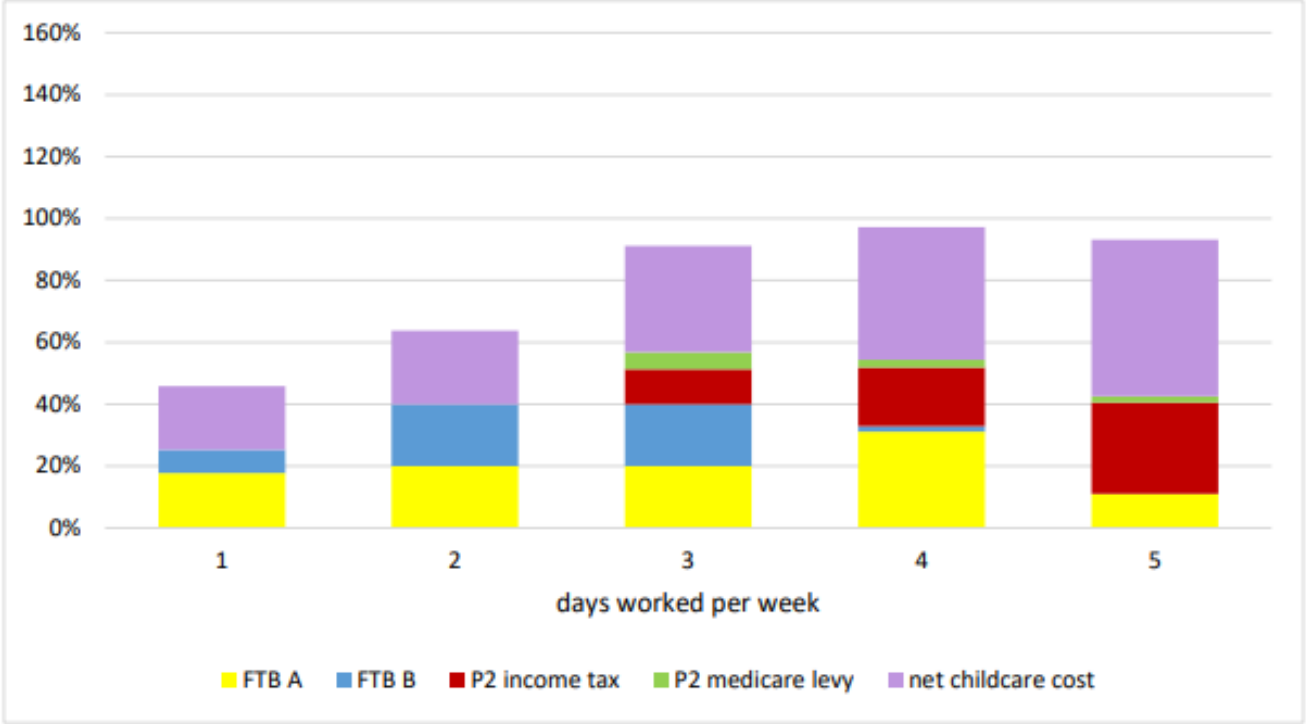
Following birth of first child

Post welfare-to-work regime: childcare policies for infants

- ▶ Although in recent years governments have sought to create a unified 'early childhood education and care' sector, the system is a mishmash of different forms of education and care with different aims, regulations, and operating hours (Brennan 2014)
- ▶ Childcare costs consistently increase more quickly than inflation.
- ▶ Family income tests are a significant barrier to a second earner (usually the mother) taking up full-time employment. For example:
 - ▶ The effective marginal tax rate for a second earner with two young children paying for childcare at that rate is currently 65 per cent when returning to work one day a week, 85 per cent on the second day, 95 per cent on the third day and 140 per cent and 160 per cent on days four and five, meaning those families lost income when mothers moved from working part time to full time (see following slide)

Conflict within policy packages: childcare costs add substantially to effective marginal tax rates (EMTRs) faced by women with children

Figure 3: Family 1, Childcare \$11.77 per hour per child. EMTR Second earner; Primary earner \$52,730, second earner \$8,976 per year per day (up to \$44,880); two children age 2, 3; CCS; Stage 1 tax cuts (2018)



Stewart, M. (2018) Personal tax cuts and the new childcare subsidy: do they address high effective marginal tax rates on women's work?

https://taxpolicy.crawford.anu.edu.au/sites/default/files/publication/taxstudies_crawford_anu_edu_au/2018-08/complete_gender_tax_cuts_m_stewart_august_2018.pdf

Following parental separation/ loss of a spouse

Overview of gender norms in policy packages by welfare/employment regime

- ▶ Post WWII to Henderson inquiry
 - ▶ Australian Government income support not available to unmarried mothers prior to late 1970s
 - ▶ No-fault divorce introduced in 1975
- ▶ Henderson inquiry to Welfare-to-work
 - ▶ Rising rates of single-mother-headed families in the post-Henderson regime
 - ▶ Rising poverty
 - ▶ Child Support Scheme introduced in 1988/89
 - ▶ Married women with depend children decrease employment participation
- ▶ Post Welfare-to-work
 - ▶ Parents in receipt of Parenting Payment compelled to seek part-time work when youngest is school age.
 - ▶ Child support reforms increased EMTRs faced by single parents with primary care

Following parental separation/ loss of a spouse

Post welfare-to-work regime: child care and child support policies

- ▶ Single parents with non-school age children experience very high effective marginal tax rates after the second day of paid work due to the income test on child care subsidies.
- ▶ Single parents in receipt of Parenting Payment obliged to seek part-time work when youngest commences school.
 - ▶ But Outside School Hours care not always available and availability of employment inside school hours limited
- ▶ Reforms to Child Support focused on reducing work disincentives for the non-resident/non-primary carer parent (overwhelmingly fathers)
 - ▶ Effective marginal tax rates for low and average income resident/primary carer parents increased following child support reforms
- ▶ Childcare system very inflexible with lack of non-standard hours care and inability to change day or use half days in most Long Daycare settings

Implications for the future

The adequacy of parental leave policies

- ▶ To the extent that more workers are located in irregular or insecure employment, and fewer are formally classified as ‘employees’, the scope of current parental support policies and the capacity to challenge gender inequalities in employment may be reduced
- ▶ For example, Australia’s unpaid, job protected, parental leave could have reduced coverage in this context as it:
 - ▶ Excludes self-employed and casuals who have not been engaged on ‘a regular and systematic basis’ for at least 12 months with a reasonable expectation of continuing regular employment
 - ▶ Requires 12 months continuous employment with same employer prior to birth/adoption

Implications for the future

The adequacy of parental leave policies, cont'd

- ▶ While Australia's paid parental leave scheme (18 weeks' Parental Leave Pay, 2 weeks' Dad and Partner Pay at national minimum wage) is more inclusive than the statutory unpaid leave entitlement its adequacy could be limited by:
 - ▶ minimalist provisions that do not encourage gender egalitarian leave uptake;
 - ▶ limited utility for those without access to statutory unpaid leave, an entitlement that may be more vulnerable to reduced coverage with changing employment patterns.

Implications for the future?

Childcare and/or income support policies

- ▶ The part-time work requirements for single parents in receipt of income support together with the focus of the employment services system (Jobactive) system designed to assist them is orientated toward pushing single parents into part-time, casual and insecure employment.
- ▶ Even where parents wish to take up such forms of employment the childcare system is poorly designed to offer appropriate care - parents commonly rely on informal care to address these gaps.

Social Support for Parental Employment?

- ▶ Despite move to de-gendered language (e.g. Parental Leave and Parenting Payment) welfare state *treatment* is deeply gendered.
- ▶ Australian's welfare and employment regime produces 1.5 earner couple families and makes employment for single parents challenging.
- ▶ Activation policies compel single and low income parents in receipt of Parenting Payment (overwhelmingly women) to engage in part-time and potentially precarious work
- ▶ Childcare system is poorly designed to offer appropriate care for those in non-standard employment
- ▶ Child support policies have been reformed to increase financial incentives/return for paid work for non-primary carer parent (overwhelmingly men) and decrease financial incentives/return for paid work for primary carer parent (overwhelmingly women)
- ▶ New parental leaves provide little support for men to engage in childcare
- ▶ None of these support policies are well-designed to protect future employees potentially in less regular and less regulated work

An agenda for research

► Research

- An increased focus on “policy packages” and how these are experienced by mothers and fathers, rather than focusing on single policies
- Better understanding of how changing forms of employment are intersecting with experiences of “policy packages”

An agenda for policy reform

▶ Parental leave

- ▶ Better synchronisation of eligibility for job protected parental leave and parental payments to 'future protect' basic employment entitlements
- ▶ Increased payment rates including exploring top-up provisions

▶ Childcare

- ▶ Reconsider income testing for childcare (particularly household income test) and develop an integrated childcare system that meets of families with multiple children and those working non-standard hours

▶ Child support

- ▶ Include childcare costs in the calculation of costs of children for child support formula
- ▶ Give equal concern to work incentive for primary and non-primary carers in child support formula