

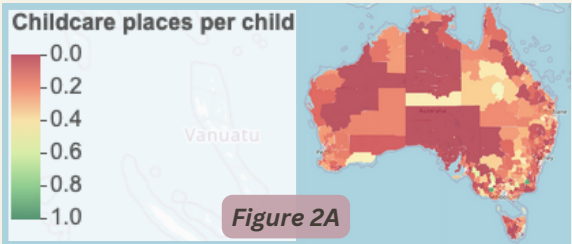
# III. PROBLEMS

Australia's location poses several problems. A huge portion of australia lives in a childcare desert. Second, due to post pandemic, the hybrid working model has led to underutilization of office space. Lastly, the commitment to take care of young children has led to a gender gap in the working industry.

## Childcare Desert

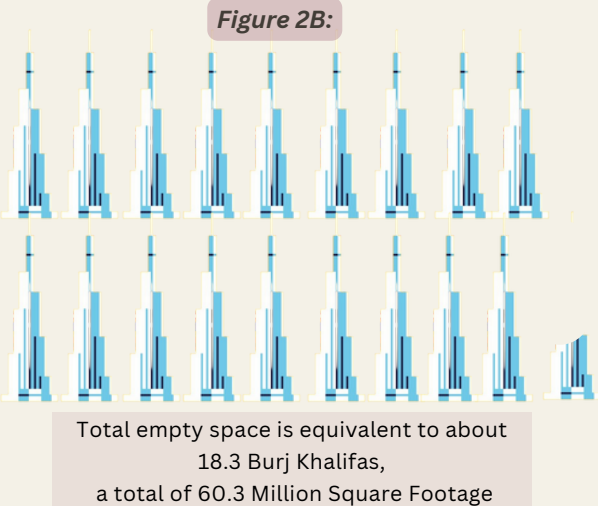
The issue of childcare accessibility in Australia presents a profound challenge, with approximately **35% of the population residing in childcare deserts, where 33% of children aged 5 or under lack access to essential services.** This scarcity is especially significant in rural and regional areas, where an estimated **1.1 million Australians live without any available childcare options.** Even in major cities, more than 5.3 million Australians, about 29% of city dwellers, live in childcare deserts. Exacerbating this trend, there are only 33 childcare locations in Australia's most populated city, Sydney. This represents a significant lack in childcare infrastructure relative to demand.

Almost all of Australia is in the red and orange sections, indicating the severe lack of childcare places (refer to **figure 2A**). As a result, families face considerable challenges in finding suitable childcare options that meet their needs, forcing many parents to make difficult decisions regarding their employment and childcare arrangements. The impact of this shortage on early childhood development is immense, as the first five years are critical for brain development, with 90% occurring during this period. High-quality early childhood education and care (ECEC) are vital during these formative years, particularly for children from disadvantaged backgrounds. However, the lack of accessible and inclusive services incites developmental inequalities, with **children without access to ECEC being twice as likely to face educational challenges upon entering school.** This shortage in childcare not only hinders immediate development but also has lasting effects on their educational and life achievements. **Children who lack access to quality childcare are more likely to experience academic difficulties, social and emotional challenges, and long-term disparities in educational attainment and employment opportunities.** Addressing the issue of childcare accessibility is crucial for ensuring equitable access to early childhood education and care, supporting children's holistic development, and fostering a more inclusive and prosperous society.



## Empty Office Spaces

The paradigm shift towards remote and hybrid work models in Australia has presented a significant challenge in the utilization of office spaces, polarized by the COVID-19 pandemic. According to a report by XY Sense, **a staggering one in three desks in Australian offices remains unoccupied** throughout the week today, starkly contrasting with the pre-pandemic utilization rates. Pre-pandemic, about 67-70% of office space was being utilized. Contrastingly, during the second quarter of 2023, Australia reported that **the utilization percentage plunged to a low of 27%.** This trend has led to a substantial decrease in the value of office properties, with property companies and super funds decreasing their prices of rent. (Refer to **Figure 2B**).



Economic data further underscores the severity of the situation, with JLL research reporting a staggering 37% decline in rent prices and incentives for empty office spaces reaching an alarming 42% during the second quarter of 2023. The hybrid work model, blending remote and in-office work, has been identified as a driving force behind this

phenomenon, with **Oxford Economics predicting a lasting shift in working patterns**. This structural change is anticipated to have enduring implications, particularly in major business hubs like Sydney and Melbourne, resulting in the underutilization of hundreds of thousands of square meters of office space. Companies are left hanging with unused office space and employees who prefer working from home. Even when employees do return to the office, full capacity is not reached, continuing the cycle of underutilization. This pervasive trend not only jeopardizes the financial stability of businesses but also reshapes the commercial real estate landscape across urban centers in Australia. Altogether, this trend is **harming the Australian Economy** in the sense that **a large amount of resources are being unused** and **at the expense of businesses** that are recovering from post-pandemic financial conditions.

## Gender Disparity

In Australia, the decision for women, especially mothers, to step back from their careers to care for their children is deeply influenced by a mix of societal pressures and economic realities. According to the Australian Bureau of Statistics, as of June 2023, **only 76.5% of mothers or female partners in couple families with dependents were employed, a notably lower figure compared to their male counterparts at 89.7%**. This gap widens significantly as the age of the youngest dependent increases (refer to *Figure 2C*).

This significant issue is reflected in the numbers: **recent data from the ABS revealed that in 2020-21, 25% of women who desired employment or more working hours were unable to due to their childcare obligations**. This challenge is most daunting **for mothers with children under 15, with over 50% of them citing childcare as the main hurdle**. For many, the decision not to participate in the workforce stems from a heartfelt desire to be there for their children, combined with the unfortunate reality of inadequate childcare options. These statistics show a profound dilemma faced by countless women – finding the balance between work and family responsibilities. Unfortunately, **this struggle often results in gaps in their resumes, making it arduous to re-enter the workforce** and perpetuating gender disparities in employment. It's a damaging trend that demands urgent attention. Furthermore, societal expectations and traditional gender roles play a significant role in shaping women's decisions regarding workforce participation. Despite advancements in gender equality, women are still disproportionately burdened with caregiving responsibilities, often expected to prioritize family over career advancement. This ingrained cultural bias perpetuates the notion that women are the primary caregivers, further marginalizing their participation in the workforce and limiting their economic opportunities. Moreover, the lack of affordable and accessible childcare options exacerbates the challenges faced by working mothers. **High childcare costs and limited availability force many women to choose between returning to work and shouldering the financial burden of childcare expenses or staying at home to care for their children**. This lack of support hinders women's ability to fully participate in the labor market, hindering their career advancement and encouraging economic inequality.

**Figure 2C:**

