Enhancing work-life balance

A better system of Paid Parental Leave

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Enhancing work-life balance

Rebalancing the distribution of work and care within families would also lead to a reduction in the gender pay gap, higher GDP through increased female work participation and would ultimately lift economic welfare. The current federal government system effectively provides for 20 weeks paid at the minimum wage. 18 of those weeks are generally paid to the mother and two weeks are generally paid to the father as ‘Dad and Partner Pay’. Under our proposal this would be renamed Paid Parental Leave, so there was a single scheme. After the birth or adoption there would be an allocation of 20 weeks for two parents. 18 weeks would be the maximum for either parent.

The number of weeks under the scheme would rise to 26 weeks over six years, by two weeks every two years. This mechanism would allow movement towards more equal parental leave without taking away any existing benefit.

We also propose an equality supplement whereby bonus weeks are provided to the extent that responsibility for care is shared more equally.

These changes would complement the social change that is already occurring in many families and businesses as well as encourage further change – by the government making clear that flexibility and equality are its default settings for paid parental leave.

The biggest impact of this scheme would likely be for workers in small and medium businesses including people who are self-employed – around two-thirds of Australian workers. These smaller businesses are less likely to have the resources to invest in their staff through access to equal (or any) paid parental leave.

It would also complement what is already being done by many large businesses to expand their paid parental leave offerings, particularly to fathers and same-sex partners.

An equal system of government Paid Parental Leave is just one part of the story. Business and societal support for cultural change is key. It is important that men do not feel a stigma for taking leave or that their bosses will feel it is career-limiting. Many business leaders are already showing that this is not the case through words and action affirming that playing a larger caregiving role is a positive for their careers and that of their partner.
What are the benefits?

We envisage an economy and society where the burden and joy of caring for young children is more evenly shared between mothers and fathers, enabling more women to participate consistently in the workforce during their career.

The economy will benefit from increased workforce participation and productivity from less disrupted workforce attachment and skill development. This will have a positive flow through on the gender pay, income and superannuation gaps – benefitting women throughout their lives.

For many families, the household division of caring responsibilities begins to be embedded at birth. This triggers a pattern of unequal care and work during prime working years for both parents, with the responsibility for care falling more heavily on women, resulting in women’s participation in the workforce still sitting well below that of men.

As Australia recovers from the COVID-19 crisis, it is essential that we tackle the structural impediments to women’s economic participation to accelerate economic growth and continue to make Australia a fairer and stronger country.

There are considerable advantages for Australia to move to a model of gender equality for child-rearing. A dual career–dual carer or equal parenting model would give rise to a higher standard of living arising from increased productivity and participation, and for mothers a reduction in the gender pay, income and superannuation gaps. It would also reduce the gap in unpaid domestic work and increase the recognition of equal parental responsibility.

**Fathers would benefit** from greater involvement in their children’s lives with more personal satisfaction and a deeper understanding of the responsibilities associated with caring for young children. This would lead to better work-life balance for father and mothers, together with a greater sense of fairness in relationships with greater intimacy and stability.

**Children would benefit** from positive, long-lasting improvements in emotional and physical health and greater diversity of day-to-day role models.

**Employers would gain** from greater understanding by employees of the position of clients and customers, with improved retention and rising morale.

In 2018-19, almost 50 per cent of women cite caring for children as the main reason they are not working or not working more hours. Caring for children has consistently been the main barrier to work for women over at least the last 10 years for which there is data.

In contrast, only 3 per cent of men nominated caring for children was the main barrier to work or working more hours in 2018-19. Over the last 10 years, no more than 6 per cent of men have nominated caring for children as the main barrier to work – and it is consistently one of the least cited reasons by men.¹

As our cultural norms change over time there would be benefits from greater diversity in management and modifications to our sense of masculinity and femininity which could lead to less gendered job delineations.

The Workplace Gender Equality Agency cites the following academic literature that highlights the benefits of moving to a more equal parental care model.

**Increased father or secondary carer leave:**
- increases ongoing participation of fathers in childcare (Norman 2017)
- increases on-going participation in other unpaid work (Thor 2008)
- increases the female participation rate and higher household welfare (Thor 2008)
- increases the level of economic independence for women (Thor 2008)
- facilitates higher household incomes as a result of both parents working (Porter, 2015)
- increases heightened relationship satisfaction (Norman 2018)
- increases an enhanced ability to balance work and life commitments (Norman 2018)
- reduces risky behaviours such as smoking and alcohol consumption by fathers (Chan 2017)
- reduces potential discrimination in hiring practices (Porter, 2015)
- increases stronger school performance (Heymann 2017)
- increases daughter incomes linked to higher mother participation (McGinn 2018).
The current parental leave system

Our current system of paid parental leave from the Australian Government does not encourage this equality. Indeed, it does the opposite.

Paid Parental Leave is not technically grounded in gender and a delineation is drawn between the primary carer and the secondary carer. However, all applications for primary care default to the birth mother and, if desired, the family needs to transfer the care to the other parent.

An eligible primary carer is entitled to 18 weeks of Paid Parental Leave paid at the minimum wage in addition to some employer entitlements. Generally, the secondary carer is entitled to two weeks at the minimum wage. This is referred to as ‘Dad and Partner Pay’ and is available to the father and a same-sex partner of the mother, but not the birth mother.

Practically, given that more than 99 per cent of government Paid Parental Leave for the private sector is taken by mothers and a similar percentage of ‘Dad and Partner Pay’ is taken by fathers, the current model has the consequence of reinforcing cultural norms based on a heavily gendered allocation of care responsibilities.

Further as the income test component of the program fails to the carer claiming Paid Parental Leave only (i.e. not assessed on family income), there is a further incentive to only put forward the lower income earner in the family to ensure eligibility.

For example, if the mother earned under $150,000 and the father over $150,000, the family would only be eligible for Paid Parental Leave if the family put forward the mother as the primary carer. Given the gender pay gap that currently exists, this can further entrench the gap through raising children.

In 2018, CBA research found that 90 per cent of people thought men taking parental leave supports women’s career success and that 42 per cent of men have concerns about taking parental leave.2

Over recent years, many large companies have taken steps to expand their paid parental leave offerings and given fathers and partners access to the same amount of leave available to mothers. While large businesses are a significant part of the economy and employ millions of people, around two-thirds of Australian workers or 7.6 million people work in businesses that employ under 200 people, many of whom are self-employed.3

These smaller businesses are less likely to have the resources to invest in their staff to the same extent as large businesses. This is where government has a role to complement what is already being done by many businesses to make Australia a stronger and fairer society.

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Promotion rather than enabling equality of care

A distinction should be drawn between a system that enables equality of parental care and one that actively promotes it. Our system enables equality of care but does not promote it.

The question addressed in this paper is what design features of a Paid Parental Leave scheme would promote equality of parental care over the long term.

Fortunately, there is growing international experience on parental leave. The International Network of Leave Policies produces an annual report of leave policies which in 2020 covered 45 countries. This report shows a huge variety of systems for government-provided parental leave based on different economic and cultural factors.

The report suggests, however, that in recent times there has been a movement away from ‘maternity leave’ either to a system where such leave can be transferred, in whole or in part, to a father, or parental leave which has a non-transferrable ‘individual’ component for a parent (often referred to as the father quota in Nordic countries) and a ‘family’ component which can be transferred from one parent to another.

Potential impediments to increased father or secondary carer leave are as follows:

- traditional gendered norms of caregiving (Coltrane 2013)
- lack or organisational encouragement (Patnaik 2018)
- lack of colleague support (Rehel 2014)
- immediate loss of family income given gender pay gap where men take leave instead of women (Kalb 2018).

These impediments need to be addressed through cultural recognition that the perceived benefits of father and secondary carer leave will outweigh the costs and transform the level of cultural support. This is clearly evident in Scandinavia and Quebec.
<table>
<thead>
<tr>
<th>Estimate of weeks</th>
<th>Mother Only &gt; 66% Earnings</th>
<th>Father Only &gt; 66% Earnings</th>
<th>Mother Fixed or &lt;66% Earnings</th>
<th>Father Fixed or &lt;66% Earnings</th>
<th>Obligatory Father Take-up</th>
<th>Incentiv for father to share</th>
<th>Flexible - Full time or part time</th>
<th>Flexible - One block or several blocks</th>
<th>Both parents can take some leave at the same time</th>
<th>Notes on take-up</th>
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<tbody>
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<td>Australia</td>
<td>0</td>
<td>0</td>
<td>18</td>
<td>2</td>
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<td>No</td>
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<td></td>
<td></td>
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<td>Austria</td>
<td>8</td>
<td>8</td>
<td>12</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No data</td>
<td>Father take-up at 32% in 2019</td>
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<td>Belgium</td>
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<td>2</td>
<td>0</td>
<td>32</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Outside Quebec fathers take-up at 15% &amp; rising</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>35</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Quebec - Father take-up at 80% in 2018</td>
<td></td>
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<tr>
<td>Quebec</td>
<td>15</td>
<td>3</td>
<td>7</td>
<td>8</td>
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<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
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<td>5</td>
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<td>No</td>
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<td></td>
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<td>9</td>
<td>18</td>
<td>32</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Fathers account for 9% of leave taken</td>
<td></td>
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<tr>
<td>Czech R</td>
<td>22</td>
<td>1</td>
<td>26</td>
<td>24</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Fathers account for about 2% leave taken (2015)</td>
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<tr>
<td>Denmark</td>
<td>14</td>
<td>2</td>
<td>32</td>
<td></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Father take-up rate 80% - near 100% of those eligible</td>
<td>outfield the UK, fathers take-up rate at 15% &amp; rising</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>16</td>
<td>2</td>
<td>62</td>
<td></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Father take-up rate about 58%</td>
<td>Father take-up rate about 83% (2015)</td>
<td></td>
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<tr>
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<td>12</td>
<td>9</td>
<td>23</td>
<td></td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate around 66%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>14</td>
<td>2</td>
<td>0</td>
<td></td>
<td>Longe r period</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Father take-up rate around 66%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>8</td>
<td>8</td>
<td>62</td>
<td>56</td>
<td>Up to 16 extra wks</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No data</td>
<td></td>
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<td>18</td>
<td>18</td>
<td>9</td>
<td></td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 86% (2017)</td>
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<tr>
<td>Ireland</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>No</td>
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<td>No</td>
<td>Father take-up rate 40-60% (2019)</td>
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<td>20</td>
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<td>Yes</td>
<td>Yes</td>
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<td>Japan</td>
<td>34</td>
<td>26</td>
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<td></td>
<td>Longer period</td>
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<td>Yes</td>
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<tr>
<td>Korea</td>
<td>26</td>
<td>13</td>
<td>26</td>
<td></td>
<td>12 extra weeks</td>
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<td>Yes</td>
<td>Yes</td>
<td>Fathers account for 21% leave taken (2019) 2% (2010)</td>
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</tr>
<tr>
<td>Lithuania</td>
<td>26</td>
<td>4</td>
<td>62</td>
<td>52</td>
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<td>No</td>
<td>Fathers account for 24% leave taken (2019)</td>
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<tr>
<td>Netherlands</td>
<td>12</td>
<td>1</td>
<td>0</td>
<td></td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No data</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
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<td>0</td>
<td>22</td>
<td></td>
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<td>Yes</td>
<td>Yes</td>
<td>No applicable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 89%</td>
<td></td>
</tr>
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<td>Portugal</td>
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<td>2</td>
<td>32</td>
<td>24</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 77%</td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>16</td>
<td>4</td>
<td>37</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 80%</td>
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</tr>
<tr>
<td>Spain</td>
<td>16</td>
<td>12</td>
<td>0</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 86%</td>
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</tr>
<tr>
<td>Sweden</td>
<td>16</td>
<td>12</td>
<td>42</td>
<td>12</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Father take-up rate 76%</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No data</td>
<td>Father take-up rate 49%</td>
<td></td>
</tr>
<tr>
<td>United States</td>
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<td>0</td>
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<td></td>
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<td>N/A</td>
<td>N/A</td>
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<td></td>
</tr>
</tbody>
</table>

Reference. 14th international review of leave policies and related research 2018

Edited by Sonja Blum (University of Hagen), Alison Koslowski (the University of Edinburgh), Alexandra Macht (Oxford Brookes University) and Peter Moss (UCL Institute of Education, University College London) September 2018.
How does the design of paid parental leave change behaviour?

As more countries move to paid parental leave systems which enable and promote more equal caring responsibilities, there is growing evidence that this can prompt behavioural change by parents.

In 2019, Canada introduced an additional five or eight ‘use it or lose it’ weeks of paid parental leave for the secondary carer if the paid parental leave is shared by both parents. The proportion of partners of recent mothers taking or intending to take paid parental leave rose 2.2 percentage points in 2018 and, after the policy was introduced, it lifted 4.1 percentage points to 35.4 per cent in 2019.4

Sometimes it takes more than policy design to change behaviour. The Republic of Korea introduced one of the longest leave periods reserved for fathers in 2007 (the equivalent of 17 weeks for an average income earner). In 2011, less than 2 per cent of eligible fathers took this leave. By 2018, 17 per cent of parents taking leave were fathers after the payments were made more generous and a national campaign to encourage greater work-life balance.5

Cultural change is key

An equal system of Paid Parental Leave is just one part of the journey to a parent equality model.

Business support for cultural change is key. Cultural change will be accelerated where secondary carers and primary income earners can take leave at their current, or close to their current wage. Under Australia’s current system this can only occur through business sponsored schemes.

In addition, it is important that men do not feel a stigma for taking leave or that their bosses will feel it is career-limiting. Business leaders need to show that this is not the case through words and action affirming that playing a larger care-giving role is a positive for their careers and those of their partners.

Businesses also need to consider their own paid parental leave policies and how they can further provide support for those with newborns and young children. This can act as a powerful incentive in the attraction and retention of talent.

5 UNICEF, Are the world’s richest countries family friendly?, June 20 19.
Large businesses are leading on cultural change in the workplace.

QBE – Share the Care

In March 2019, QBE launched a parental leave scheme called Share the Care. This initiative eliminates the terms of ‘primary’ and ‘secondary’ carer, and instead offers 12-weeks paid parental leave to every new parent. This leave can be accessed by taking two weeks of leave at the time of the child’s birth and following that with one, two or three day-week portions – for example taking two days of parental leave a week for 25 consecutive weeks – available within a 24-month period following the arrival of the child.

Twelve months later QBE announced there was a 300 per cent uplift in male employees taking paid parental leave. Whereas in the 12-month period prior to the launch only 10 per cent of the parents accessing the leave were male this rose to 27 per cent.

The company emphasised the importance of cultural change in sharing parenting. QBE indicated that it was encouraging senior male leaders to become role models for this initiative and show that it is beneficial for their careers to prioritise family.
Principles and design features

Drawing on this experience for the design of a better system of government-funded parental leave that promotes equality of parenting, a number of principles and design features need to be established. These are outlined opposite and form the basis of our recommendations.

<table>
<thead>
<tr>
<th>Principle 1:</th>
<th>Principle 2:</th>
<th>Principle 3:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The scheme should not be gender-based in legal form and should cater for same-sex relationships. It should apply equally to parents who have given birth, adopted or had their child through surrogacy.</td>
<td>The scheme should have a component which is based on a non-transferrable individual right rather than a family right. Global evidence suggests that in the absence of such a rule it is likely that fathers would commonly transfer their rights to mothers such that the current system is not challenged.</td>
<td>Because the individual right is not transferrable it should operate on a ‘use it or lose it’ basis and should not be available to be realised in the form of a different benefit. The ‘use it or lose it’ nature of the paid leave would by its nature promote the take-up of the leave.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principle 4:</th>
<th>Principle 5:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The non-transferrable individual right should not be available if the other partner is at home and not working or studying, except for the first two weeks or in other exceptional circumstances such as post-natal depression, recovery from childbirth or other physical sickness. Much of the benefit of the scheme would be for fathers to experience caring for the child directly and not with the mother present. This would lead to a greater bond between father and child and a greater appreciation of the hard work involved in caring for a child.</td>
<td>The benefits of the scheme should be additional to any benefits provided by an employer and not be reduced because of an employer benefit. Employers should be encouraged to add to the scheme in such a manner that provides for more equal parental care.</td>
</tr>
</tbody>
</table>
Principle 6: The scheme should incentivise parental care arrangements that are more equal. This could take the form of additional paid leave or greater flexibility.

Principle 7: The ‘use it or lose it’ period should be two years from the birth of the child. There are significant advantages in Early Child Education and Care (ECEC) from three years to five years. The policy should not cut across further ECEC advancement that may occur in coming years.

Principle 8: A new scheme would seek to enhance a cultural norm of acceptability for fathers to take off time for parenting. If it is seen to be too generous and outside that acceptable norm, the take-up rate may be diminished compared with a scheme that expands over time as the cultural norm changes over time. Thus, it may be advantageous to have a long transition period.

Design feature 1: There should be flexibility in how the non-transferrable individual right could be taken. Thus, it may reflect a decision of a couple to both work part time or to take off consecutive blocks of time. That is, the allocation based on weeks could be pro-rated.

Design feature 2: The scheme would need to be “additive” to the current scheme for it to be politically tenable although it could modify the current scheme. Thus, it may be difficult to reduce benefits that currently exist by taking (largely) from the mother to give to the father.

Design feature 3: Preferably the scheme should not be means tested and should be used to promote all parents to move to a caring equality model even where one parent earns less than another. However, fiscal constraints and norms around targeting government assistance may prevent this.

Design feature 4: The scheme should be promoted with significant advertising on the benefits of parent equality.

Design feature 5: The scheme should use existing ‘work test’ rules including for those who are self-employed.

Design feature 6: The scheme should be based on a specified amount (as is the case currently) and not a portion of income. This may reduce the potential take-up for higher income earners but is more likely to fit within our norms of equity in government assistance. It may be appropriate to use the minimum wage as a base.
Enhancing work-life balance

Based on the above principles and design features we provide an outline of a potential scheme to replace the paid parental leave system currently provided by the Australian Government.

The current system effectively provides for 20 weeks (18+2) paid at the minimum wage. Two of those weeks are for the person (usually the father) who is not the primary carer, currently labelled ‘Dad and Partner Pay’. This would be renamed Paid Parental Leave, so there was a single scheme.

After the birth or adoption there would be an allocation of 20 weeks for two parents.

- 18 weeks is the maximum for either parent.
- Parents would allocate how many weeks each parent takes.
- Two weeks can be concurrent weeks where both parents are not working (usually taken after the birth of the child).

The number of weeks under the scheme would rise to 26 weeks over six years, by two weeks every two years. This mechanism would allow movement towards more equal parental leave without taking away any existing benefit.

There would be an equality supplement. If the nominated carer weeks were allocated evenly, say within 55/45 per cent, then each parent would receive two additional weeks of leave. If the split was within say 65/35 per cent then each parent would receive one additional week.

The nominated carer must be the principal carer for that nominated day or week. It would be open to the government to support single parents by allowing them to access bonus weeks also.

KPMG has estimated the additional cost of the proposal based on the government’s 2020-21 Budget forecasts for the current system and an assumption that 2021-22 was the first year of the new approach. A further assumption used is that 25 per cent of families would qualify for two bonus weeks, and a further 25 per cent of families would qualify for four bonus weeks.

<table>
<thead>
<tr>
<th>Assumed stage of policy:</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 4</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-22</td>
<td>2022-23</td>
<td>2024-25</td>
<td>2026-27</td>
<td></td>
</tr>
<tr>
<td>Additional federal government PPL cost, assuming 2021-22 was the year of commencing the new approach ($million)</td>
<td>171</td>
<td>422</td>
<td>730</td>
<td>1,095</td>
</tr>
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</table>
The proposal would contribute towards a reduction in the workforce participation gap between men and women. KPMG has previously estimated that if the 2018 gap between male and female workforce participation were halved, in twenty years’ time annual real GDP would be greater by $60 billion. The present value of the increased household consumption accruing over that period would be almost $140 billion.

An outline of how the proposed scheme would work is as follows.

Parent 1 utilises maximum no. of weeks available – Parent 2 takes the remainder

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Standard Weeks</th>
<th>Parent 1 (Max 18 weeks)</th>
<th>Parent 2</th>
<th>Equality Supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>20</td>
<td>18 (90%)</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Year 2</td>
<td>22</td>
<td>18 (82%)</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Year 4</td>
<td>24</td>
<td>18 (75%)</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Year 6</td>
<td>26</td>
<td>18 (69%)</td>
<td>8</td>
<td>0</td>
</tr>
</tbody>
</table>

Parent 1 and Parent 2 adopt a more even split as the nominated principal carer

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Standard Weeks</th>
<th>Parent 1</th>
<th>Parent 2</th>
<th>Equality Supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>20</td>
<td>14 (70%)</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Year 2</td>
<td>22</td>
<td>14 (64%)</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Year 4</td>
<td>24</td>
<td>14 (58%)</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Year 6</td>
<td>26</td>
<td>14 (54%)</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

Parent 1 and Parent 2 adopt an even split as the nominated principal carer

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum Standard Weeks</th>
<th>Parent 1</th>
<th>Parent 2</th>
<th>Equality Supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>20</td>
<td>10 (50%)</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Year 2</td>
<td>22</td>
<td>11 (50%)</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Year 4</td>
<td>24</td>
<td>12 (50%)</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Year 6</td>
<td>26</td>
<td>13 (50%)</td>
<td>13</td>
<td>4</td>
</tr>
</tbody>
</table>

An ideal paid parental leave scheme is not an abstraction but must fit within an evolving cultural setting. The relationship is iterative: it will both reflect that setting and promote change to the values and norms. A misalignment between the policy and the cultural norms is likely to lead to a lower take-up than would otherwise be the case.

General policy design on paid parental leave to promote increased father involvement requires that the scheme be:
- statutory, but supported by best practice schemes beyond the statute
- earmarked for the father or secondary caregiver
- not transferrable
- perceived as a ‘right’ for fathers to be involved in care
- culturally valued.

Generosity presents a difference in the Australian environment from a large part of the global environment. Our statutory paid parental leave scheme is based on the minimum wage. Indeed, most of our social security scheme is based on fixed amounts (subject to means testing) and not on a level of salary or previous earnings. This is a positive feature and reduces the inherent regressiveness of the system.

Our scheme currently and as proposed is not generous compared to global standards, but this should not be an obstacle to change with the right level of cultural support from business, government and society.

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 Ending workforce discrimination against women, KPMG 2018.
References


There are considerable advantages for Australia to move to a model of gender equality for child-rearing.

A dual career–dual carer or equal parenting model would give rise to a higher standard of living arising from increased productivity and participation, and for mothers a reduction in the gender pay, income and superannuation gaps.
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