

Key Policy in discussion	WELLBEING BUDGET FRAMEWORK
Portfolio and or agency	Department of Treasury
Date Issued	5 November 2022
Key author/s of this budget analysis:	Dr Angela Jackson
Chair, Social Policy Committee NFAW:	Prof. Helen Hodgson: h.hodgson@tpg.com.au

Key Issues Raised by Wellbeing Budget Framework

The October 2022-23 Budget provided some high-level discussion and reporting against the Wellbeing Budget framework being developed by the Government, with further consultations to follow ahead of the 2023-24 Budget to be delivered in May 2023.

We acknowledge that this was very much a first articulation by the Government of its approach to the Wellbeing Budget. Importantly, the Budget did not provide any analysis of measures in the Budget as they relate to measures of wellbeing, and it is not clear that a wellbeing Budget framework was used to assess initiatives in the Budget.

Going forward there is a need for consideration of how the Wellbeing Budget Framework will interact with Gender Responsive Budgeting which is also being implemented by the Government. It is the view of the National Foundation of Australian Women that the two frameworks should be harmonious, with a gender lens applied to the final Wellbeing Budget Framework and the indicators being inclusive of the targets for gender equity that are needed to underpin the implementation of Gender Responsive Budgeting. The indicators canvassed in the October 2022-23 Budget are a good base from which to build a more comprehensive set of gender targets across the domains of wellbeing, but more work and consultation is required in the coming months to ensure the indicators are comprehensive and reflective of the foundations needed to fully participate in family, social and economic life in Australia.

Budget Measures

The [OECD framework](#) outlined in the 2022-23 Budget as the foundation for discussions includes 82 indicators across 15 policy areas. However, as the Budget outlines there are some limitations to the use of the OECD framework as it may not necessarily capture important differences across groups in the Australian context.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

This includes applying a gender and intersectional lens to any measures of wellbeing, to gauge how different cohorts of Australians fair across different wellbeing indicators.

The framework includes a number of direct gender related measures:

- Gender parity in politics
- Gender wage gap
- Gender gap in hours worked
- Gender gap in feeling safe

Significant gaps are however evident in the OECD framework, including:

- Security in retirement
- Rates of family and domestic violence
- Mental health
- Physical health including rates of chronic disease
- Childhood development and wellbeing

A Gender Data Steering Group has also been convened by the Department of the Prime Minister and Cabinet and the ABS in response to the Review of the Workplace Gender Equality Act 2012 ‘to maximise the impact of the Government’s major data holdings as an evidence base for gender equality policy’ (WBS, p. 17). The Workplace Gender Equality Minimum Standards Instrument is also being amended to broaden data collection to allow disaggregation of the pay gap that exists for First Nations women, culturally diverse women, and women living with disability in Australian workplaces (WBS, p. 25).

Policy issues and indicators

Imbedding gender equity in the Wellbeing Budget Framework will require the application of an intersectional gender lens across a broader range of indicators, where important differences exist between men and women, Aboriginal and Torres Strait Islander and non-Indigenous Australians, women with and without a disability and women from low and high socio-economic backgrounds. While the Budget highlights the importance of this broader analysis in the relation to the measure of employment rates, there are differences that will need to be captured across a much broader range of indicators.

In the next section we outline the importance of a gender lens across a number of the key indicators, and the impact of Budget measures analysed across the 2022-23 October Gender Budget Lens on these indicators.

Key indicators in the OECD Framework, and the impact of October 2022-23 Budget measures analysed across the Gender Budget Lens

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
Household income	The net adjusted disposable income of households.	<p>HIGH given women are <u>more likely to live in poverty and earn less than men over the life course.</u></p> <p>The interaction of the tax and welfare system can also have a significant impact on the allocation of paid and unpaid work in a household that negatively impacts gender equity goals.</p>	<p>The provision of funding for the anticipated increase in the award rate for aged care workers will benefit women to a greater extent and help lift disposable incomes.</p> <p>Budget supported greater female participation through childcare initiatives and expansion of paid parental leave, but forecast declining real wages that will have a disproportionate impact on women that are more likely to live in poverty.</p> <p>The continuing commitment to Stage Three Tax Cuts in the Budget will disproportionately benefit men that are more likely to be high income earners.</p>
Household wealth	The total of private household assets net of financial liabilities.	HIGH given women have <u>less wealth than men.</u>	The Budget did not address the relative lack of taxation of wealth in Australia, and subsidies that support wealth generation which disproportionately favour men over women.
Household debt	The total outstanding debt of households expressed as a share of household net disposable income.	HIGH OECD data ranks Australia as having the fifth highest household indebtedness in the world in 2022.	See above. There are no measures to address wealth inequality. Household indebtedness is also increasing due to the monetary policy settings that are raising interest rates.
Employment rate	The share of the adult population (aged 25 to 64) who report having worked in gainful employment for at least one hour in the past week.	HIGH given <u>women have lower levels of participation in paid work</u> than men.	Budget supported greater female participation through child care initiatives and expansion of paid parental leave, but forecast declining real wages that will have a disproportionate impact on women that are more likely to live in poverty.
Educational attainment	The share of people aged 25-34 with at least	HIGH while women are more likely to have	The boost to training places announced in the Budget (Budget

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
among young adults	an upper secondary education.	completed a bachelor's degree or above than men, they are less likely overall to have completed a post school qualification.	Paper 2, pp. 104) is aimed at delivering 480,000 fee-free TAFE and community-based vocational education places over four years. As a first step, the Government is entering a \$1 billion agreement with the states and territories to provide 180,000 places in 2023. This agreement will prioritise training for students that traditionally face barriers to work and study, including women facing economic equality issues, and target industries with severe skill shortages.
Housing affordability	The share of household gross adjusted disposable income that remains available to the household after deducting housing costs.	HIGH given women are <u>less likely to own their own home</u> or own an investment property, <u>more likely to live in rental stress</u> and are the <u>largest client group for Specialist Homelessness Services</u> .	The Budget delivered a long-term strategy for the housing system and supply in Australia and represents a small step toward addressing women's needs for safe and secure housing. However, in the context of a national housing crisis, with growing rents and record low vacancy rates in the private rental sector, and a national social housing wait list of nearly 200,000 households, the 40,000 social housing and 10,000 affordable dwellings committed to in this budget are severely inadequate.
Gender wage gap	The difference between male and female median wages as share of the male median wage (for full-time employees).	HIGH given that Australian women earn <u>14.1 per cent</u> less per hour worked than men when only ordinary time full time hours are considered. When the gap is analysed based on both full time and part time workers, and including overtime payments, the gap is much larger <u>at 29.7 per cent</u> .	Subject to passage of the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022, the Fair Work Commission is to have two new Fair Work Commission Expert Panels, one on Pay Equity and one specifically on the Care and Community Sector. The Budget provides \$20.2 million over 4 years from 2022-23 (and \$5.3 million per year ongoing) for the panels and a specialised research unit (Budget Paper No 2, p. 103). Their work will be underpinned by a suite of measures clarifying and entrenching equal remuneration

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
			in the Commission's decision-making.
Labour underutilisation rate	The unemployed, the marginally attached and the underemployed expressed as a ratio of the labour force.	HIGH as women are <u>more likely to report being underemployed than men</u> and are <u>more likely to cite caring responsibilities as a reason for not working more hours.</u>	The Budget included measures to increase the minimum hours of subsidised childcare under the Child Care Subsidy Activity test for Aboriginal and Torres Strait Islander children from 24 to 36 hours a week. The ongoing application of the activity test increases the search costs for women with small children looking to re-engage and increase their hours of work, and is undermining participation in work by women unable to afford non-subsidised child care.
Overcrowding rate	The share of households living in overcrowded conditions.	HIGH There is insufficient data to assess at this stage.at the National level, however women in overcrowded homes are more likely to experience violence and financial stress.	The measures to address housing and homelessness in this budget should also address issues of overcrowding.
Homicides	The number of deaths due to assault per 100,000 people.	HIGH while men are more likely to be victims of violence <u>latest data</u> indicates these rates have been falling. Such a fall has not occurred in relation to domestic and family violence which women are more likely to experience. Women with a disability and Aboriginal and Torres Strait Islander women experience higher rates of domestic and family violence than the general population.	\$1.7m has been allocated to Women's Safety over 4 years. The National Plan to End Violence Against Women and Children 2022-2032 has been allocated \$1.3bn of this funding. The first action plan is still under development, and prevention measures must be given a priority.
Gender parity in politics	The share of women in the national lower or single houses of Parliament.	HIGH gender representation in parliament is an important indicator of progress towards	The 47th Commonwealth Parliament has a record number of women holding seats. In 2021 the Australian Human Rights Commission <i>launched Set the</i>

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
		gender equity, and while some parliaments in Australia have reached parity the Commonwealth Parliament remains well short of achieving gender equal representation.	<i>Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces.</i> Implementation of these recommendations will make a Parliamentary career more attractive. The Department of Parliamentary Services has included implementation of these recommendations in its performance standards for the coming year (p.10).
Negative affect balance	A subjective assessment of emotions that measures the share of respondents with more negative than positive feelings.	HIGH young women aged 16 to 24 report the highest level of mental disorders in the community.	The Budget included additional funding to address the impact of COVID-19 on student wellbeing, however there is no indication whether these policies will be gender informed. While girls are more likely to suffer poor mental health, boys are at higher risk of suicide.
Student skills in science	The mean score of 15-year-old students for PISA in science.	HIGH there is no significant difference in PISA scores for science.	The Budget included measures to support women in STEM, including a modest \$5.8 million over 5 years from 2022–23 to support women in science, technology, engineering and maths (STEM) through the Women in STEM and Entrepreneurship program.
Long hours in paid work	The share of employees whose usual working hours are 50 hours or more per week.	HIGH the latest Census indicates that men are twice as likely to work over 50 hours a week than women.	Budget supported greater female participation through child care initiatives and expansion of paid parental leave.
S80/S20 income share ratio	A measure of inequality that tracks the share of income received by the highest earning quintile relative to the share of the lowest-earning quintile.	HIGH women are more likely to be in the bottom 20 per cent of income earners, with a higher percentage reliant on income support.	The Budget did not include any increase in payments to people relying on income support, which disproportionately impacts that women that are more likely to rely on working age payments than men.
Gender gap in hours worked	The difference in time that women work relative to men (both paid and unpaid).	HIGH spent one hour on average less in paid work per day than men	The Budget supported women’s access to paid work and men’s access to unpaid work through child care initiatives and

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
		according to the latest ABS Time Use Survey	expansion of paid parental leave, but forecast declining real wages will create the need to work additional hours.
Gender gap in feeling safe	The percentage difference that women do not feel safe compared to men when walking alone at night where they live.	HIGH according to the OECD 67 per cent less women feel safe compared to men.	Within the Women's Safety funding, Respect@Work initiatives to address women's safety in the workplace have been allocated \$42.5m, the Working Womens Centres have been allocated \$32m and there is \$65m from 2022-23 to develop consent and respectful relationships education in schools.
Exposure to outdoor air pollution	The share of population exposed to more than 10µg/m ³ of PM2.5 – a measure of particulate pollution.	HIGH Women are affected not only through the impact on their own health but through the role that they hold as unpaid carers for other family members.	The October 2022-23 budget delivers a range of new climate change and energy measures. These are broadly targeted, and a number will benefit women in general terms, including disaster resilience and recovery funding; major energy infrastructure investments to support renewable energy generation, carbon emissions reduction, and lower energy bills over the long-term; and a new National Health and Climate Strategy.
Greenhouse gas emissions	The tonnes of CO ₂ -equivalent per capita emitted by country.	MEDIUM Climate change has unique and disproportionate impacts on women. Existing inequalities and vulnerabilities are being exacerbated by climate change related events.	As noted above, the October 2022 Budget delivers a range of initiatives to address climate change. but the Australian Government will need to accelerate mitigation funding and associated policymaking global heating is to be limited to 1.5 degrees. Climate change and energy measures should be an integral part of an Australian wellbeing framework.
Red List Index of threatened species	A combined indicator of extinction risk for a broad range of flora and fauna.	LOW this is a national indicator	There is no new funding for threatened species in this budget.

Indicator	Description	Importance of a Gender Lens	Gender Impact of the Budget
Access to green space	The share of the urban population with access to recreational green space within 10 minutes' walking distance from their home.	HIGH Women and children are high users of local recreational spaces	This is an urban planning matter addressed at State and Local Government level.

The following measures of wellbeing are derived from the National Accounts and fiscal indicators.

Produced fixed assets	The value of a country's stock of produced economic assets per capita, measured in purchasing power parity terms.	LOW as measure does not relate to who holds assets rather aggregate assets	This is a National Indicator
Financial net worth of general government	the total value of general government assets minus the total value of its outstanding liabilities, as a percentage of GDP.	LOW as measure does not relate to individual worth	This is a National Indicator
Material footprint	The amount of raw material per capita extracted to meet the economy's final demand.	LOW	This is a National Indicator

Recommendations

The Wellbeing Budget Framework should be developed to ensure that it incorporates broader gender goals and targets consistent with Gender Responsive Budgeting. Most of the indicators incorporated with the OECD framework have important gender and intersectional implications and these should be reflected in the final framework adopted by the Government.

NFAW will continue to engage with Government on these issues over the coming months to ensure the framework reflects the gender dimensions of wellbeing, and that future Government policy is evaluated for its impact on these indicators.

References

ABS (2022), 2021 Census Table Builder:

<https://tablebuilder.abs.gov.au/webapi/jsf/tableView/tableView.xhtml>