

Budget 2020 – Overview

Gender-responsive Budgeting

The 2020-21 budget speech recognises that women’s employment was worst affected by COVID-19. The budget itself stimulates male-dominated jobs and industries. Tax cuts also favour men. The budget plan for female-dominated service industries is to “continue to guarantee the essential services Australians rely on. Without increasing taxes”. NFAW recommends that the government adjust its stimulus spending to target social as well as physical infrastructure. We also recommend that it enhance its sources of gender-responsive budgeting and attend to their advice.

Impact on Young Women

The COVID-19 pandemic is having particularly severe effects on young women in Australia. There is an urgent need for the experiences and needs of young women to be a focus of policy development regarding the crisis response and recovery.

While the 2020/21 Budget includes a focus on young people, particularly on young people’s training/education and employment, it falls well short of providing the short- and medium-term measures needed to support young women’s economic security, health and safety.

Issues of intergenerational equity are once again present in our understanding of the Budget. With a significant increase to national debt, and the implementation of tax cuts which will overwhelmingly benefit high-income earners, there is little investment in social infrastructure, climate action and other areas that create jobs and lay a foundation for our national future.

Many aspects of the budget impact on young women, including housing and homelessness, climate and environment, health, taxation, disability and social services policies. NFAW’s analysis in this section focuses on six key areas: youth policy, employment, education and training, youth allowance and ABSTUDY, mental health and violence against young women.

Impact on Older Women

This year’s federal Budget contains some measures of direct benefit to older women, with net positive impact in some policy areas, but no improvement in other priority domains.

The measures of most interest and value to older women contained in the Budget include: an increase of 23,000 home care packages; additional health care and aged care funding to respond to the COVID-19 pandemic; the maintenance of supplementary payments in the Aged Pension for another year; and the move to change capital gains tax on Granny Flat arrangements within families.

Overall, however, the 2020 Budget is a missed opportunity to improve the lives of older women who face the greatest difficulties: single, older renters totally reliant on JobSeeker or pension payments; those who are homeless; a significant proportion of those on the long waiting list for home care packages; and those locked out of employment. It is also another

missed opportunity to begin resetting policy to disrupt the structural accumulation of poverty across the life course that reaches its peak with disastrous consequences for so many women in later life.

Impact on Aboriginal and Torres Strait Islander Women

There was little to no response to the needs of Aboriginal and Torres Strait Islander females in the budget. Measures via the Department of Prime Minister and Cabinet and Minister for Indigenous Australians appear ad-hoc, and other measures such as tax cuts and superannuation membership reform will not reach the majority of the Aboriginal and Torres Strait Islander female population due to their young median age and their not yet participating in the workforce.

Lack of investment in community-controlled programs was clear. The \$46.5 million allocation for Closing the Gap in health equity is inadequate to meet targets, and does not provide infrastructure support for 550 Aboriginal and Torres Strait Islander community-controlled health clinics with over 1 million episodes of care per annum. Conversely, \$39 million was allocated to one mainstream charity for a sport program to encourage school attendance. Most other allocations are to the Government's own services, corporate entities or statutory authorities not Aboriginal and Torres Strait Islander community-controlled organisations, despite little evidence for their effectiveness. Allocations are not adequate to address social determinants of health, multi-morbidities, holistic care, legal needs or diversity, to which government has made policy commitments.

Impact on Migrant and Refugee Women

Budget 2020 includes a number of measures that will have specific implications for Australia's migrant and refugee women, who make up just under 4 million of the Australian population or one third of the Australian female population, according to the 2016 Census. In particular, these include the changes to the English language program, the family/partner migration stream and the humanitarian program, as well as the extension of the migrant and refugee youth programs. Further—noting the universal measures that will likely have impact on migrant and refugee women as a significant population cohort—the Women's Economic Security Statement seeks to address the diverse needs of women, including women from culturally and linguistically diverse backgrounds. Of significant concern is the lack of measures to support safety and wellbeing (including financial wellbeing) of women on temporary visas.

Impact on Women with Disabilities

The 2020 budget offered a historic opportunity to build a flourishing future for the 2 million women and girls with disability in Australia and support them to lead fulfilling lives in a post-pandemic world, but it was a missed opportunity. There are some welcome announcements to expand the National Disability Insurance Scheme (NDIS) such as an additional \$3.9 billion to be made available for its rollout to enable more Australians with disability to transition into the Scheme and access supports. Also welcome was the provision of \$798.8 million over four years to the National Disability Insurance Agency (NDIA) and the NDIS Quality and Safeguards Commission to support the continued administration of the NDIS, to improve the quality and safety of supports provided to NDIS participants and to improve the regulation of NDIS providers.

That said, for the majority of women and girls with disability in Australia who are not currently participants of the NDIS, the budget offers little hope. It does not deliver for women with disability to secure meaningful and accessible employment and provides no adequate safety net to keep them out of poverty. Women with disability do not need 'incentives' or 'motivation' to take up paid employment. What they do need are targeted measures and a fit-for-purpose jobs plan as well as the elimination of discrimination and negative stereotypes from both a gender and disability perspective which compound their exclusion from participation in economic and social life.

Taxation: Business

Business taxation measures that were introduced to stimulate the economy included:

- temporary full expensing of assets;
- increased incentives for research and development activities;
- allowing a company to claim losses incurred during the crisis against income taxed in previous years; and
- removing FBT from retraining expenditure paid by an employer for its employees.

To the extent that business has the cash flow to spend on these activities, the measures should help to create employment, but the industries most likely to invest in assets and research and development are the male dominated industries of mining, manufacturing and construction.

The carry back loss provision will help companies that were profitable before the economic crisis to stay afloat but many small and medium business will not be eligible.

Taxation: Individuals

The changes to personal taxation consisted of:

- Increasing the tax thresholds for the two middle tax brackets;
- Increasing the Low Income Tax Offset (LITO) and
- Extending the Low and Middle Income Tax Offset (LMITO) until 30/6/2021.

For the year ended 30 June 2021 there is support for taxpayers earning less than \$90,000, but this support expires after the current tax year and is paid after the taxpayer submits their annual tax return. This will result in most of these taxpayers being significantly worse off in the 2021-2022 and following tax years.

The highest value of benefits is delivered to people earning more than \$120,000. These tax cuts do not expire after the 2020-21 year and provide higher levels of tax relief to higher income earners, who will receive the benefits in their take-home pay.

These changes have already been legislated, with the Bill passing the Senate on 8 October 2020.

Superannuation

The changes that have been announced to superannuation reflect recommendations of the Productivity Commission. The most significant change is that a person's first superannuation account will become their default superannuation account throughout their working life, unless they chooses to move their account to another fund. This will address the concern around multiple accounts that may be set up when a person changes jobs, and will reduce

overall account fees. There is nothing in the budget to help restore the superannuation balances of people who accessed their superannuation early under the COVID measures

Climate Change and Energy

The 2020-21 Budget is a missed opportunity to lead Australia on a path to a green recovery. The budget delivers the majority of its funding to support investment in male-dominated energy and gas industries, with little stimulus for clean or renewable energy development. The mandate of the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC) is expanded to allow investments in carbon capture and storage and gas developments. The announced investments in coal, gas, and diesel fuels will lock in an on-going dependence on fossil fuels and deliver little progress on climate change abatement or gender parity.

Housing

The Budget supports prospective first-home buyers and eligible owner-occupiers building or renovating a home. Those women who are not homeowners are largely left behind. Budget funds are primarily directed to existing commitments in the National Housing and Homelessness Agreement. While the National Housing Finance and Investment Corporation guarantee extension may support further building of affordable housing, the large numbers of women in need of secure social housing including older women and single parents will see little benefit and continue to face an elevated risk of homelessness. The growing incidence of domestic violence observed during the COVID-19 pandemic elevates these risks.

With no change to Commonwealth Rent Assistance or income support payment rates, recipients will continue to struggle to secure affordable housing.

Social Services

Women were already over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments prior to the COVID-19 pandemic and its attendant effects on the Australian economy. The recession and the overwhelming focus on male-dominated industries for stimulus support means Australia is facing a 'she-cession.' Our analysis and primary recommendations within this portfolio are:

- The Coronavirus supplements and other short-term supports provided by the Government lifted women and children out of poverty. They should be retained, particularly as we enter a recession. Proper indexing of cost of living increases would also assist in keeping Australians out of poverty.
- The Targeted Compliance Framework (TCF), which is attached to many income support payments, jobactive, and ParentsNext, is punitive, controlling, and ineffective at supporting people into employment. The TCF needs to be revisited.
- jobactive should be re-designed to provide meaningful supports back into employment for women. This includes monitoring the client experience rather than employer ratings of service quality, transferring responsibility for the TCF to Centrelink, and providing more flexible options for engagement.
- It is not evident that the ParentsNext model has adequately addressed the shortcomings addressed by the Inquiry. The program is injurious to participants and if retained should be made voluntary, be decoupled from the TCF, and provide more funding to support women into meaningful employment that will ensure their financial security longer term.

Early Childhood Education and Care

The focus of the 2020 Budget has been to support Victorian Early Childhood Education and Care (ECEC) services to remain open and viable during the pandemic and allow families of essential workers and vulnerable children to access ECEC. While families across Australia are being supported until 4 April 2021 through an easing of the Child Care Subsidy activity test requirements, there are no other new measures to support families with the cost of ECEC, or to better remunerate early childhood educators.

Schools

NFAW welcomes the overall increase in school spending. However, given the Budget had a 'jobs' focus it is surprising that schooling and the development of digital skills for both students and staff was not given more attention. School retention rates and skills determine entry to STEM jobs in the future so long-term planning and a national strategy is imperative for all young Australians to take their place in the 21st century workforce. Teachers too need continued professional development in the STEM skills if they are to deliver high quality education for all students. In addition, NFAW notes that program spending through the Department of Education, Skills and Employment in 2020-21 is significantly less than the previous year, which is disappointing.

Vocational Education and Training

In the current economic circumstances – resulting from the disproportionate impact of COVID-19 job losses on women in hospitality, retail, arts and tourism – the government's vocational education and training measures fail to respond to the need for VET reforms, including a more targeted approach to funding to increase women's participation in a greater diversity of vocational fields of study. Women's concentration in certain industries has made them exceptionally vulnerable to job losses at this time.

The Productivity Commission's [Interim Report](#) May 2020, reviews the National Agreement for Skills and Workforce Development and indicates a range of problems, describing the VET system as "byzantine" (p. 4), particularly in the area of employer incentives for apprenticeships. Nonetheless the government has chosen to fund two major initiatives which rely heavily on financial incentives for employers: the [Australian Apprenticeships Incentives Program \(AAIP\)](#) with a \$3.159 billion allocation, and the one-off [JobTrainer Fund](#) of \$500 million to be matched by states. The aim of this Fund is to provide an additional 340,700 training places to help school leavers and job seekers.

The Productivity Commission's Interim Report cites evidence that financial incentives are the least likely government intervention to result in employers taking on an apprentice or trainee (p. 164). NFAW is concerned that these much publicised and promoted initiatives, similarly to the [Skilling Australians Fund](#), are unlikely to meet their targets.

Higher education

As in 2017, the government has chosen to institute major changes to higher education funding outside of the budget process, most notably through the Jobs Ready Package announced on 19 June 2020. The budget itself is disappointing. It ignores the particular needs of women in higher education, as staff and as students. While the 2020 budget does promise an additional

\$1 billion for research, this does not adequately compensate for the revenue lost through COVID-19 restrictions, the Jobs Ready legislation and the ongoing impact of changes made in previous years.

JobKeeper

The original design of JobKeeper did not distinguish between payments made to full-time workers and those made to part-time workers. Some commentators regarded this as unfair to those who held full-time positions and others described it as a stimulus measure for the lowest paid. The July 2020 Economic and Fiscal Update introduced differential JobKeeper payments for full- and part-time workers, reducing costs and making way for a refocus on range of stimulus measures targeting high paid men and male dominated industries. Twice as many women as men are affected by the JobKeeper cuts for part-timers. The payment falls again in December and disappears in March. JobKeeper 2 continues to exclude support for people working in female dominated industries (universities and child care) and for casuals not classed as regular and systematic – around 950,000 of them—who also make up a female dominated group. Those over 35 in that group – mainly women -- will be excluded from JobMaker payments as will those unable to work 20 or more hours a week because of childcare costs.

JobMaker

Employment programs need to address the differing workforce participation patterns and barriers for women. The JobMaker Hiring Credit does not do this. The 20 hour per week minimum work requirement fails to take into account childcare costs and high Effective Marginal Tax Rates, which would leave a mother of two – on the median female wage with a working partner – with less than \$31 dollars for any day's work after her first 8 hours. At the same time, JobMaker encourages employers to restructure full-time jobs to maximise 20-hour, 12-month jobs which tend to lock in low-skilled, high-turnover work. Finally, and critically, JobMaker builds age discrimination into employment support. This is a problem for both men and women, but it is a greater problem for older women – the group that is already most likely to retire into poverty.

Pay Equity – Equal Remuneration Order (ERO)

After considerable uncertainty, the Budget has provided funding to implement the ERO for the social services sector workforce through to the end of the 2023-24 financial year. The funding applies to programs in the Social Services and Attorney-General's portfolios. This measure is very welcome. Doubt remains, however, about supplementary funding for equal remuneration in a number of services that are funded by other agencies or under partnership agreements, such as housing.

Paid Parental Leave

The \$130.4m allocated to increase the flexibility of the Paid Parental Leave Scheme and to help women and their partners navigate the COVID-19 Pandemic and plan their families is very welcome.

The Government has again missed an opportunity to complete unfinished business on paid parental leave in Australia, to ensure it is a key element in advancing gender equality, particularly since this was intended to be a nation-building Budget.

Work and Family

Managing the often competing demands of work and family responsibilities has been harder in 2020 due to the impact of COVID-19, which has seen temporary schools and child care centre closures, a high incidence of children studying at home for part of the year and parents managing paid work remotely. Much of the juggle between supervising students while managing their own paid and unpaid work responsibilities has fallen to women, who already undertake the majority of care in families. The lack of specific Budget measures to assist working parents is a missed opportunity to better support women during the pandemic and beyond. Women's workforce participation is recovering to some extent following economic shutdowns earlier this year, although the rate is still much lower than in March 2020.

Working from Home

Working from home has been a workplace flexibility option for decades but had not been widespread until it became necessary for nearly half of Australians in paid work during the COVID-19 response. The Government missed an important opportunity in the 2020-21 Budget to support the flexibility and productivity benefits of working from home and to ensure that it promotes more equal sharing between women and men of paid work and family obligations. Without specific measures funded through the federal Budget, there is a risk that gender inequalities in the management of these obligations will be further entrenched.

Women in STEM

The Government has provided specific funding in the 2020-21 Budget to boost the number of women studying and working in STEM. This includes \$25.1 million over five years from 2020-21 for a Women in Science, Technology, Engineering and Mathematics (STEM) Industry Cadetship program and \$14.5 million over four years from 2020-21 to extend or expand existing initiatives that support girls and women to gain STEM skills and capabilities.

The additional funding for women in STEM is commendable. As noted in the Schools paper, students and teachers must be provided with STEM training to further boost Australia's future workforce capability in this area.

The funding for Women in STEM is comparatively meagre when compared with the funding provided in the 2020-21 Budget for supporting apprenticeship and traineeships, most of which is anticipated to support men and boys.

Health

The 2020-21 Budget included additional short-term funding of Medicare items for mental health services which will benefit women who are greater users of mental health services. However, there remain significant out of pocket costs associated with mental health services that this Budget has not addressed, which disproportionately impact women due to higher usage.

There was no additional funding included in the Budget to implement the 2020-30 Women's Health Strategy which was released in April 2019. This represents a missed opportunity for the Government to drive improvements in women's health based on the Strategy.

There was also limited additional funding for Aboriginal and Torres Strait Islander Health despite the new Closing the Gap targets announced in July 2020.

Aged Care

Many funding announcements were made in the Aged Care portfolio which will have a net positive impact for women.

- An additional 23,000 home care packages have been funded, which will reduce the waiting list, though tens of thousands will remain on the list.
- Money has been allocated to support the residential aged care sector in response to the Royal Commission interim reporting as well as to support responses to COVID-19.
- Two \$250 support payments have been funded for people receiving Carer Payment and Carer Allowance.

While a good start, more is needed to address a system in crisis struggling to meet increased demands due to the pandemic. NFAW recognizes that the findings of the Aged Care Royal Commission, due to conclude on 26 February 2021, will shape the direction of aged care services and future budget investment.

Reducing Violence Against Women and their Children

NFAW strongly supports ongoing Commonwealth Government funding of \$340m to implement the *Fourth Action Plan of the National Plan to Reduce Violence against Women and their Children 2010–2022*; one-off funding of \$150m to help women stay safe in the early period of COVID-19; and additional funding in this budget of \$130m to expedite and improve the handling of family law matters in the Federal Circuit Court, including the safety and security of two Federal Circuit Court Buildings.

However, NFAW is very concerned that the Commonwealth's broader COVID-19 Recovery Plan may increase rather than reduce violence against women. The Commonwealth Government's plan requires savings from the health and education sectors being transferred to the Budget priorities of male-oriented apprenticeships and construction. It will concurrently reduce employment opportunities for women in the health and education sectors and exacerbate gender inequality which has long been associated with increased levels of violence against women. This rebalancing of gendered work could result in a less equal Australian society, reduced employment for women, and increases in intimate partner violence. NFAW has commissioned modelling showing how this rebalancing might work generate additional economic growth such that GDP in 2030 would be 1.64 per cent higher than it otherwise would have been.

If the Government remains committed to this strategy, NFAW requests the Government work with community leaders and experts in gender equality and violence to best manage the negative impacts of increasing gender inequality, including increased rates of violence against women.

NFAW has other specific concerns, in the context of violence against women and their children, relating to the implementation of new English test for partner visas, halving of the investment in Respectful Relationships education in schools, no increase at all to the funding of Domestic Violence Units and Health Justice Partnerships, and no new measures to help victims of family violence into secure and affordable housing. These are covered largely in other papers.

Community Legal Centres

After a significant period of uncertainty, the National Legal Assistance Partnership 2020-25 (NLAP) commenced on 30 June 2020. Consequently the 2020-21 Budget contained very little additional funding for the sector and no increase at all to the funding of Domestic Violence Units and Health Justice Partnerships.

Infrastructure

The infrastructure measures are missed opportunities. Missed opportunities to:

- invest in social infrastructure, instead of physical infrastructure. The physical infrastructure measures central to the “JobMaker” slogan of the budget, should be renamed Men’s JobMaker;
- make infrastructure work for all Australians. While the roads infrastructure sector were chosen in an effort to pump money into the economy quickly, it was a missed opportunity to maximise impact. Government could do more to drive value from infrastructure spending by using its procurement power to require women’s jobs be created as well as men’s jobs. Tying the infrastructure funding in part to social housing and other social infrastructure that increases wellbeing and economic security for women AND men. Truly then a JobMaker program. This opportunity was missed;
- improve transparency and accountability on infrastructure investments. Budget black holes for infrastructure of questionable value have been refilled.

International Aid

The COVID-19 pandemic is wreaking havoc around the world, with human development and gender equality outcomes on track to decline for the first time in decades. The 2020 Federal Budget allocates some new funding for gender equality initiatives and a package to support COVID-19 response and recovery in the Pacific – the first increase to the international development budget since 2013. However cuts to other regions (including conflict and post-conflict contexts), a reduction in budget for disability inclusion, and a significant reduction in transparency are disappointing.

Disaster Risk Reduction Management and Recovery

The 2020-21 Budget fails to respond to the importance of gender in relation to disaster preparedness and management. In spite of rhetoric, COVID-19 is not recognised or treated as a gendered disaster in the 2020-21 Budget. There is a lack of significant structural investment in sectors such as health and care services required to enable risk reduction and resilience against future pandemics.

The Budget fails to address the gendered impacts of disasters, including increased violence and economic insecurity. There is a focus on masculine military and technological approaches to managing disasters, and on shovel-ready recovery projects where economic benefits will flow to men, exacerbating gender inequality. The Budget fails to enable communities, women and other marginalised groups experiencing marginalisation to lead and take an active role in risk management and recovery, following the [UN Sendai Framework on Disaster Risk Reduction](#).