



Fair Work
Commission

Modern Awards Review 2023-24 (AM2023/21)

Submission cover sheet

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About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

Submission

- It is overwhelmingly women in heterosexual relationships with dependent children who undertake care and other unpaid domestic work in Australia, more so than in most comparable OECD nations.
- Globally, women still undertake more than three-quarters of the world's unpaid care work.¹ The largest discrepancies between women's and men's rates of unpaid work are found in developing countries, but still in relatively egalitarian nations like Australia, women continue to shoulder a disproportionate amount of unpaid domestic labour and care, even when they are in the paid labour force.
- Women's share of the paid labour force in Australia has increased from just over a third forty years ago, to almost half today. So, it would be natural to expect that the share of unpaid labour has seen a similar shift towards a more equitable distribution between men and women over the same time. Unfortunately, this is not so.
- Domestic labour is still regarded as 'women's work', and our economic systems refuse to recognise its value, or even to properly acknowledge it as work at all. When, almost 80 years ago, British economists James Meade and Richard Stone developed the system of national accounting that would become known as the Gross Domestic Product, they explicitly refused to include the value of women's domestic and unpaid labour.
- Recently, a renewed push by feminist economists and public policy thinkers for women's unpaid labour to be measured as a contribution to our economy has seen some research try to quantify the financial benefits afforded by the care and other domestic work predominantly done by women in our societies.

¹ Care work and care jobs for the future of decent work, ILO: 2018. P. 53

- A report by Deloitte Access Economics, commissioned by the Victorian Government, put the value of unpaid work and care in Victoria at around \$206 billion in 2016-2017.²
- Extrapolating that to the Australian population at the time, of which Victoria comprised almost exactly 25%, we can reasonably assume that the value of unpaid work and care nationally is around \$824 billion. The GDP of Australia was, in that same year, \$1.69 trillion – so the value of unpaid work and care in our economy is equal to just under half of our total GDP.
- That same report found that the value of women’s unpaid work and care is 60% higher than that of men. In Victoria, on average, women do 32.9 hours per week while men do 19.8 hours of unpaid work and care.
- The 2016 report, *Women at Work: Australia and the United States* by Rae Cooper, Meraiah Foley and Marian Baird for the United States Study Centre at the University of Sydney, revealed interesting findings about the nature of women’s work in Australia, and how it differs from other comparable countries.
- The report found that “[w]omen in Australia spend 48.4 per cent less time in paid work, and 80.8 per cent more time on unpaid household work each day than men. This is significantly higher than the average for other industrialised countries in the OECD, where women spend 38.8 per cent less time in paid work and 49.3 per cent more time in unpaid work than men”.
- This unequal share of domestic labour reflects the fact that Australian women are more likely to work part-time than are women in other countries, especially in the US, where even women with young children are more likely to be in full-time, rather than part-time, employment.
- Thanks to advances in reproductive health care, Australian women today have far greater choices over when to become a mother than their forebears, but parenthood continues to effect far more significant changes for women than it does for men – for example, the ‘motherhood penalty’ sees women’s income drop after the birth of a child, while men’s rises.
- As at March 2019, Australia has 3,087,386 couple families with children and a further 1,122,016 one parent families. Of those one-parent families, 202,638 are led by a male parent while the vast majority - 919,378 – are led by a single female parent. 82% of all single parents are women.
- In both coupled and single parent families, gender inequality in parenting creates poorer social and economic outcomes for women, and while this is in large part due to the deep-rooted cultural norms that expect women to take primary responsibility for raising children, these norms are reflected in the public policy approach to supporting families and children.
- In 2010, following a Productivity Commission review, Australia adopted a policy of 18 weeks paid parental leave to be paid to the primary carer at the minimum wage for all workers by the government.

² Deloitte Access Economics, Modelling the value of unpaid work and care, Office for Women, Department of Health and Human Services, Victoria, October 2018.

- 90% of primary carers supported by the scheme are women. There is some take up by men, but they are mostly at a management level. Only 4.6% of men who take up the scheme are in non-management positions.
- Australia has a very low rate of take up of parental leave by male parents in heterosexual couple relationships compared to other OECD nations. The take up of DAPP sits at a rate of 30% compared to the OECD average of 50%. In Slovenia, 90% of fathers take up the opportunity to spend time with their newborn, while in the Nordic countries that figure is at 70%.
- International comparison of utilisation data and parental leave policies show that the use of parental leave by fathers increases when entitlements are generous and when policies offer flexibility about when leave can be used.”³ Further, international experience shows that when parental leave is provided equally to men and women, and is not transferable between partners, men’s take-up of parental leave is significantly higher, women are more likely to return to the workforce at the same level, and working the same hours, as before becoming a parent, and the economic penalty on mothers is vastly reduced.
- The impact of paid parental leave on gender equality is significant, and redesigning Australia’s system to encourage men to take a greater role in the care of babies and young children is critical to improving the balance of unpaid care and domestic labour between men and women in couple relationships.

Recommendations

1. Workers’ caring and other domestic responsibilities should be matters to be considered in all industry awards.
2. Awards should include a ‘use it or lose it’ provision of paid parental leave for fathers or non-birth parents, to establish family norms in which the care of children is shared more equally.
3. Longer term, we must rebalance the division of labour across society, including by more equally sharing the load of unpaid domestic work between men and women. The best way to achieve this is to gradually reduce the standard full time working week from five days to four, or from 40 hours to 32. This must be done without a reduction in wages and a pathway to a shorter full time working week should be considered for all future industry awards.

Signature:



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Date:

11 March 2024

³ WGEA Towards a Gender Balanced Paid Parental Leave: Australian and International Trends