National Foundation for Australian Women
REAL WOMEN. VISIONARY LEADERSHIP

GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion **FISCAL OUTLOOK**

Date Issued **3 April 2022**

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Key Points

- The Australian economy has moved into a period of strong economic growth and employment conditions, following the recessionary period of the first year of the pandemic. The Government's fiscal stimulus, including $314 billion in direct economic support, contributed to a faster-than-anticipated economic recovery.
- Tight labour market conditions are expected to generate an unemployment rate of 4% for 2021-22, with workforce participation at historically high rates including for women.
- However, such strong economic growth and supply-side constraints have generated inflationary pressures. Australia's annual inflation rate is at 3.8% for 2020-21 and is expected to reach to 4.25% in 2021-22. This takes the annual inflation rate above the RBA's target range.
- Higher inflation has not been matched by a commensurate growth in wages, meaning that real wages are falling.
- The Women's Budget Statement allocated $2.1 billion to initiatives to support women and girls, with components of expenditure dispersed over several years. Total expenditure announcements across all items in the Budget amounted to $628 billion for 2022-23. Expenditure announcements in the Women's Budget Statement amounts to no more than 0.3% of total expenditure.
- The Women's Budget Statement provides a gender-focused analysis in areas of direct relevance to women, but does not provide a gender impact assessment across the entirety of all budget measures. Applying a gender lens across all areas of expenditure and revenue measures, through the process of Gender Responsive Budgeting, would provide more comprehensive analysis and support more gender equitable policy development.

Economic Outlook

Following the recession experienced in the first year of COVID-19 pandemic, the Australian economy returned to positive economic growth in 2020-21, with jobs and employment rebounding faster than

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anticipated. The large fiscal stimulus the Government's response to the economic shock of the pandemic contributed to this aggregate recovery.

Table 1: Major economic parameters[(a)]

	Outcome	Forecasts				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Real GDP (%)	1.5	4 1/4	3 1/2	2 1/2	2 1/2	2 1/2
Employment (%)	6.5	2 3/4	1 1/2	1 1/2	1	1
Unemployment rate (%)	5.1	4	3 3/4	3 3/4	3 3/4	4
Consumer price index (%)	3.8	4 1/4	3	2 3/4	2 3/4	2 1/2
Wage price index (%)	1.7	2 3/4	3 1/4	3 1/4	3 1/2	3 1/2
Nominal GDP (%)	4.4	10 3/4	1/2	3	5 1/4	5

Source: Budget 2022-23, Budget Paper No. 1, Table 1.1

Notes: (a) Real GDP and Nominal GDP are percentage change on preceding year. The consumer price index, employment, and the wage price index are through the year growth to the June quarter. The unemployment rate is the rate for the June quarter. Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia and Treasury.

Real GDP grew at 1.5% for 2020-21, with the Budget forecasting annual economic growth to jump to 4.25% for 2021-22, before easing to 3.5% in the following financial year (Table 1).

The unemployment rate of 5.1% recorded in the June quarter of 2021 is forecast come in at 4.0% in the June quarter for 2021-22, and continue to fall further to 3.75% by 2022-23. These unemployment figures are supported by strong participation, including among women. Australia's workforce participation rate reached a record high of 66.4% in February 2022.

These strong economic conditions have, however, brought inflationary pressures. In addition to the inflationary effects activated by higher aggregate demand, supply disruptions and skill shortages have contributed to higher production costs. The higher costs of critical inputs such as oil have been compounded by recent global conflicts, namely the Russian invasion of Ukraine. These combined factors have contributed to Australia's inflation rate, as measure by the percentage change in the Consumer Price Index (CPI) reaching 3.8% in the June quarter for 2020-21. Inflation is forecast to rise further to 4.25% in 2021-22. After several years where Australia's inflation rate sat below the RBA's target range (defined as between 2% to 3% on average over time), these recent inflationary pressures now take Australia's inflation rate above the target range.

These stronger economic conditions have not been matched by stronger wage growth. The wage price index has grown at a slower rate than inflation, namely at a rate of 1.7% for the June quarter of 2020-21. This means that growth in wages has been outstripped by growth in average price levels, and real wage growth has been negative.

Across all nominal amounts considered in the Budget, the fact that the inflation rate has been higher than anticipated means that any nominal payment amounts, such as social security payments, that are *not* indexed to inflation are weaker in real terms.

The Australian economy has transitioned out of recession and into the upswing phase of the macroeconomic business cycle, where employment opportunities are stronger but the supply side of the economy is under pressure. The effects of the COVID-19 pandemic, including disruptions to labour supply and access to skilled workers, have contributed to supply-side constraints and production pressures.

The rise in inflation has seen the Budget shift its focus to targeting cost of living pressures. While partly reflective of changing macroeconomic conditions in both the domestic and global economy, this constitutes a shift in economic narrative from the Government compared to its previous fiscal

statements. In the previous two Budget, fiscal policy was focused on preserving jobs and supporting businesses throughout the disruptions of the pandemic. Prior to the pandemic, the Government's fiscal priority was squarely placed on attaining a budget surplus.

This Budget also see large increases in expenditure on defence and security. Expenditure on defence, at $35.8 billion for 2021-22, has now risen to over 2% of GDP. The Budget places heightened focus on domestic manufacturing and digital innovation, and maintains strong investment in physical infrastructure projects, with an additional $17.9 billion allocated to road, rail and community infrastructure projects across Australia.

The Budget acknowledges the devastating impact of recent flood events in New South Wales and Queensland communities: $3.6 billion has been allocated to households, businesses and communities in response, and the Government expects to spend a total of over $6 billion on disaster relief and recovery.

Budget Aggregates

Australia's fiscal position has been strengthened by a better-than-expected economic recovery and strong labour market conditions, in combination with higher near-term commodity prices. The Budget reports that these factors have contributed towards an improvement in the underlying cash balance, resulting from upward revision to tax receipts and a reduction in unemployment benefit payments.

The underlying cash balance for 2020-21 of $134.2 billion constitutes a deficit equivalent to 6.5% of GDP. This is projected to fall to the equivalent of 3.5% of GDP in 2021-22.

Net debt, at $28.6 billion in 2020-21, constitutes the equivalent of 28.6% of GDP. The net debt-to-GDP ratio is forecast to rise over the next four years, reaching 33.1% of GDP by 2024-25.

Table 2: Budget aggregates

	Actual	Estimates						Projection
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total [(a)]	2032-33
	$b	$b	$b	$b	$b	$b	$b	$b
Underlying cash balance	-134.2	-79.8	-78.0	-56.5	-47.1	-43.1	-224.7	
Per cent of GDP	-6.5	-3.5	-3.4	-2.4	-1.9	-1.6		-0.7
Gross debt [(b)]	817	906	977	1,056	1,117	1,169		
Per cent of GDP	39.5	39.5	42.5	44.6	44.9	44.7		40.3
Net debt [(c)]	592.2	631.5	714.9	772.1	823.3	864.7		
Per cent of GDP	28.6	27.6	31.1	32.6	33.1	33.1		26.9

Source: Budget 2022-23, Budget Paper No. 1, Table 1.2
Notes: (a) Total is equal to the sum of amounts from 2022-23 to 2025-26. (b) Gross debt measures the face value of Australian Government Securities (AGS) on issue. (c) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

A focus on women

To place a gender lens across these aggregate economic metrics, Table 3 presents key labour market indicators disaggregated by gender.

Across these labour market indicators, a key observation is that women's labour force attachment has been more volatile and generally fluctuates more than men's. While men's unemployment rate has

been fractionally higher than women's, women experience a consistently higher underemployment rate than men, indicative of greater difficulty securing sufficient work hours. Women's workforce participation climbed to a historical high of 62.4% in February 2022, but still sits around 9 percentage points behind men's, with proportionally more women in part-time employment than men.

Table 3: Labour market indicators by gender

Month	Employment numbers (000s)		Unemployment rate (%)		Underemployment rate (%)		Labour force participation rate (%)	
	Men	Women	Men	Women	Men	Women	Men	Women
Mar-2021	6825.6	6225.9	6.0	5.4	6.6	9.4	70.9	61.9
Apr-2021	6832.6	6190.1	5.8	5.1	6.4	9.2	70.8	61.3
May-2021	6880.2	6260.5	5.4	4.7	6.3	8.7	70.9	61.7
Jun-2021	6911.0	6259.0	5.1	4.7	6.9	9.0	71.0	61.6
Jul-2021	6931.1	6238.0	4.6	4.7	7.1	9.6	70.8	61.5
Aug-2021	6852.3	6166.9	4.6	4.4	8.5	10.2	70.1	60.5
Sep-2021	6791.0	6082.3	4.4	4.9	8.5	10.1	69.3	60.0
Oct-2021	6774.6	6048.3	5.0	5.4	9.0	10.1	69.5	60.0
Nov-2021	6928.6	6266.8	4.6	4.7	6.3	8.8	70.7	61.6
Dec-2021	6973.7	6292.6	4.1	4.2	5.6	7.7	70.9	61.5
Jan-2022	6928.0	6366.6	4.3	4.0	5.5	7.9	70.5	62.1
Feb-2022	6964.3	6407.7	4.2	3.8	5.3	7.9	70.7	62.4
Mar-2021	6825.6	6225.9	6.0	5.4	6.6	9.4	70.9	61.9
Apr-2021	6832.6	6190.1	5.8	5.1	6.4	9.2	70.8	61.3

Source: ABS, Labour Force Australia. All data are seasonally-adjusted. Underemployment is measured as the number of people who are employed but seek more hours, as a proportion of the labour force.

Across all economic metrics, aggregate figures will not reflect the experiences of all workers. For example, younger women, in particular, tend to experience higher rates of unemployment and under-employment. Disaggregating these indicators further by age, disability, Indigenous status, migrant status, cultural and linguistic background, geographic remoteness, sexuality and other important demographic characteristics would highlight further disparities in workforce experiences.

The Women's Budget Statement articulates a focus on three priority areas identified by the Government: women's safety; women's economic security and leadership; and women's health and wellbeing The Women's Budget Statement announced a total of $2.1 billion towards initiatives to support for women and girls, with several of these expenditure allocations stretched out over several years. For comparison:

- Defence is set to receive an additional $2.3 billion in 2022-23, taking total defence expenditure to $38.2 billion
- Road transport is set to receive an additional $3.6 billion, taking total road expenditure to $12.3 billion.
- Total expenditure announcements across all items in the Budget amount to $628 billion for 2022-23. This means that the $2.1 billion of expenditure announced on Women's Budget Statement amounts to no more than 0.3% of total expenditure.

The Women's Budget Statement is still little more than a collection of measures specifically targeting women. As a budget accountability measure it needs to be extended by applying a gender impact analysis across the entirety of the budget, through a process of Gender Responsive Budgeting (GRB). Placing a gender lens across all mainstream budget policies provides a more comprehensive and robust mechanisms to identify the ways that policies have different economic implications for men and women, and would serve to dismantle notions that areas such as childcare are exclusively a women's issue. A Gender Responsive Budgeting approach also applies a gender impact assessment to both expenditure and revenue-raising components of the Budget.

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GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**EMPLOYMENT – the Care Sector**
Portfolio and or agency	**Attorney-General's Department, Health and Aged Care, Education, Skills and Employment**
Date Issued	**3 April 2022**
Key author/s of this budget analysis:	**Angela Jackson 0434 470 004** **Marie Coleman 0414 483 067** **Kathy MacDermott 0417 233 706**
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Budget measures

As evidenced through the COVID-19 pandemic the low wage structure in care sectors is undermining the ability of providers to attract and retain staff, impacting quality and availability of care. Previously announced one-off payments to some of these workers before an election may be an acknowledgement of the issues, but it is not the structural reform needed across the care sectors.

The care sectors are important to two of the drivers of economic growth -- productivity and participation -- because the services they provide free other workers up from unpaid caring responsibilities and allow them to work. Higher wages and more secure employment conditions will address current and emerging skill shortages and help address the systematic gender pay gap in Australia. Government cannot outsource its responsibility for poor wage outcomes in a sector it largely funds and regulates. Regulatory reform and increased funding are needed to address low wage growth, sector-wide undervaluation of women's jobs and the job insecurity that is used to pin them in place.

In our pre-budget briefing on care sector employment we raised a number of questions about priority policies that need to be addressed. How effective was the budget response? Is there a corresponding Opposition measure?

Budget Measures

1. **Do you have policies to address the regulatory failures associated with continuing job insecurity and forecast low wages in care sectors?**

The Australia Institute recently calculated that every million dollars spent on infrastructure creates one direct job for men and 0.2 jobs for women. Every million on health care and social assistance, by comparison, creates 7.9 direct jobs for women and 2.3 jobs for men. Spending focused on health, education and tourism or entertainment will create far more jobs, *for both men and women*, than spending a similar amount on construction. In its 2022 Budget, the Coalition has chosen to go with construction. Everyone needs social infrastructure, but hard infrastructure can be (and has been) targeted to marginal electorates.

Labor has, conversely, committed an additional $2.5b to the sector net of funding for yet to be determined wage increases. Some of this will directly increase carer numbers: in addition to an on-site, 24/7 registered nurse, there will be a funded increase in the minimum number of minutes of care per patient, up from the mandated (but not yet implemented) 200 to 215, as recommended by the Royal Commission. Importantly, there will also be integrity and accountability arrangements to ensure that funding for increased care actually finds its way to those who give and those who receive care – as it has failed to do in relation to previously budgeted money for food. Labor's accountability measures unsurprisingly include the development and implementation of mandatory nutrition standards for aged care homes.

In relation to continuing job insecurity, the Government has simply ignored the advice of the Royal Commission and quietly handed off the whole question of 'employment models' in aged care to the Productivity Commission. This is not likely to end well for the workers in the sector. The Productivity Commission has a history of encouraging cost shifting from government to care workers by moving them outside the award safety net (through casualisation) and then outside the award system and into the poorly regulated gig economy, where they are exposed to sham contracting and wage theft.

Labor has no sector-specific commitments on job insecurity in aged care, but its Women's Budget Statement includes a suite of measures applying across the workforce which would address issues in the sector. These include making job security an object of the Fair Work Act, legislating a fair, objective definition of casual employment, limiting the number of fixed term contracts, ensuring genuinely negotiated enterprise agreements are not undercut by cowboy labour hire firms and outsourcing, and giving the Fair Work Commission powers to set minimum standards for gig workers. The measures would drive, but not replace, the restructuring of work and working conditions in the sector.

2. **Will you join employers and unions in supporting the case before the Fair Work Commission to redress the historical undervaluation of wages in the aged care sector?**

January's one-off, pro rata retention bonuses for some care sector workers (received by 3 % so far) were another policy decision ducked. One-off measures are not a sufficient substitute for fronting up to the Fair Work Commission as the major funder of aged care and admitting to a position on people's future wage levels. The silence of the Budget on the wages of workers in the sector suggested govt is either unprepared for a wage rise or unwilling to fund one.

This problem can be put off, like others, until after the election, but it will not go away. Almost half of all aged care workers (48.3% or 47,000) with less than one year's experience plan to quit their jobs by 2024, mainly because of poor remuneration. The 15,000 traineeships promised in the budget will not offset these departures, much less offset current shortages and the increasing demand from an aging

population. Inflationary costs and rising interest rates will just make the value of inadequate wages fall further, and in this sector employers cannot raise wage without direct government support.

Labor has committed itself to supporting the current case for improved pay for aged care workers and to funding the outcome, while continuing to resist supporting the specific quantum sought by the unions. More broadly – and importantly for the service sector, where 90% of women in paid work are to be found -- Labor has committed itself to strengthening the ability and capacity of the Fair Work Commission to order pay increases for workers in low paid, female dominated industries. There are other pay equity measures which focus on making the issue transparent -- legislating to require companies with more than 250 employees to report their gender pay gaps publicly to prohibit pay secrecy clauses so that employees have the right to disclose their pay, if they want to.

More broadly still, Labor would reinstate Working Women's Centres (WWCs) in every Australian state and territory, investing $24 million to properly fund these organizations which have long been suffering the death of a thousand cuts for years. The Government's WBS records that the two remaining centres will be afforded a $1.8 million 'grant opportunity' (pp. 18-19).

3. The pandemic has demonstrated the importance of a viable early childhood education and childcare sector. What plans do you have to support the Early Childhood Education and Care (ECEC) sector through better pay and conditions for early childhood educators?

The **Coalition's** Budget 2022-23 and Women's Budget Statement 2022-23 did not include any measures to improve pay and conditions for early childhood educators or support ECEC workforce supply. The Government's occupation projections to November 2025 predict the ECEC sector will require around 26,000 additional Certificate III and IV trained educators, as well as more than 8,000 additional early childhood teachers to deliver preschool programs.

According to surveys conducted in 2019, 2020 and 2021, many educators in this largely female, low-paid sector are dissatisfied with pay and conditions. Working conditions vary across ECEC services, but generally early childhood educators are among the lowest paid professionals in Australia. Over a third of respondents working in ECEC reported to a 2021 HESTA survey that their household income was less than $60,000 and almost one in five reported their household earned less than $40,000. Almost one in five ECEC educators HESTA surveyed in 2019 and 2020 said they were considering leaving the sector within two years. Among the biggest issues were dissatisfaction with wages, feeling unappreciated by the community for their role as early educators and a lack of opportunities for promotion and growth.

Labor's response to the 2022 Budget (2022 Women's Budget Statement) acknowledges the need to address low pay and working conditions in female-dominated caring professions. While not proposing specific ECEC workforce measures, their proposed measures for the aged care sector workforce are a welcome step in addressing issues for low-paid workers in the care sectors more generally.

Labor's other child care measures propose an increase in the child care subsidy. This could support wage rises in the sector, provided this was prioritised by government and employers. NFAW notes that **neither party** has yet endorsed the 2021 the Fair Work Commission decision that minimum pay rates should be increased for early childhood teachers in early childhood services employed under the Educational Services (Teachers) Award. This decision does not extend to all educators working in child care but this could be supported by government and required of ECEC providers.

Strategies for recruitment and retention are urgently needed to meet growing demand and maintain high quality services, particularly in disadvantaged communities, regional and remote areas of Australia.

In October 2021 the Australian Government and state and territory governments, in collaboration with national sector stakeholders, released a ten-year National Children's Education and Care Workforce Strategy. The National Strategy recommends immediate action to develop options to improve pay and conditions. Both the **Coalition and Labor** need to consider appropriate mechanisms to take forward the Strategy's recommendations with all key players to promote quality ECEC and strengthen women's participation in the sector.

The NFAW calls on **either party forming government** after the 2022 federal election to work with State and Territory governments and employers to:

- address low pay, recruitment and retention issues in the ECEC sector
- support the ECEC workforce through short, medium and long-term workforce development strategies under a *funded* National Children's ECEC Workforce Strategy, embedding implementation in national, state/territory and local ECEC planning
- expand the ECEC workforce through an expansion of JobTrainer, VET or higher education fee waivers, scholarships or incentives for women (and men) to undertake early childhood Certificate III training, diplomas or degrees, and
- stimulate the economy and women's workforce participation through increased support for the care sector.

In summary, investing in ECEC has economic benefits for children, families and early childhood educators. Modelling commissioned by the NFAW in 2019 indicates that an increase in government expenditure in care services, including aged care, disability care and ECEC, would deliver clear economic benefits for GDP by 2030 – GDP would be 1.64% higher than it would have been otherwise.

Questions that still need to be raised in the run up to the election.

What plans do you have to support women's workforce participation through a viable ECEC sector and more affordable, flexible child care?

NFAW welcomes the **Coalition's** Budget 2022-23 announcement of $19.4 million from 2021-22 for 20 new child care centres in areas where there is limited or no access to child care. A recent report by the Mitchell Institute on child care 'deserts and oases' has highlighted the acute shortage of child care places in many regional and remote areas, as well as more disadvantaged metropolitan areas.

The NFAW also welcomes the **Coalition's** investment of around $10.3 billion in 2020-21, including $9.9 billion on the child care subsidy (Women's Budget Statement, pp.35-37), but notes that no other ECEC measures were announced in the 2022-23 Budget. While last year's Budget announced an additional $1.7 billion investment to improve the affordability of child care for about 250,000 families, there is more to be done for the remaining million families who use approved child care services. Last year's measures were targeted to particular families, including removing the annual cap on the child care subsidy from December 2021 for families earning over $190,015, as well as increasing the rate of child care subsidy by 30 percentage points, up to a maximum rate of 95%, for families with two or more children in child care from March 2022.

These are helpful measures for some families, but do not address the rising cost of ECEC for the majority of families — in particular, women who want to work, or work more, but are disincentivised by the high cost of care. **All parties** need to tackle is the 'workforce disincentive rate' – the proportion of income lost through higher taxes, lost family benefits, and higher child care costs – which is particularly punishing for women thinking about taking on a fourth or fifth day of paid work in a week.

As a share of family income, the cost of ECEC in Australia is among the highest in the developed world (Centre for Policy Development). A recently released independent evaluation of the Government's Child Care Package notes that the child care subsidy fees cap is regularly exceeded by services — the caps being a key feature of the Package introduced in 2018 to put downward pressure on child care fees and providers' charging practices. Child care fees also continue to increase above the CPI. This suggests that the **Coalition's** Child Care Package has not been effective, to date, in reducing increases in child care fees.

The NFAW notes that **Labor** announced in its Plan for Cheaper Child Care that it will:

- lift the maximum child care subsidy rate to 90% for families for the first child in care
- increase child care subsidy rates for every family with one child in care earning less than $530,000 in household income
- keep higher child care subsidy rates for the second and additional children in care
- extend the increased subsidy to outside school hours care.

Labor estimates that 96% of Australian families (around 1.26 million families) using approved child care services will be better off under these child care reforms.

NFAW calls on **all parties** to support measures that will:

- increase the child care subsidy to improve the affordability of care
- help fund wage increases for ECEC educators
- provide greater flexibility and accessibility of care, particularly in disadvantaged communities, regional and remote areas
- better regulate ECEC providers' fee charging practices and provision of flexible sessions of care.

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GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**WELFARE REFORM**
Portfolio and or agency	**Social Services, Services Australia, Education, Training and Employment**
Date Issued	**3 April 2022**
Key authors of this budget analysis:	**Frances Davies, Dr Susan Maury, Dr Liz Allen**
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Budget Measures

Women are over 50% cent of welfare recipients in Australia. Hostile welfare policies are driven by an ideology which sees supporting vulnerable populations as a liability to the bottom line, rather than a way to reduce poverty and uphold human rights. COVID disproportionately affected women negatively. However, the introduction of the Coronavirus Supplement shows the effect that adequate payments can have on the poverty rate, which effectively reduced poverty in Australia by an astounding 33%.

In our pre-budget briefing on welfare reform we raised a number of questions around priority policies for women that need to be addressed. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

1. **If elected, will your government support an increase in the JobSeeker rate and by how much?**

As part of the $8.6 billion package to address cost of living pressures the budget includes a $250 bonus payment to people on pensions and allowances. This legislation has already been passed with the agreement of the opposition. A single person on JobSeeker receives $46 per day, which is well below the poverty line. This bonus is a little over 5 days of Jobseeker and provides very little temporary relief for the people who have the least. Sole parents and their children and older women who rent, the two poorest groups in Australia, have to pay rent, growing at exponential rates, every week.

2. **If elected what steps will your government take to address the lack of social housing for people on welfare and affordable housing for other low income households?**

The Government has doubled the number of places in the Home Guarantee Scheme available across three schemes. The number of places in the First Home Guarantee Scheme, have increased to 35,000;

and the new Rural Guarantee Scheme offers another 10,000 places with a 5% deposit. The number of places in the Family Home Guarantee Scheme has been halved each year to 30 June 2025. The Family Guarantee Scheme enables eligible sole parents to borrow for a home with a deposit as low as 2%.

The Government has boosted the National Housing Finance Investment Corporation liability cap from $2 billion to $3.5 billion.

The Opposition will build 20,000 social housing properties, including delivering $1.6 billion to build at least 4,000 new social housing properties for women and children fleeing domestic and family violence.

$100 million will be allocated by the Government for crisis and transitional housing for women and children fleeing domestic violence and older women on low incomes who are at risk of homelessness.

The massive increase in the cost of renting has not been addressed by either party. A third of Australians rent their homes and the numbers are growing. Older women who rent suffer significant rental stress. First home buyer schemes affect modest numbers but contribute to increased house and rent prices.

Commonwealth Rent Assistance has also not been addressed by either party. It needs to be significantly increased and indexed to changes in rent levels.

More details are available in the NFAW Gender Lens on the Election Budget Housing and Homelessness paper.

3. What steps will your government take to improve jobseeker services which are currently provided by disconnected and outsourced services?

The Government's significant reforms to JobActive continue with the introduction of Workforce Australia in July 2022. It continues the introduction of the digital platform for job ready clients with a refocused network of providers to deliver tailored case management for more disadvantaged clients. The new arrangements were cost neutral. Senate Committee findings indicated how poorly the previous system performed for multiple groups including disabled people, those with tertiary qualifications, women, those over 50 and Indigenous people. Mutual obligations and the compliance regime, which the Senate report found to be extremely harsh and counterproductive, however, is retained. Penalties cause severe financial difficulties or limit access to services as occurs in ParentsNext or income management for those most marginalised from the employment market.

The Opposition will introduce a White Paper on Full Employment that will address barriers to employment.

4. There is a wealth of data on how women are disadvantaged under the current system. What steps will your government take to apply a gender based approach and needs based approach to welfare reform?

The Government reintroduced the Women's Budget Statement last year; however, there remains no Gender Responsive Budgeting, as discussed in the NFAW Gender Lens on the Election Budget paper: Integrity, Gender and the Just Use of Power.

Outlays in the Government's Women's Budget Statement of $2.1 billion over six years, including employment initiatives, represent well under .3% of total outlays. The quantum is small in comparison with investments in areas such as defence, cyber security or fast rail.

The Opposition intends to produce a women's budget statement that will assess the impact of new budget measures on women and how the allocation of public resources effects gender equity. They will also re-introduce gender impact assessments on relevant cabinet submissions.

What NFAW would add to these commitments are the need for formalised consultations with women in the while budget proposals are still in development, and the need for the annual WBS to be in independent hands, most eligibly those of the Parliamentary Budget Office.

Questions that still need to be raised in the run up to the election.

5. **Will your government urgently address the adequacy of allowances and indexation rates?**
6. **Will your government set up an independent body tasked with deciding welfare parameters reporting to Parliament?**

All income support payments should be adequate to pay for life's essentials. These payments should be adjusted for inflation using a viable metric, rather than utilising two distinct adjustment systems, one for pensions and another for unemployment-related payments resulting in payments below the poverty line. People with extra costs, including the costs of a disability, the costs of care, and the extra costs of caring for a child alone, should receive supplementary payments in addition to any entitlement they may have to the common income support payment.

The adequacy of allowance payments needs to be addressed urgently. It should be followed by formal welfare reform to overhaul our social security system to make it fit for purpose. The reforms must support women who are performing unpaid work that contributes to the social good by supporting a healthy economy, as well as health, wellbeing, and community engagement. Family violence victim-survivors require adequate and secure financial support to rebuild their lives and care for their children, without a punitive compliance framework that reproduces or facilitates abuse tactics. An appropriate family violence payment must be part of government's family violence plan.

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GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**TAXATION**
Portfolio and or agency	**Treasury**
Date Issued	**3 April 2022**
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Overview

The stage three tax cuts should not proceed. They are regressive, with benefits flowing to high income earners. Analysis from the Australia Institute costs the tax cuts at $15.7 billion pa, with people earning more than $200,000 pa receiving a tax cut of $9,075 pa. Two thirds of the recipients of the tax cuts will be men as male incomes are higher than women's incomes. In contrast, the LMITO, which benefits people earning between $37,000 and $120,000 pa and affects men and women equally, will be withdrawn from the end of the current financial year. There will be a last offset payable when tax returns are lodged in July 2022, then the offset will be ended.

Inequality is growing post COVID with clear differences between people with secure jobs that can be performed remotely and others working part time or casually in a face to face role; such as retail or aged care workers, who are predominantly female workers. The taxation system should be used as a means of levelling out inequality, not increasing it.

Australia is a low tax country. There is a clear need for additional funds to increase spending on child care and aged care, as well as to assist businesses and individuals in the economic recovery from the COVID pandemic. Tax reform, beyond tinkering with tax rates, is vital to provide the level of, and equitable access to, services that Australians deserve.

Governments have done little to address the high Effective Marginal Tax Rates (EMTRs) which continue to make it financially unviable for thousands of Australian women to increase their hours of work to full time participation rates.

Budget Measures

- **One off increase in LMITO**

In the 2022-23 Budget the Government increased the LMITO by $420 to $1,500 as part of the cost of living package. This will be paid following lodgement of income tax returns for the year ended 30 June 2022, and will only be available to offset income tax payable. The LMITO is scaled as follows:

Taxable Income	Previous rate 2020-2021	Amended rate 2021-2022 (+ $420)
Less than 37,000	$255	$675
$37,001 - $48,000	$255 + 7.5% of income exceeding $37,000	$675 + 7.5% of income exceeding $37,000
$48,001 - $90,000	$1,080	$1,500
$90,001 - $126,000	$1,080 – 3% of income exceeding $90,000	$1,080 – 3% of income exceeding $90,000
More than $126,000	Nil	Nil

The Low Income Tax Offset (LITO) is still in place in conjunction with the LMITO to provide relief to low income earners:

Taxable Income	Continuing Rate
Less than 37,500	$700
$37,501 - $45,000	$700 minus 5% of income exceeding $37,500
$45,001 - $66.667	$325 minus 1.5% of income exceeding $45,000

Note that the offset is not refundable but reduces tax payable. Taking into account both the LITO and the LMITO if a person earns less than $25,437 they will not get the full entitlement of the combined tax offsets. There is a further complexity as people will be entitled to either the increased tax offset or the $250 cost of living payment.

From the 2022 -23 income year the LMITO will disappear, but the LITO will continue.

As discussed in the Election Briefing, the use of tax offsets is a poorly targeted strategy that adds complexity to the tax system. The use of tax offsets to benefit low income taxpayers should be replaced by further assistance targeted through the transfer system.

This measure has been passed urgently by the Parliament, with the support of the opposition.

- **Fuel excise**

This has been halved until September 2022 as part of the cost of living package. The Act has already received Royal Assent.

The reduction of the Fuel Excise is expected to flow through the economy, reducing the costs of transport of goods as well as reducing the cost of petrol to households. However this is a short-sighted initiative. While giving temporary relief, it will slow down the rate of substitution of clean energy sources. There have been no equivalent incentives given to promote the use of electric vehicles.

This will be discussed further in the Climate Change paper.

- **COVID Rapid Antigen Tests**

These will be tax deductible from 1 July 2021 where they are connected to income earning activities.

- **Business Initiatives**

There are accelerated tax deductions available to small businesses for investment in digital technology, up to $100,000 pa, and to provide training courses for employees. The training must be external to the organisation, and provided by an Australian entity. In our view there must be eligibility criteria to ensure that the training is accredited. The patent box regime to encourage innovation by Australian companies will also be extended; and there are changes to increase the amount that an employee can invest in employee share scheme arrangements.

In our pre-budget briefing on taxation we raised a number of questions around priority policies for women that need to be addressed. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

1. **What measures are proposed, other than an annual extension of the Low and Middle Income Earners Tax Offset (LMITO), to ensure that the benefits of tax cuts flow through to lower income earners?**

There is no measure to replace the LMITO when it expires in July 2022.

2. **If tax offsets are used to provide tax benefits to lower income earners, will a delivery mechanism be implemented to allow the offset to be distributed through payroll instead of when tax returns are lodged?**

There was no change to the delivery mechanism. Recipients will need to wait until their income tax return has been processed to receive this amount. Noting that recipients of the Cost of Living Payment will receive this from April, this raises questions about the priority of payments for a person who may be eligible for both.

As noted in the election briefing document, there is no reason why these offsets cannot be delivered in real time as the technology now allows income levels to be monitored in real time.

3. **If elected, will your government commit to genuine tax reform and prioritisation of expenditure, in order to fund services that are in urgent need of additional resourcing, including the aged care and child care sectors and workforces?**

There is no commitment to tax reform in the budget. The ALP has abandoned proposals for tax reform that were part of the campaign agenda in 2019, including changes to negative gearing and franking credit reform. It agreed to pass the regressive stage three tax cuts.

4. **How will your government ensure that tax and transfer settings will no longer be a disincentive to women working extra days of work, but instead reward and improve women's full time workforce participation rate, contributing to higher GDP?**

There is no commitment in the Budget to reviewing the tax and transfer system to remove disincentives to work.

The Women's Budget Statement references the reforms to childcare that took effect in the 2021-22 year, specifically removing the annual cap on the child care subsidy and increasing the childcare rebate with two or more children using child care. However, this is not sufficient.

The ALP has committed to a National Strategy to Achieve Gender Equality. This must include tax and transfer reform with a plan to reduce disincentives to work.

5. **Instead of treating the delivery of care as an expenditure burden that necessitates higher taxes, will your government acknowledge that adequately resourcing care services (childcare, aged care, disability care) is an investment in the productivity and participation rates of our workforce, and thereby largely pays for itself in terms of long-term fiscal strategy?**

There was no acknowledgement in the budget that social infrastructure increases productivity and participation rates.

The ALP has committed to support the work value case in the Aged Care sector, and to increase the level of child care subsidies for families earning less than $530,000 pa.

Also refer to the Employment paper for further discussion.

Questions that still need to be raised in the run up to the election.

Reduction in Fuel Excise: Will your Government reinstate the fuel excise after September 2022, and what measures will you introduce to encourage the purchase and use of electric and other vehicles that are powered by clean energy sources?

National Foundation for Australian Women
REAL WOMEN. VISIONARY LEADERSHIP

GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**SUPERANNUATION**
Portfolio and or agency	**Treasury**
Date Issued	**3 April 2022**
Key author/s of this budget analysis:	**Helen Hodgson 0418 906 162**
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Overview

Women have lower superannuation balances, on average, than their male counterparts. Women receive about a third of superannuation income compared to men and government benefits account for about 60% of their income. This reflects the gender pay gap, which results in lower lifetime earnings by women. This is compounded by the interrupted, casual and part time work patterns of many women during their child-rearing years. Both issues must be addressed. Addressing pay rates for the caring professions and job insecurity, bias and discrimination in hiring will help to close the gender pay gap. Carer credits should be paid to top up the superannuation of people who have left the paid labour market to care for children, elderly parents and other family members.

Budget Measures

There are no substantive changes to superannuation in the 2022-23 Budget other than to continue to allow retirees to withdraw half of the legislated required withdrawal rates from their superannuation. This was introduced in the year ended 20 June 2020 as one of the COVID measures. Superannuation fund balances have substantially recovered since then, however the war in the Ukraine has affected global financial markets, and is being cited as the reason for the extension of the reduction. Superannuation fund members can withdraw higher rates than the legislated minimum. The people most likely to benefit are retirees with substantial superannuation balances who do not need to withdraw the minimum amount, but will continue to benefit from the lower tax rates in the superannuation fund.

In our pre-budget briefing on superannuation we raised a number of questions around priority policies for women that need to be addressed. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

1. **If elected, will your government pay superannuation guarantee on Commonwealth Parental Leave Pay, and ensure that employers are required to pay superannuation guarantee on paid parental leave?**

The Government did not address this in the budget, but earlier in March 2022 it was reported that the Morrison Government had rejected proposals to include superannuation on the Commonwealth PPL scheme as part of the Budget deliberations.

The ALP Women's Budget Statement is silent on this point. The commitment to increase superannuation rates to 12% over the next three years is not a change to the current law as it reflects the currently legislated schedule to reach 12% by 1 July 2025 (*Superannuation Guarantee (Administration) Act* 1992; s. 19).

The Greens policy supports the payment of superannuation guarantee on Paid Parental Leave.

2. **Do you support a system of carer credits and government contributions to support superannuation for people who are not in the paid labour market due to caring responsibilities?**

This was not addressed in the budget statements from either the Government or Labor.

3. **In August 2021 the National Cabinet agreed to develop a Framework for Measuring Progress of Women's Economic Security. What is the progress on that initiative, and if elected will you progress that process?**

The Women's Budget Statement reports that in November 2021 all States and Territories agreed to provide public sector data to the WGEA database to strengthen the data set. This is welcome as it rectifies a significant shortcoming in the data.

The Office for Women is working with state and territory governments to establish a National framework, identifying programs to develop Women's Economic Security, however there are no clear targets or timeframes set out in the Budget papers.

4. **If elected, would your government support work value cases before the Commission seeking increases in wages for care workers?**

The Government has not committed to support the work value case.

The ALP has indicated in the Budget Address in Reply that it will support the Aged Care Work Value case currently before the Fair Work Commission, and will fund the increase within the budget process. However it has not specified the extent to which it will support the claim.

In Labor's Women's Budget Statement it commits to addressing the gender pay gap by regulatory changes focused on both pay and on insecure work and working conditions in feminised and casualised sectors of the economy.

Refer to the NFAW Employment paper for more details.

5. **What steps would your government take to reduce the gender pay gap by addressing gender bias and discrimination in the workforce?**

The World Economic Forum lists Australia at 50 in the Global Gender Gap Index 2021 rankings, a fall of 6 places from 2020. The Women's Budget Statement notes that the gender pay gap has fallen, however the data must be qualified by noting the instability of employment and wages during COVID. WGEA funding was increased prior to the budget to fund an expansion of data collection to include public sector data. There are

a number of programs to support specific initiatives, including women in leadership; women in STEM and digital technology; and women in apprenticeships, however these programs miss the point and do not address the systemic issues in the service sector that affect the majority of women.

The Labor Women's Budget Statement states that the ALP will address the gender pay gap by introducing measures to address insecure work; reduce casualisation; enable the Fair Work Commission to address low pay rates in low paid, feminised industries; require companies to publish the gender pay gap and prohibit pay secrecy clauses.

For further discussion refer to the NFAW Employment paper.

Questions that still need to be raised in the run up to the election.

6. **Do you support a system of carer credits and government contributions to support superannuation for people who are not in the paid labour market due to caring responsibilities?**

National Foundation for Australian Women
REAL WOMEN. VISIONARY LEADERSHIP

GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**INTEGRITY, GENDER AND THE JUST USE OF POWER**
Portfolio and or agency	**Multiple**
Date Issued	**3 April 2022**

Key author/s of this budget analysis: **Dr Kathy MacDermott, Sally Moyle**

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Budget Measures

Australia's ranking in the annual Corruption Perceptions Index has dropped from 85 out of 100 to 73 over the last decade. When governments prioritise their own and insider outcomes over the public interest, it is very likely to be at the expense of women (among other outsider groups) and noticed by women. We need well-resourced accountability bodies and transparency measures around women's access to Commonwealth resources and decision-making.

In our pre-budget briefing, we raised a number of questions about funding for Australian transparency and accountability measures, emphasising Gender Responsive Budgeting as critical to the allocation of all Commonwealth resources. We also focused on the Commonwealth's broader national accountability for women's access to decision-making in public life and the unfinished business of the Australian Human Rights Commission reports on *Respect@Work* and *Setting the Standard.*

We now have the answer to a number of our questions from budget measures, budget design, and budget silences.

1. **Will your government commit to introduce a substantive Gender Responsive Budgeting approach across government and an independent Women's Budget Statement?**

The 2022-23 Women's Budget Statement (WBS) does not try for Gender Responsive Budgeting. It is no more than the old government whitewash with a yellow cover. It examines the 0.3% of total expenditure in the budget that specifically targets women and broadly ignores the remaining 99.7%, where the big spending is on male dominated industries, male dominated skills training), and the implementation of tax cuts for those with high incomes, men again. Creative re-labelling and re-announcement make the absolute budget numbers and new spend difficult to establish for these three categories of expenditure, but the construction industry itself is 74% male, apprenticeships (even if you include traineeships) are more than 72% male. Two thirds of the recipients of the tax cuts will be men as male incomes are higher than women's incomes. In contrast, the LMITO, which benefits people earning between $37,000 and $120,000 pa and affects men and women equally, will be withdrawn from the end of the current financial year.

A **substantive Gender Responsive Budgeting approach across government** begins, conversely, with a strategic national approach to guide whole of government decision-making to achieve gender equality. This would include gender impact assessments on both cabinet submissions and new policy proposals before budgets are actually settled. And after they are settled, there should be an annual WBS to assess the impact new budget measures have on women and how the allocation of public resources effects gender equality.

Labor's WBS commits to each of these measures. What NFAW would add to these commitments are the need for formalised consultations with women in the while budget proposals are still in development, and the need for the annual WBS to be in independent hands, most eligibly those of the Parliamentary Budget Office. This should prevent the grab-bag approach to a future WBS.

The 2022-23 WBS grab-bag is smaller than last year's – only just over 60% of it in fact. Measures on violence against women and women's health are addressed in our media release. The remaining WBS section on women's economic security is a classic of how not to do a women's budget.

In the first place, it has no policy strategy. It assumes, in common with much of the rest of the budget, that things will fix themselves, arguing for example that 'strong economic performance and a tight labour market' will reduce the gender pay gap, together with 'the range of initiatives included across the entire 2022 23 Budget'. In fact, the entire budget has nothing whatever to say about the undervaluation of work in the care sector, which is by far the largest sector of the Australian workforce, and 80% female. The silence of the WBS on work value issues is consistent with the Government's repeated refusal to endorse work value cases in aged and child care; nevertheless, it is in the care sector that changes to the gender pay gap lie.

Instead of looking to where women work, the WBS appears generally to be underpinned by 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 (science, technology, engineering and mathematics) and non-traditional work or their own business. Given about 80% of Australians work in services (and 90% of working women), this continues to be a nonviable strategy. There is, nevertheless, 'a grand total of $348.5 million for various #GirlBoss initiatives designed to "train", "boost", "revive", "support" and "checkpoint" women into leadership positions in "better paid" male dominated industries and entrepreneurship'. As a pay equity policy, it is the equivalent of subsidising a few new deck chairs on the Titanic.

Many of the measures collected in the WBS may do some good, even though they totally miss the point. Some, however, actually compromise women's economic security. Take, for example, the proposal (on p. 46) to amend the National Employment Standards in the Fair Work Act 2009 to ensure redundancy payments 'more fairly reflect working hours over the course of a person's employment'. It is hard to see how this would not end up in actually cutting women's access to redundancy pay.

Or take the changes to paid parental leave. Without any discernible consultation with families, women's organisations, gender equality or parental leave experts, the Government decided to remove the last vestiges of encouragement for fathers and partners to share in the care of their newborn babies.

We know it is at this crucial early stage that families establish their gender norms. Already men are much less likely to take Dads and Partners' Pay (DAPP), with the 'use it or lose it' provision. The new provision means that either parent is able to take up to the full 20 weeks of available leave. It also enables single parents to take the full 20 weeks. While any added support for single parents is positive, NFAW is disappointed that the availability of leave for this group has potentially been extended at the expense of incentives for men and partners to share in the care of their babies. We do, however, welcome the amendments that will enable fathers and partners to take Parental Leave Pay in conjunction with employer-funded leave, in the same way women currently can. This is a minor, but welcome, reform.

The Government also introduced a change to the means testing of Parental Leave Pay, to create a single household income threshold of $350,000 household to the existing limit of the birth parent earning $151,350. Again, this has not been identified by women's organisations or parental leave experts as a priority, and NFAW considers it to be regressive.

The ALP Women's Budget Statement notes only that a Labor government would "…work to make [the Paid Parental Leave scheme] stronger". NFAW would like to see clearer commitments than this.

The Prime Minister announced in 2021 that he would establish a Cabinet Taskforce for Women's Safety and Economic Security' to drive 'my Government's agenda' for women. There was a National Women's Safety Summit and a July National Cabinet meeting on women's economic security. This is what has come of the latter. Let us hope that Labor's promised independent Women's Economic Security Taskforce consults more widely on economic security issues for women than its own Cabinet.

2. How will your government ensure Indigenous women's voices drive and determine policy that affects Indigenous women? Will your government work with Indigenous women to develop a separate national Action Plan to End Violence Against Indigenous Women?

The Budget continues to fail Indigenous women. NFAW is very concerned about extremely limited funding to address the significant economic, housing and safety concerns of Indigenous women. In failing to close the gap on Indigenous disadvantage and foregoing the opportunity to ameliorate the often-appalling disadvantage in which Indigenous women and men live, the Government is condemning another generation of Indigenous women to marginalisation, discrimination and insecurity.

Despite the Women 's Budget Statement claiming that it takes an intersectional approach, there has been no consideration of the particular position of Indigenous women in mainstream services and sectors. For example, many Indigenous women work in the caring sectors and education, either in mainstream or community-controlled positions. NFAW is concerned that there is little substantive consideration in the Budget for the particular needs of Indigenous women within these sectors. The Government must do better to integrate an Indigenous perspective and take an intersectional approach to all Budget measures.

Take the example of the Community Development Program (CDP). The Government has provided $98m for 2022/23 for further supplementary funding only. While there are significant, well-grounded concerns about punitive and discriminatory approaches to the current CDP, properly designed community development support is crucial for Indigenous community development, and for Indigenous women and men, in remote areas where formal employment opportunities are limited. The National Indigenous Affairs Agency has been conducting detailed consultation on the future of the CDP.

The Government intends to continue pilot programs to replace the CDP and then fully roll out the *Remote Engagement Program* as a replacement from 2024. "The *Remote Engagement Program* will replace the *Community Development Program* and support remote communities by targeting job creation and skills development." (Budget Paper 2, p. 164). Unfortunately, there is little new money for this measure, which relies on existing *Indigenous Advancement Strategy* funding (Budget Paper 2, p. 164). It is unclear how the new program will respond to the good faith engagement in consultations by Indigenous organisations and to the outcomes of litigation and ongoing Indigenous community concerns. NFAW is looking forward to seeing the culturally respectful, community development and gender equality focus of the new program.

The ALP Women's Budget Statement 2022 (p. 27) includes a commitment to hold a referendum to establish a constitutionally enshrined First Nations Voice to Parliament, with a guaranteed gender balance. Importantly, the ALP has also committed to conducting a National First Nations Women's Summit, chaired by the

Aboriginal and Torres Strait Islander Social Justice Commissioner. NFAW welcomes these commitments but will be looking forward to seeing the funding allocations and timelines should the ALP form government.

3. How will your government progress the unfinished business of *Respect@Work* and *Setting the Standard* reports by the Australian Human Rights Commission?

The Budget includes a few very small but welcome initiatives to advance the Respect@Work recommendations. The Government claims in its WBS that it has already spent $66m in implementing these recommendations and commits a further $3.4m in this Budget (p. 25). This will be applied to an 'industry outreach team' in the Australian Human Rights Commission (whose overall funding is being substantially cut – see below) and to a $1.8m 'grant opportunity' that would enable the two remaining Working Women's Centres to provide advice on sexual harassment for three years (WBS, pp. 18-19 and 26).

Labor has committed to implementing all the Respect@Work recommendations in its Women's Budget Statement, but without providing information on funding or timing.

4. How will a federal Anti-Corruption Commission introduced by your government hold government to account and prioritise the broader public interest?

We noted in our briefing paper that accountability mechanisms are important where the withdrawal or allocation of resources will affect different groups differently. We raised concerns about the scope for electorally skewed multibillion dollar grants decisions and election pork barrels while care industries remain underfunded and care work undervalued. Electorally skewed infrastructure grants and a real wage decrease in carers' wages are what the 2022-23 budget has indeed delivered.

This is beyond disappointing, but of a piece with the budget's underlying confusion between the well-being of the public and the well-being of political candidates. That confusion is reproduced in the budget papers themselves. We have conferred with a number of non-government organisations in the preparation of our post-budget analyses. As common view has emerged that the budget, which is intended as a crucial national transparency and accountability measure, is itself shifty. Sums of money are re-announced as new, moved between programs whose name has been changed and then re-announced as new, divided over differing numbers of outyears, and added up in mysterious ways to make the totals released by ministers to the press.

What is clear is that national integrity bodies whose function is to call out opacity and confusion in the allocation of resources and the administration rights of will have their ongoing capacity to do so cut. Analysis by the Centre for Public Integrity shows

- a $255,517,962 or 17.67% cut in real terms to the funding for the ABC, compared to 2012 levels, and
- a $11,317,618 or 9.12% cut in real terms to the funding ANAO, compared to 2012 levels.

The Attorney-General's Department has made a generous contribution to the election war chest with significant cuts whose impact can be expected to increase significantly in real terms:

- The Australian Human Rights Commission will see its budget cut by over one third over the forward estimates, from $32.6 million in the estimated actual expenditure for 2021-22 to $20.2 million in 2025-26 (Attorney-General's Department PBS, Table 2.1.1 p. 136).
- The Office of the Commonwealth Ombudsman will see its budget cut from $47.7 million in 2022-23 to $41.9 million in 2025-26. (Attorney-General's Department PBS, Table 2.1.1 p. 305).

- The Information Commissioner will have its budget cut in half from $29 million in 2021-22 to $15.9 million in 2025-26 (Attorney-General's Department PBS, Table 2.1.1 p. 287).
- Law Reform Commission will see its budget cut from $3.1 million in 2021-22 to $2.75 million in 2025-26 (Attorney-General's Department PBS, Table 2.1.1 p.151).
- Administrative Appeals Tribunal will have its budget cut from $201.4 million in 2021-22 to $181.5 million in 2025-26 (Attorney-General's Department PBS, Table 2.1.1 p. 52).

The budget also only allowed $67m over four years for the Coalition's proposed anti-corruption commission model, which it has so far failed to legislate, despite promises to do so. The Opposition speech in reply and WBS did not refer to its intentions in this regard.

5. What will your government do to ensure women are equally represented in your party, in Parliament and in leadership positions across society?

The Women's Budget Statement points to good progress in women's leadership, including within the APS where women now represent 50% of Senior Executive positions, and on government boards, where women have likewise achieved parity (pp. 45-46). This is good news.

In the broader public debate, the Coalition remains completely silent about any steps it might take to address the serious imbalance it faces in preselecting women in winnable seats. This was one of the primary recommendations in the Set the Standard report (rec 5, p. 174), which the Government has said it accepts. However, the preselection process does not appear to have responded to this recommendation in any way.

As the ALP Women's Budget Statement (p. 3) notes, equality will not simply appear – it is something that needs to be worked actively towards. The ALP Statement recommits the ALP to equal representation in parliament, recognising (p. 7) that when "more women are at the decision making table, Australian women know their interests and values are being represented".

NFAW sees this as a matter of urgent priority for the Coalition.

National Foundation for Australian Women
REAL WOMEN. VISIONARY LEADERSHIP

GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**HOUSING AND HOMELESSNESS**
Portfolio and or agency	**DEPT OF SOCIAL SERVICES, TREASURY**
Date Issued	**3 April 2022**

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Budget Overview

In our pre-budget briefing, we raised a number of priority policies for women in this space. Women are amongst the most at risk in the housing system. Lower average incomes, time out of the workforce to care for children, and less savings and superannuation make it difficult for many women to achieve secure housing through the private housing market. Women and children are overrepresented in homelessness data and single older women are the fastest growing group of homeless people nationally. Single parent families face particular challenges. Most are headed by women and earn in the bottom 40% of incomes in Australia. There is a shortage of affordable housing for these families. Urgent action is needed -- public investment in secure social housing, action to address affordability within the private housing market, addressing income support payments so these households can meet basic needs. **Budget 2022-23 offers little for the many Australian households struggling with housing affordability, especially women who are the most vulnerable in the Australia housing system.**

At a time when Australia faces a growing housing crisis, it is concerning that this budget proposes no steps that will substantively address the lack of social housing or access to secure and affordable rental options for low-income households, including income support recipients. Women and children are overrepresented amongst those accessing homelessness support. Beyond ongoing measures, they receive little recognition or support to access secure housing from this budget. Many low-income households will continue to struggle in unaffordable and insecure housing with implications for wellbeing, employment and education stability. This budget was a lost opportunity to offer a diversified housing response at a time of growing housing stress.

The budget does offer support to aspiring homeowners through a range of guarantees to participating lenders for low deposit home loans. This includes provisions for those looking to re-enter home ownership through the Rural and Family Home Guarantees, both of which are potentially significant to women across the life course.

However, there are limits and risks within these programs. They are only helpful to those who have an income sufficient to service a mortgage and leave out the many low-income households including single parent households predominately headed by women who are unable to service a mortgage. Further, house price caps that exist in the scheme will also make it difficult for households to secure housing in well-resourced areas. This is made more challenging by the fact that the caps are not equivalised to recognise different household size or housing needs and risk marginalising eligible larger households. The focus on new build rather than existing dwellings exacerbates this problem. While this may provide support to the construction industry, it could force participants to the urban fringes or regions geographically distant from their employment or social support networks.

First Home Guarantees can also bring financial risks to recipients. In the absence of any measures to manage the cost of housing in Australia, these guarantees support new homeowners to take on larger mortgages that represent a large proportion of house value. This brings greater mortgage risk if interest payments increase, which they are projected to do. If large numbers of households default on their mortgage and housing prices subsequently drop these borrowers will be left with substantial debt.

Much greater investment in social and affordable housing is required. Secure and affordable housing is a human right without which access to education and employment are disrupted and it is more difficult to age in place. Investment in an affordable and diversified housing system can ameliorate these social problems and would represent a proactive investment in Australia's economic and social future.

The lack of a cohesive approach to national housing policy is a significant missed opportunity, with likely future generational impacts on Australians.

In our pre-budget briefing on housing and homelessness we raised a number of questions around priority policies for women that need to be addressed. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

1. **What steps will your government take to address the lack of social housing and access to secure and affordable rental and homeownership options for low income households, including income support recipients?**

Budget 2022-23 offers little for the many Australian households who are struggling with housing affordability. Women and children are amongst the most vulnerable in the housing system and will gain little long-term assistance through funded measures. Home guarantees will be beneficial for those with income to service a mortgage, but also bring risk.

- *Social and affordable housing and homelessness*

The **National Housing and Homelessness Agreement** (NHHA) with state and territories is indexed to the inflation rate but with no increase. Valued at approximately $1.6 billion per annum the NHHA is committed to improve access to affordable housing and homelessness supports (Budget Paper 3, p. 52). The National Housing and Homelessness Agreement is scheduled to conclude on 30 June 2023. The forward estimates indicate a reduction in funding of nearly $40 million from July 2023.

The 2022-23 Budget has increased the National Housing Finance and Investment Corporation liability cap by $2 billion to $5.5 billion to support increased loans through the Affordable Housing Aggregator, including for affordable housing (BP2, p. 170). While this may support building more affordable housing, National Shelter point out that "this is not a grant provided directly to community housing providers. Providers will still be required to source funding to build housing."

There is no change to Social Impact Investments which include vulnerable priority groups and youth at risk of homelessness (Table 2.7 BP3, p. 52).

Remote housing: $223.8 million in 2022-21, is allocated to the "delivery of new houses, housing refurbishments and housing-related infrastructure" and to incentivise "more sustainable housing systems" in remote Indigenous communities (BP3, p. 54). In addition, as part of the **Remote Australia strategies component**, $3.8 million is allocated to the Northern Territory Remote Aboriginal Investment Agreement to improve public housing in remote communities (BP3, p. 53), and a further $87.8 million has been allocated to the school and children component of the Agreement, for the purpose of improving student attendance, educational attainment, Indigenous workforce development and **teacher housing in remote and very remote schools** (BP3, p. 42).

"The Government will re-profile existing funding provided to Indigenous Business Australia for regional housing construction loans as part of the **Indigenous Home Ownership Program***,* at a cost of $7.7 million over 5 years from 2021-22. More than $100.0 million remains available from the Government's equity injection into the program to support new loans which will boost housing construction, create jobs and increase rates of Indigenous home ownership in regional Australia" (BP2, p. 14). This small investment is not new money and is unlikely to have a significant effect on Indigenous housing. NFAW considers it would be more useful to support serious housing rental affordability measures with particular focus on Indigenous housing.

Labor would build 20,000 social housing properties, including delivering $1.6 billion to build at least 4,000 new social housing properties for women and children fleeing domestic and family violence. $100 million will be allocated for crisis and transitional housing for women and children fleeing domestic violence and older women on low incomes who are at risk of homelessness.

- *Several budget measures support existing and aspiring homeowners:*

HomeBuilder Scheme: The scheme encourages "eligible Australians to build a new home or substantially renovate an existing home." Applications for the program closed on 14 April 2021 and the funding will not continue beyond this budget (BP1, p. 159; BP3, p. 53).

First home buyers are a particular focus of budget support. The **Home Guarantee Scheme** consists of three initiatives guaranteed by NHFIC supporting entry of 50,000 Australians into home ownership (BP1 p16).

- The **First Home Guarantee Scheme**, formerly the First Home Loan Deposit Scheme, which was previously capped at 10,000 places, has been increased to 35,000 places and provides a guarantee to participating lenders for up to 15% of the property purchase price of a new build home (BP1, p. 16). Despite the expanded number of places this may benefit only a small proportion of first home buyers.
- **Rural Home Guarantee** is a new program designed to support eligible Australians who have not owned a home for five years to purchase a new home in a regional location with a 5% deposit (BP2, p. 170). The Rural Home Guarantees will offer 10,000 places per year to 30 June 2025 and commence in 2022-23 subject to passage of legislation (BP1, p. 267).
- **Family Home Guarantee**, designed to support single parents with dependents seeking to enter, or re-enter, the housing market with a deposit of as little as 2%, is continued in the 2022-23 Federal budget (BP1, p266). The 5,000 places being offered per year to 30 June 2025 is a decrease on the 10,000 places offered in the 2021-22 Federal budget (BP2, p. 188).

2. What steps will your government take to address taxation settings that are stimulating the cost of housing in Australia, including negative gearing and capital gains tax discounts?

There is no proposed change to taxation settings that are stimulating the cost of housing in Australia. Existing settings will continue to give financial advantage to housing investors relative to home buyers, particularly those seeking homeownership for the first time.

3. **Will your government raise Commonwealth Rent Assistance rates to immediately support very low income households to access the rental sector, and increase JobSeeker rates to lift households out of poverty?**

The Budget does not provide any increase to Commonwealth Rent Assistance or JobSeeker rates. Households that receive these payments will continue to struggle to access the private rental sector.

4. **How will your government address the needs of women who are at most risk in the housing system, including older women, women leaving family violence, and those heading single parent families?**

The Budget provides $100.0 million new funding for emergency accommodation for women and children leaving family and domestic violence via the *Safe Places Emergency Accommodation Program*. This is provided to fund building, renovation or purchase of approximately 720 new emergency accommodation places for women and children and projected to bring the total places available to around 1,500 (Social Services Portfolio, p. 17; Women's Budget Statement, p. 17).

$54.6 million over five years is allocated to security measures to support up to 30,000 victim-survivors experiencing family and domestic violence to stay safe in their own home. It will allow for "security assessments and upgrades including cameras, bug sweeps and safe phones." These are funded via the *Keeping Women Safe in their Homes* program and are designed to provide an alternative to emergency accommodation (Women's Budget Statement, p. 17).

These measures are commendable and can support women in crisis. However, they do little to support these women and children to access long-term secure and affordable housing. Women and children and overrepresented amongst people seeking homelessness support and in 2020 1 in 3 women and girls experiencing family violence who approached specialist homelessness services needing accommodation were unable to be housed, foregrounding the urgency of long term measures and increased social and affordable housing supply.

5. **Will your government develop a national housing policy that sets a cross-tenure vision for housing access and affordability nationally and that addresses climate change resiliency?**

The budget does not set out a clear vision for housing policy or to address homelessness. It does not address the pressing challenge of climate change mitigation in housing.

There were opportunities for housing to be included in the Regional Accelerator Program (RAP) established in the Budget. However, while this scheme focuses on economic activities and productivity it overlooks the critical nature of affordable and resilient housing within these activities. RAP is a $2 billion scheme over five years, slated to inject $434.8 million for the first period (2022-23) "to drive growth and production in regional areas" (BP2, p. 41; BP1, p. 9). RAP takes a "whole-of-government approach" and is targeted at regional areas that have experienced "high levels of population growth and economic performance or undergoing long-term structural adjustment" (BP2, p. 150). The lack of inclusion of housing in the RAP is a significant missed opportunity, especially as the cost of housing in regional areas has increased substantially over the past three years with COVID-related migration. The fact that housing has been omitted from such a significant policy shows the urgent need for a national housing policy.

Questions that still need to be raised in the run up to the election.

1. **Will your government develop a national housing policy that sets a cross-tenure vision for housing access and affordability nationally and that addresses climate change resiliency?**

National Foundation for Australian Women
REAL WOMEN. VISIONARY LEADERSHIP

GENDER LENS ON THE 2022 ELECTION BUDGET

Key Policy in discussion	**CLIMATE CHANGE AND DISASTER MANAGEMENT**
Portfolio and or agency	**Gender and Disaster Australia**
Date Issued	**3 April 2022**
Key author/s of this budget analysis:	**Helen Hodgson 0418 906 162**

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Budget Measures

In our pre-budget briefing on climate change and disaster management we showed how climate change has a gender dimension. Women are more likely than men to suffer the adverse health consequences of extreme climate events, and women are disproportionally affected by climate change disasters. In Australia, disasters increase women's economic insecurity: women lose or forgo employment opportunities on taking up additional community and care responsibilities, as shown after the 2009 Black Saturday bushfires and the 2011 floods in Queensland and Victoria. Disasters also increase rates of gender-based violence, including from the 2009 Black Saturday Bushfires, a pattern replicated after the 2020 fires. Failure to take action on climate change and emissions abatement can exacerbate gender inequality and reduce women's ability to adapt. Women are also more likely to express their concern about global warming, and to support climate change mitigation policies.

Against this background we raised a number of questions around priority policies for women that need to be addressed in disaster management. Some of these are not budget matters. Of those that are, how effective was the budget response? Is there a corresponding Opposition measure?

Budget Measures

The budget response to disaster management needs to be set against the background of underpinning measures to address Energy Policy and Environmental Protection. The challenge that this Government has not addressed is that energy policy is the driver of climate change that results in loss of biodiversity and increased severity of fire, flood and drought.

- *Energy Policy*

The Federal Budget continues to support energy initiatives that rely on fossil fuels. The Australian Petroleum Production & Exploration Association (APPEA), which represents the oil and gas sector, has congratulated the Government on the budget that has "reaffirmed the long-term role of the oil and gas industry in Australia's

economy and lower emissions future." The funding will largely support low emissions LNG, hydrogen production and associated carbon capture and storage infrastructure.

There is some funding for clean energy through the Clean Energy Finance Corporation (CEFC), which invests in renewable energy and technologies, the Australian Renewable Energy Agency (ARENA), which supports research and development in this area and the Clean Energy Regulator, but that funding will decline over the forward estimates. The Clean Energy Council has highlighted that apart from some investment in microgrids, primarily in remote communities, there is a lack of investment in transmission to support the shift to renewable energy provision.

It is notable that the cost of living measures include a halving in the fuel tariff, with no incentives to assist the transition to electric vehicles. Incentives for electric vehicles in some states have seen a tripling of the number of EVs registered in Australia in 2022, admittedly off a low base, but there has been no additional support for these drivers in the budget.

While we acknowledge that the fuel excise reduction is a short term measure, it is not good climate policy.

Note that in the Address in Reply the Opposition Leader referenced the ALP policy: Powering Australia, which sets out Labor's renewable energy plan.

- *Environmental Protection*

There is some funding in this area, but the specified projects have been cherry-picked. There is an additional $1 billion for the Great Barrier Reef, compared to $200.1 million to expand the Environment Restoration Fund, the recovery and conservation of the koala and koala habitats, community-led tree planting projects, and investment in Commonwealth National Parks.

The Government has committed $192.0 million to respond to the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 with an additional $192.0 million to improve environmental resilience, protect Indigenous heritage and support economic growth.

Recycling initiatives include a boost of $60.4 million over 4 years to leverage investment into new advanced plastic recycling technologies and will work in partnership with states, territories and industry.

Although this funding is essential to redress damage that has already happened, the fundamental causes of climate change are not being adequately addressed.

- *Disaster Recovery and Resilience*

Against the background of these less than barely adequate measures to mitigate climate change and environmental degradation, the 2022-23 Budget includes a substantial bandaid to deal with the effects of policy inertia. There is a package to support recovery from the 2022 floods in NSW and Queensland, much of which has already been announced. $3.6 billion has been allocated, and another $3 billion has been allocated over the forward estimates partly funded by the Emergency Response Fund.

The package includes:

- Mental health funding: $31.2 million over 2 years from 2021-22 to meet the increased demand and support for the mental health of residents in flood affected areas through the recovery process.

- Financial Wellbeing and Capability Activities: $25.0 million to provide additional funding for Financial Wellbeing and Capability activities including emergency relief, food relief and financial counselling for communities affected by the floods in NSW and Queensland.

- Legal Assistance: $5.4 million over 2 years from 2021-22 to existing legal assistance services operating within Queensland and NSW to support flood affected individuals, small businesses and primary producers to access timely legal assistance as required

- Health Care: $4.7 million over 2 years from 2021-22 to support primary health care services for flood impacted regions, including emergency response teams and additional workforce capacity and establishing a shared temporary business premises in or near Lismore for displaced local primary health care providers to ensure continuity of access to healthcare for the community.

As noted in our pre-election briefing, it is essential that the specific needs of women as first responders are met. The response of women to disasters is different to men, and they need dedicated counselling and medical services. In distributing the funding to services working on the ground, it is critical that the specific needs of women, including the urgent restoration of child care services, are recognised. This is the priority specifically addressed by our questions.

Key Questions of concern that need to be addressed

1. Will your government analyse federal funding in disasters over the past term of the federal government, compensate women for what is owed as a result of unfair and unequal distribution of disaster funding, and establish a system to ensure gender parity in disaster funding in the future?

There is no commitment in the budget papers to review prior decisions and allocations of funding.

2. Will your government provide urgent and immediate emergency response in disaster to reconnect essential services of power, internet, water and clean-up, prioritising lone women and single parents?

Funding continues to be allocated as emergencies arise, provided through the Emergency Response Fund. The Government is providing funding to establish a panel of emergency response providers to assist with the provision of resources in the immediate aftermath of a disaster. There is also funding provided in the regional infrastructure package to improve telecommunications support.

3. Will your government reserve a proportion of disaster recovery funds to reinstate child-care and school infrastructure following disasters as a priority to allow women more equitable access to continuing or new employment?

The response plan for the 2022 Flood Emergency in NSW and Qld has included support for child care services. There are no additional places allocated to families dealing with the emergency. $6.9 million has been allocated in 2021-22 to provide Business Continuity Payments of $10,000 to Early Childhood Education and Care services in flood affected locations that close for 7 days or longer and $22.1 million over 2 years from 2021-22 to increase the Community Child Care Fund Special Circumstances grant to assist services experiencing financial viability issues resulting from the recent floods and the COVID-19 pandemic.

4. Will your government provide funding to embed the Gender and Emergency Management Guidelines into key emergency service organisations to allow a focus on family violence in government post-disaster support, e.g. streamline access to $5,000 family violence payment?

There is no comment in the budget documents on this point, although funding has been allocated to family violence disaster responses.

5. Will your government fund the inclusion of family violence and gender specialists in disaster planning, response, recovery and reconstruction?

Rates of family violence increase following disasters and funding to provide additional support in this area is welcome. The Women's Budget Statement reports that $3.7 billion has been made available over 4 years to strengthen disaster responses to women and children experiencing domestic, family and sexual violence. The breakdown between the inclusion of gender specialists in disaster planning, response, recovery and reconstruction and the provision of services to women escaping violence is not clear.

6. **Will your government establish a national initiative for First Nations' women and men to lead fire management?**

It is important that all natural disaster management take an Indigenous caring for country perspective, recognising the sustainable stewardship of country by Indigenous peoples over millennia. This support should be gender sensitive, recognising the different knowledge and skills of Indigenous women and men in caring for country.

It is also important to recognise the particular distress of Indigenous women and men experiencing the increased effects of disasters, given this long stewardship. Many Indigenous people are particularly affected by natural disasters, as they often live in regional or remote areas increasingly affected by disasters. It is important that responses to natural disasters are safe for Indigenous people and culturally informed.

The Government will provide "…$636.4 million over 6 years from 2022-23 to expand the *Indigenous Rangers Program* to increase the capacity of Indigenous people to undertake land and sea country management" (Budget paper 2, p 161). This measure will include incentives increase the proportion of women and young people in ranger positions. This is a welcome investment as it will create over 1000 new ranger positions by 2026/27.

Questions that still need to be raised in the run up to the election.

Will your government analyse federal funding in disasters over the past term of the federal government, compensate women for what is owed as a result of unfair and unequal distribution of disaster funding, and establish a system to ensure gender parity in disaster funding in the future?