

Budget 2021 – Machinery of Government

The Women's Budget Statement, Women's Economic Security package and the Workplace Gender Equality Agency

The Women's Budget statement is still at heart a glossy: it does not systematically examine the mainstream budget initiatives to determine whether they have a gendered outcome, intentional or not. The result of this silence is that the WBS seriously under-reports 2021 budget outlays which should have an impact on women.

Despite significant outlays in the care sector, the Women's Economic Security Statement appears generally to operate on the conviction that the best that can be done for women in the workforce is to move them out of the female-dominated sector into male-dominated stem and non-traditional work. Given about 80 per cent of Australians work in services (and 90 per cent of working women), this is not really a viable strategy.

It is also an odd strategy to pursue given the broad budget focus on care services, if not actually on care service providers.

2021 Women's Budget Statement: Gender-responsive budgeting?

This year, for the first time since 1996, a [Women's Budget Statement](#) (WBS) was prepared in the Treasury and included in the formal set of Budget Papers.

NFAW welcomes this development.

However, while the 2021 WBS looks like a budget paper, its content has not really developed much beyond the glossy women's statements that preceded it. Like those, it simply collects and exhibits measures specifically targeting women, a significant number of which actually preceded the 2021 budget. This year's initiatives make up a tiny percent of the overall budget – 0.14 per cent of total Commonwealth outlays over a four-year period. Naturally this fails to impress, despite the 80-odd pages over which the WBS is spread.

What the 2021 WBS does not do, is to systematically examine mainstream budget initiatives to determine whether they have a gendered outcome, intentional or not. This applies to both the revenue and the expenditure side of the budget. For example, the effect of consumption taxes will be felt more by women; whereas changes in income taxes are more likely to affect men. Or, as was obvious in last year's budget, industry stimulus measures in a sex-segregated economy like Australia's are likely to have strongly gendered impacts. If you pour money into male-dominated industries, men are going to be the ones who will principally benefit -- though women do get to use the roads.

In fact there are a number of measures in the 2021 budget that should have a positive impact on employment in female-dominated industries but their impact on employment in the sector is not reported in the WBS. These include spending staggered over the forward estimates in areas of the care economy such as childcare (\$1.7 billion), aged care (\$17.7 billion), mental health (\$2 billion), support for victims of family violence (\$998.1 million), and the NDIS (\$13.2 billion) (see Social Infrastructure). The result of this silence is that the WBS seriously under-reports 2021 budget outlays which should have an impact on women's employment.

The government was left in no doubt by women's groups, NGOs and think tanks about the need to spend on the care economy. NFAW was only one among many organisations that made pre-budget submissions or published costings before the budget reflecting on the gains to the economy to be made by [investing in social infrastructure](#). But the Budget does not begin by recognising the gendered nature of the care economy and largely treats care as a service delivered without reference to those delivering it. The fact that this is a highly gendered workforce (79 per cent female) is not a focus of the WBS.

The consequence is that the unique factors affecting the supply of carers (such as effective marginal tax rates) and the valuing of care work (through current work value cases) never make it into budget measures, and where training is paid for, it is often paid for in the absence of clear and articulated skills development plans. The honourable exception to this generalisation is childcare, which is recognized in the budget as affecting the supply of women workers, though the childcare workforce is itself ignored.

Money does its work better in the presence of policy. Gender-responsive budgeting begins with a gendered understanding of how the economy is structured (including labour supply issues affecting women) and ends with a gendered understanding of how the budget differentially affects women and men living in the economy. It means that rather than simply allocating money to a problem like the need for more caring services, governments actually think—as did the Royal Commission on Aged Care -- about structural reform, including how the money can be made to work most effectively for the feminised workforce that delivers the services, and through them, those receiving services.

Finally, there is the simply political issue of budget silences about critical expenditure. In the case of a women's budget, this would include, in the analysis of the shortfall in women's retirement savings, the impact of the government's recent decisions to use women's superannuation to save outlays for casuals excluded from JobKeeper. It is because of these critical silences that NFAW has recommended that the WBS be made the responsibility of the Parliamentary Budget Office, and that government focus on up-front gender-responsive budget development.

In this context, we note that the even more recent Victorian state budget has provided for just such a critical gender analysis of budget measures *while policy is still being developed*. It has allocated funds to establish a gender responsive budgeting unit within the Department of Treasury and Finance whose role will be 'to ensure outcomes for women are measured as part of the budget decision-making process', before the decisions are actually settled. This function is properly that of government, while the budget review process should in our view sit outside politics and within the ambit of an independent entity such as the PBO.

NFAW looks forward to seeing the WBS grow into a gender-responsive budget paper, and to the pre-budget consultation with women and the gender impact policy analysis that should precede and underpin that final document.

Recommendations

NFAW welcomes the 2021 Women's Budget Statement as an initial step towards gender-responsive government budgeting. We recommend that future WBS documents systematically review mainstream budget initiatives to provide an understanding of how they are likely to impact on women and men, and document those gendered budget outcomes.

We recommend that as part of its pivot to gender-responsive budgeting, government initiate an early consultation with women's organisations prior to developing its budget priorities and bids. This consultation should be part of the broader gender impact analysis that should precede and underpin any final budget decisions.

We recommend that the responsibility for preparing an annual Women's Budget Statement be given to the Parliamentary Budget Office.

The Women's Economic Security Package

The Budget

The WBS incorporates three packages: Women's Safety (see Reducing Violence against Women and their Children), Women's Health and Well-being (see Health), and Women's Economic Security. The Women's economic security package contains measures costing \$1.8 billion (WBS, 3) of which childcare comprises \$1.7 billion (WBS,3).

Women's Economic Security Package

Payments (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	0.2	13.5	2.4	2.3	-
Department of the Prime Minister and Cabinet	-	6.4	10.7	10.2	14.2
Attorney-General's Department	-	2.4	4.9	-	-
Federal Court of Australia	-	1.2	2.3	-	-
Department of Industry, Science, Energy and Resources	-	0.8	4.1	8.1	12.7
Department of Education, Skills and Employment	-20.9	-6.2	507.4	624.4	626.6
Total — Payments	-20.7	18.1	531.8	645.1	653.5

(2021 Budget Paper No 2, p. 81)

The basket of small initiatives making up the remaining \$ 0.1 billion spread over five years – **excluding \$43 million for STEM initiatives** (see STEM) – includes:

- \$38.3 million over five years from 2021-22 to increase grant funding available through the *Women's Leadership and Development Program*
- \$13.9 million over four years from 2021-22 to establish an Early Stage Social Enterprise Foundation focused on providing capacity building and financial support for early stage social enterprises that improve the safety and economic security of Indigenous women
- \$12.2 million over two years from 2021-22 to fund an additional round of the *National Careers Institute Partnership Grants* program to support projects that facilitate career opportunities and career pathways for women
- \$2.6 million over three years from 2021-22 to expand the *Career Revive* program to support more medium to large regional businesses attract and retain women returning to work after a career break
- expanding the *Mid-Career Checkpoint Program* beyond existing pilots and expanding eligibility to include people who have been absent from work due to caring responsibilities for six months or more and existing workers at risk of unemployment, primarily targeting female dominated, COVID 19 affected industries (funding from within existing resources).

An important measure that is referred to in the WBS but not costed in the package is the removal the \$450 per month threshold under which employers do not have to pay the superannuation guarantee (\$31.5 million over 4 years) (see Superannuation).

Gender implications of the Women's Economic Security Package

Why is this an issue for women?

The Australian workforce is highly segregated. Women are clustered in service industries, including retail and hospitality and the care sector. Health care and social assistance is the most segregated industry at 79 per cent female in 2018. Female-dominated industries tend to be the lowest paid industries and wage growth is projected to actually fall behind inflation. Women also tend to be at the bottom of organizational hierarchies.

These employment issues intersect with labour supply issues like childcare and effective marginal tax rates to shape a superannuation deficit and feed into long-term economic insecurity. A Women's Economic Security (WES) package needs to address all these factors.

What are the 2021 Budget impacts on women?

The WES package is almost silent about measures to improve the circumstances of those women employed where most women are employed, in the services sector. The only exception is a reference to the commitment to supplement grants to pay housing and homelessness workers (84 per cent female) covered by the 2012 SACS equal pay case (WBS, p. 62).

Apart from those women who can move up the senior management ladder, the WES appears generally to operate on the conviction that the best that can be done for women in the workforce is to move them out of the female-dominated sector into male-dominated stem and non-traditional work or their own business. Given about 80 per cent of Australians work in services (and 90 per cent of working women), this is not really a viable strategy. It is certainly unlikely to have any braking effect on Australia's continued slide down the rankings in the World Economic Forum's measure of women's economic participation from 12th position in 2006 to 70th this year.

It is also, as is noted above, an odd strategy to pursue given the broad budget focus on care services, if not actually on care service providers.

For this reason, the superannuation initiative aside, the WES employment package will only touch a relatively few women. Those employer bodies and individuals who benefit from a package of \$0.1b spread over 5 years and seven states and territories will no doubt be pleased, but the impact on Australian women generally is likely to be negligible, barring those who have more than one child under 5 in childcare.

Recommendations

NFAW recommends that any future Women's Economic Security package address the workforce problems, including job insecurity and work value issues, affecting the service sector, where 90 per cent of working women are employed.

The Workplace Gender Equality Agency

The Budget

The Workplace Gender Equality Agency is a statutory agency created by the *Workplace Gender Equality Act 2012* (the WGE Act) charged with promoting and improving gender equality in Australian workplaces. It works with employers to help them comply with the reporting requirements under the [Act](#). This reporting framework aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.

The WBS states that a review of the WGE Act to be completed by the end of 2021 will consider the current legislation and gender indicators, along with ongoing employer reporting obligations. The review is intended 'to identify areas of future focus for WGEA to further promote gender equality over the next ten years and WGEA's ongoing work to support the recently established Respect@Work Council' (WBS, p. 56 – see Respect@Work).

NFAW notes that the last review conducted by the government – the 2014 review of the gender reporting requirements outlined in the Gender Equality (Matters in Relation to Gender Equality Indicators) Instrument 2013 (No. 1) – appeared to women's organisations to be hasty and pre-emptive, and to propose significant restrictions on the Agency's capacity to collect meaningful data. Fortunately, the proposed revisions to the gender equality indicators did not proceed.

NFAW notes that the timeframe for the foreshadowed review is short, and gives notice that it will be watching the consultations, operations and outcome of the review closely.

Recommendations

NFAW recommends that government adopt a transparent and consultative approach to the foreshadowed review of the focus of the Workplace Gender Equality Agency.