

SUBMISSION ON PARENTAL LEAVE POLICY AND DRAFT EARLY YEARS LEARNING FRAMEWORK

The federal government's strong reform agenda in the areas of early childhood education and paid parental leave for Australia is a very positive initiative.

Thank you for the opportunity to comment and make written submissions. I have combined my submissions on the National Early Learning Framework draft discussion paper and the productivity commission's Paid Parental Leave draft recommendation into one document because I believe both reports are not bold or brave enough to provide a platform to generate the needed policy change. Family policy reform needs to:

- recognise and encourage the positive contribution made by stay-at-home parents in early childhood, particularly for babies and toddlers (ages 0 to 2); and
- respect and encourage legitimate choices on child care made by working parents including informal childcare and flexible working arrangements.

A lot of data has been collected about child care and parenting trends in Australia. All surveys have concluded that the use of formal child care¹ is increasing and more and more mothers are returning to work earlier after having children. Critically, the statistics and research do not emphasise that despite the increases in mothers returning to work and formal child care usage, stay-at-home parenting, informal care and combinations of both especially for children 2 years and under is the most common arrangement used and preferred by Australian parents when caring for their babies and toddlers.

To have some idea of the percentage of Australian babies and toddlers who are at home, the shadow of the child care and parenting statistics needs to be sized up. For example, from the ABS Child Care Survey it was estimated that the use of formal care for *"very young children was low (7% of children under one year)"*.....presumably then 93% of children under one year of age are cared for exclusively in their home (by stay-at-home parent or through informal arrangements). Similarly, use of formal care for children aged between 1 and 2 was estimated at 31%, presumably then 69% of babies between one and two are cared for in their own home. Use of informal care is recognised as the highest for one year olds (43%). In terms of working women, it is estimated that 15% of women with children under 4 work full-time, while about 34% work part-time. Again, looking at the shadow this means that 85% of women with children under 4 stay at home to care for their children at least part of the time and 51% on a full-time basis (see ABS 4102.0 - Australian Social Trends, 2006). Additionally, ABS Statistics released this year showed 22 per cent of women who were employed worked mainly from home when they had a child under the age of five.

¹ 'Formal child care' is generally accepted as being centre based regulated child care occurring away from the child's home. The main types are before and/or after school care, long day care, family day care and occasional care. See ABS Child Care 4402.0 June 2005 Second Reissue

A more interconnected and holistic approach to parenting, childcare and parental leave needs to be adopted by the federal government in collaboration with the state governments. Specifically, the work carried out by the Council of Australian Governments early childhood reform agenda needs to be linked to the work of the productivity commission and both bodies should then inform Treasury on its Taxation reform agenda. For example, page 17 of the productivity commission's Paid Parental Leave report shows clear recognition for the positive child welfare effects of parental care and acknowledges that:

"Most of the evidence supports the view that non-parental care in the first six to 12 months of a child's life can lead to behavioural problems and delayed cognitive development for some children. Evidence of problems is strongest where nonparental care is initiated very early (three to four months or less), where maternal employment is full-time and care is of low quality. The extent of gains from exclusive parental care appear to diminish for periods beyond 12 months. There is some evidence that paternity leave has emotional benefits for fathers, positively affects children's emotional and educational achievement and provides support for the mother. The evidence suggests longer-term benefits from early involvement."

Yet, a read of the draft Early Learning Framework does not buy into this evidence at all. In fact "parent" is not mentioned once in the document and "family" only twice. Instead the framework seems to be based on a presumption that formal childcare is the inevitable side-effect of mothers returning to work and formal childcare is therefore the forum within which to achieve the desired learning and developmental outcomes for children aged between 0 and 5. The framework does not acknowledge that the majority of Australian children between 0 and 2 do not attend formal childcare or that evidence in fact suggests that non-parental care (in most cases) for children under 12 months and probably up to 2 years may lead to poor developmental outcomes. The framework is not brave enough to buy into this research and to acknowledge that children are best cared for by their stay-at-home parents.

That parents should be liberated *to work* rather than *to parent* seems to be the underlying message of government research and policy. This is short-sighted and risks marginalising all parents who are sacrificing income and work opportunities in favour of parenting. More importantly, it undervalues – economically and socially - the critical contribution at-home parents make to achieving positive developmental and social outcomes for babies and toddlers.

The evidence of government's pre-occupation with keeping parents in work or getting parents back to work is clear in its rhetoric about "working families" and in the 2008/09 budget initiatives which included:

- increasing the child care rebate (from 30% to 50%) for families using formal child care;
- abolishing baby bonus payments for families earning \$150,000;
- abolishing family tax benefit part B payments for stay at home parents whose partner earns \$150,000; and
- referring the debate on statutory maternity allowance to the 'productivity commission',

All of these initiatives emphasise a government imperative to increase parent participation in the workforce and encourage an even greater uptake of formal child care.

The productivity commission's recommendations on paid parental leave are positive and a significant recognition of the critical contributions stay-at-home parents make to the well-being of babies. However, fundamentally the reasons for mothers returning to work are more complex than paid leave entitlements or affordability of formal child-care.

Policy and research needs to focus on supporting parental choice in child-care arrangements, whether that choice is stay-at-home parenting, informal child care (such as private nannies), flexible working arrangements or formal child care. Child-care rebates/subsidies and incentives should not be limited to only formal child care and stay-at-home parenting models should not be under-valued.

The starting point for all policy touching on working parents, child care and paid parental leave must be a commitment to the evidence that on average non-parental care in the early years of a child's life is not the best start for our children. Policy makers should be brave enough to value economically the role stay-at-home parents make to the well-being of our children. Listen to what parents want and listen to what the evidence says our babies need.

If this was the starting point the next step would be to imagine ways to assist parents to parent as much as possible in the early years of their children's life assist both *working parents* and *parenting parents*. Examples are:

- For families where one parent stays at home income tax relief for the sole income earner, options are income splitting, increasing the tax free threshold applying to the sole income earner or allowing the equivalent in the proposed paid maternity leave entitlements as a tax deduction.
- For families where one parent works from home expanding the existing child-care rebate and benefits scheme to include in-home care providers such as private nannies who care for the children while the parent works from home and encouraging employers to adopt flexible working arrangements to cater for at-home workers. This is not revolutionary the EU currently has a directive which entitles workers to request flexible working arrangements and Victoria has adopted similar legislation.
- For families that are opposed to using formal childcare but may choose other informal arrangements such as private nannies, shared nannies or relatives on a paid basis expanding the child-care rebate and benefit scheme to include these informal child care arrangements especially for children under 2 and siblings.
- For families that choose formal childcare investing in formal childcare to ensure it is of high quality, accessible and affordable.

Of course, supplementary to the above safety nets and social security assistance for sole parents and minimum income families need to ensure that choice in child care options is available.

The recent high profile failure of ABC Learning and CFK Child Care together with the recommendations and research of the productivity commission should cause the government to reconsider their policy preference for formal child care.

Parents take more than leave entitlements and the cost of care into account when making decisions about work. For example, the AIFS Study No. 42 *Timing of mothers' return to work after childbearing: Variations by job characteristics and leave use*, Jennifer Baxter, July 2008 found that:

"The timing of mothers' return to work following childbearing is related to a wide range of variables, including mothers' preferences and opinions about the appropriateness of their remaining home when children are young. Other work related factors can also be important in explaining variations in the timing of return to work. For example, some mothers may be able and may wish to return to work very soon after the birth of a child because they have access to a job with flexible work conditions or very short hours that can fit around responsibilities for caring for an infant. Other mothers may have access to sufficient leave to enable them to take an extended break from employment through the child's first year. For others, managing work during the months following a birth may not be so easy. If paid leave is either not available or available for an insufficient time, some mothers may return to work sooner than desired. Others may not have access to leave, having worked in sporadic casual employment prior to the birth. Still others may have difficulties in finding a job that offers the flexibility that is required in order to manage work and family."

If reform and early childhood welfare is what the government is truly striving for then it should seize this opportunity and imagine boldly and bravely ways of allowing parents to parent and for those that choose to work to work, especially when it comes to our babies and toddlers as research shows these are critical years for development, attachment and belonging. The research is available to Government. It is only the will and courage that is now needed to create the policies.

Kind regards,

Sally Rogers (mother of two (2 and under) and part-time worker)