

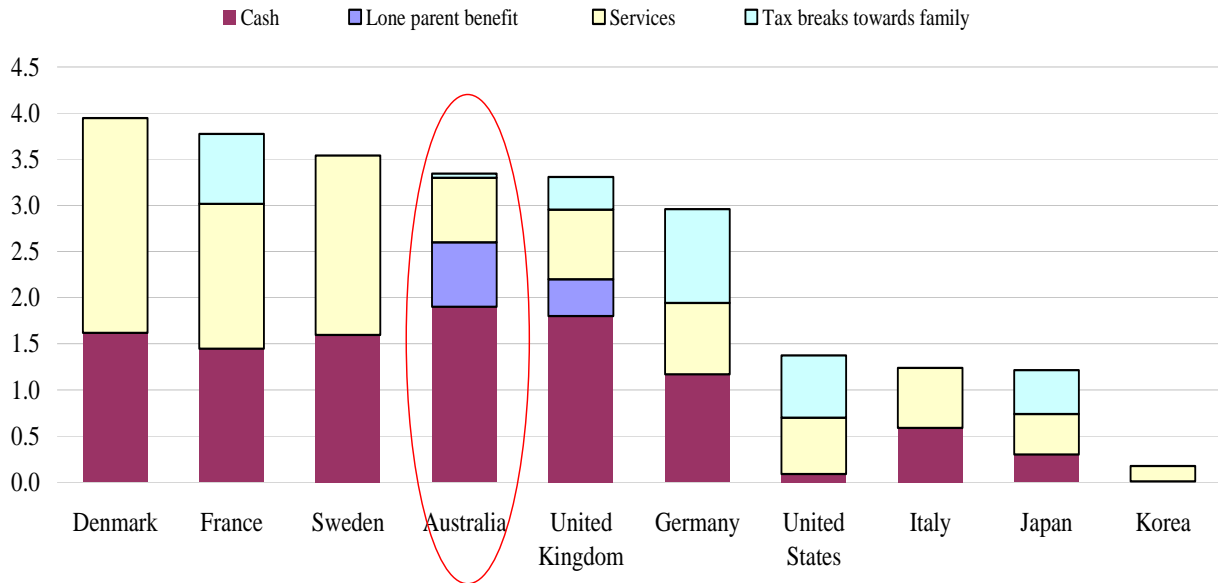
Highlights Australia
Babies and Bosses – Policies towards reconciling work and family life
www.oecd.org/els/social/family

- *Public expenditure on families has risen significantly in Australia and is now amongst the highest in the OECD. Most spending is on Family Tax Benefit, and a large percentage is also devoted to lone parent benefit and parenting payment for jobless couples with children. Public spending on child care, including pre-primary education, is well below the OECD average.*
- *Australia performs relatively well in a number of important dimensions of work-life balance – fertility is above the OECD average, overall employment rates for women are also above average, and the gender wage gap is below average. Part-time work is an important means by which many Australian families are able to achieve their desired work-life balance, and in contrast to a number of other countries, many women are able to increase working hours once their children are of compulsory school age.*
- *While child poverty rates are below the OECD average, Australia has a significant problem of joblessness among lone parents and unemployed couples with children. The lone parent employment rate in Australia in 2005 was just under 50% compared with an OECD average of 70% (and as high as 80% in Denmark and Sweden). While lone parent employment has started to increase in Australia in recent years, there is still a long way to go before Australia reaches the level of the best-performing countries. Australian policy should continue to support active participation requirements and also to roll out its child- and out-of-school-hours care support programmes to help lone parents participate in the workforce*
- *Supporting flexible work can help all families, but it is important not to burden employers. The new Governments proposal to follow the UK “right-to-request” approach is a good middle way which emphasises employer and employee involvement, is flexible enough to focus on measures that suit the workplace and the worker, and extends access to many low-income workers whose bargaining position is relatively weak.*

Public Spending on families

In 2003, Australia spent 3.3% of GDP on family benefits compared to an OECD average of 2.4%. Over half of this expenditure (1.9% of GDP) was allocated to cash benefits and a further 0.7% on parenting payments. Public expenditure on families expressed as a % of GDP has more than doubled since 1990 due to significant increases in cash benefits to families.

Figure 1: Public spending on family benefits in cash, services and tax measures, % of GDP, 2003



Notes:

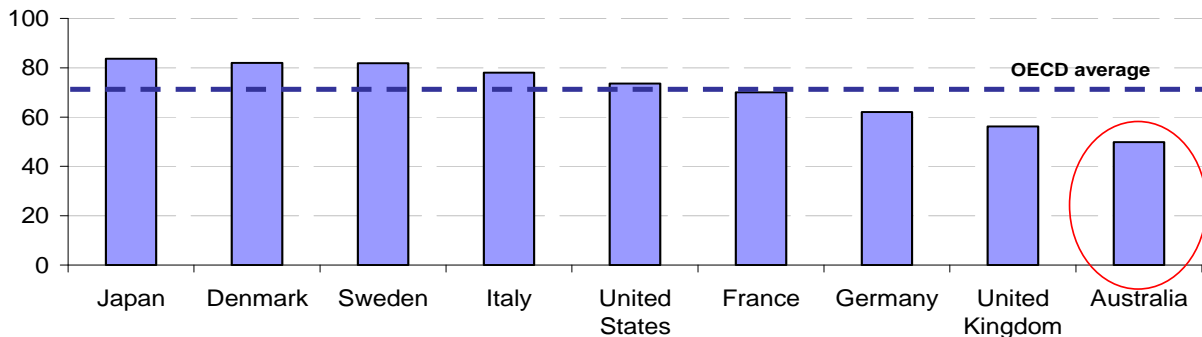
- Public support accounted here only concerns public support that is exclusively for families (e.g. child payments and allowances, parental leave benefits and childcare support). Spending recorded in other social policy areas as health and housing support). Spending recorded in other social policy areas as health and housing support also assists families, but not exclusively, and is not included here.

Source: Social Expenditure Database (www.oecd.org/els/social/expenditure).

Lone parent employment rates

Perhaps as a consequence of Australia's generous support towards lone parents, particularly in regard to the length of time that parents can receive benefits without being actively required to look for work, the lone parent employment rate in Australia (2005) was the second lowest of all OECD countries with only 49.9% of lone parents being in paid employment compared with an OECD average of 70.6%.

Figure 2: Lone parent employment rates, –2005 or most recent year



Source: *Babies and Bosses Volume V (2007)*