

GENDER LENS ON THE 2024 BUDGET

Key policy in discussion	Social Security
Portfolio and or agency	Department of Social Services
Date Issued	26 May 2024
Key author/s of this budget analysis:	Frances Davies Phoebe Nagorcka-Smith
Chair, Social Policy Committee NFAW:	Prof. Helen Hodgson: h.hodgson@tpg.com.au

Key Portfolio Issues

Prior to retirement women face a gender pay gap, broken work histories, have lower superannuation, have a greater incidence of single parent households and an increasing incidence of homelessness. Women are the majority of Age Pension, Carer Payment, Youth Allowance, Austudy, Parenting Payment and Rent Assistance recipients.

The Government's [*Working for Women: Gender Equality Strategy*](#) prioritises economic security for women and the importance of valuing the contribution of unpaid care in Australia, and the Budget contains some modest initiatives to address these issues.

While a significant proportion of the JobSeeker population are young, single and not on income support for long, this is not representative of the majority of recipients. There is a significant subgroup of women over 50 who are long term recipients. For many older women, particularly those on income support for a number of years, the current allowance will support them until they reach Age Pension age. For single women, this compounds their financial and housing stress.

Mature age women are the largest group by age and gender of JobSeeker recipients.

One of the drivers of poverty for people on the Age Pension is that often older women JobSeeker recipients have been forced to run down any income or assets they may have had.

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.

Labour supply decisions for sole parents and for partners in low-income households, usually the woman, are especially highly sensitive to changes in the tax and welfare system.

Budget Measures

A Higher Rate of JobSeeker Payments for Participants with a Partial Capacity to Work (0-14 hours)

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	0.9	11.3	5.2	2.4	1.7
Department of Social Services	-	4.1	5.2	5.1	5.3
Total — Payments	0.9	15.5	10.3	7.5	7.0

Source: 2024-25 Budget Paper No 2, p. 164

The Government is providing \$41.2 million over five years from 2023-24 (and \$7 million per year ongoing from 2028-29) to extend eligibility for the existing higher rate of *JobSeeker* payment, to single recipients with a partial capacity to work of zero to 14 hours per week, from 20 September 2024. This change is estimated to impact 4,700 of the 1.1 million Australians receiving *JobSeeker*.

The higher *JobSeeker* payment rate is currently provided to single recipients with dependent children and people aged 55 years and over, who have received payment for at least nine continuous months.

Carer Payment – Increased Flexibility

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	0.1	8.7	1.4	1.0	1.0
Department of Social Services	-	0.6	1.8	1.9	2.0
Total — Payments	0.1	9.2	3.3	3.0	3.1

Source: 2024-25 Budget Paper No 2, p. 166

The Government is providing \$18.6 million over five years from 2023-24 (and \$3.1 million per year ongoing) to support *Carer Payment* recipients through increased flexibility to undertake work, study and volunteering activities. From March 2025, the existing 25 hours per week participation limit for recipients will be amended to 100 hours over four weeks. Study, volunteering activities and travel time will no longer be considered work for the purposes of this calculation. Recipients who exceed the participation limit or their allowable temporary cessation of care days will have their payments suspended for up to six months, rather than cancelled (which requires re-application).

Financial Wellbeing and Capability Activity

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Social Services	7.8	26.3	32.3	33.1	33.8
Total — Payments	7.8	26.3	32.3	33.1	33.8

Source: 2024-25 Budget Paper No 2, p. 169-170

The Government will provide \$138.0 million over five years from 2023–24 (and \$35.4 million per year ongoing) to boost support for Australians in financial distress or experiencing financial hardship and to build financial resilience, through additional funding to the Financial Wellbeing and Capability Activity. The activity will also be restructured to operate under two streams of support: Financial Capability and Resilience and Financial Crisis Response and Recovery. This includes:

- \$114.8 million over five years from 2023–24 (and \$27.7 million per year ongoing) to support individuals and families experiencing financial distress in times of crisis and natural disasters
- \$11.2 million over three years from 2025–26 (and \$3.9 million per year ongoing) for the expansion of the Saver Plus program to enable participants to build financial skills, capabilities and resilience
- \$6.3 million over three years from 2025–26 (and \$2.2 million per year ongoing) for the No Interest Loan Scheme for Vehicles for vulnerable people needing to purchase vehicles for essential use
- \$4.7 million over three years from 2025–26 (and \$1.6 million per year ongoing) to enable better accessibility to financial counselling services through the National Debt Helpline, including an appointment booking system and live webchat function to support individuals with personal financial difficulty

Services Australia – additional resourcing

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	105.0	1,199.5	1,146.4	152.5	153.5
Department of Employment and Workplace Relations	-	0.4	-	-	-
Attorney-General's Department	-	0.3	-	-	-
Department of Finance	-	0.1	0.1	0.1	0.1
Total — Payments	105.0	1,200.3	1,146.5	152.6	153.6

Source: 2024-25 Budget Paper No 2, p. 175

The Government is investing \$2.8 billion over five years from 2024-24 (and \$144.7 million per year ongoing) in Services Australia, including:

- \$1.8 billion over three years from 2023-24 for additional frontline staff, to clear claims backlogs, and improve service standards and emergency response capability.
- \$50.0 million over four years from 2024-25 (and \$5.2 million per year ongoing) to improve the myGov platform, including fraud detection capabilities.

Energy Bill Relief Fund – extension and expansion

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	0.1	2,616.7	872.2	-	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	0.8	-	-	-
Total – Payments	0.1	2,617.4	872.2	-	-

Source: 2024-25 Budget Paper No 2, p. 179

The Government will provide \$3.5 billion over three years from 2023–24 to extend and expand the Energy Bill Relief Fund to provide a \$300 rebate to all Australian households and a \$325 rebate to eligible small businesses on 2024–25 bills to provide cost of living relief.

Gender implications of this budget measure

Recent budgets clearly failed to address the structural impediments to gender equality for women living in poverty. The energy rebate, changes to bulk billing, the increase in Commonwealth Rent Assistance and an increase in JobSeeker for those on partial capacity to work, and changes to Carer Payment and Carer Allowance, are welcome but do not address the need for reform of the social security safety net. Despite calls to increase the payment, fewer than 5000 of the over 1 million people on Job Seeker and related payments will receive an increase. The payment is inadequate to support people with no or limited employment and entrenches disadvantage in the community. Rent assistance is only paid once rent reaches a certain threshold, not everyone will be eligible. Greater flexibility within Carer Payments has been welcomed and will improve women’s ability to stay connected with work, study, and their communities while they’re caring. [Women make up 72 per cent of carers in Australia.](#)

Investment in financial capability and wellbeing initiatives is positive, but it is important to note that no amount of budgeting and financial literacy makes up for an inadequate income, particularly when people are reliant on social security which keeps people below the poverty line.

The increased funding for Services Australia is much needed. Women make up the majority of Centrelink staff and customers. This service is vital for most of Australia’s vulnerable people. However, more support is needed to ensure consistent, high-quality services. The increasing use of digital platforms has resulted in poorer service and too many cases involve a debt

without the debtor being aware they are not being paid the correct rate. These cases too often intersect with people experiencing homelessness or at risk of becoming homeless and for many women escaping violence.

The energy relief measures extends the *Energy Price Relief Plan* from last year's budget (Budget Paper No 2, p. 86, 2023-24), that was targeted at social security recipients and low income households. This year the measure is broader as it will be payable to all households. The lack of targeting of the payment has been criticised, as it is not means tested and will be available in respect of each home owned where a person owns several properties. The design of the payment is based on the relief being applied by the electricity company, without householders being required to submit a claim to the electricity retailer or the Department of Social Services. On balance NFAW accepts that the cost of processing and the time lag that would result would outweigh the benefits of excluding households on the basis of income or use of a property. We note that there may still be some uncertainty as to how the payment will be delivered to homes and small businesses that are not serviced by the Electricity companies but who still incur energy costs, for example through the cost of operating a generator.

Cost of living pressures for vulnerable families, where one in six children live in poverty, continue. While tax cuts for those who are paying tax, and the new energy relief measure will assist, the changes are not keeping up with the increasing cost of living. The lack of priority on the adequacy of social security payments exacerbates growing income inequality. With unemployment forecast to increase, their circumstances remain negative.

Recommendations

NFAW calls for:

- Social security payments to be increased to above the poverty line and indexed to an appropriate indexation regime.
- The Energy Relief Payment that has been extended to all households in the 2024-25 Budget include an additional amount payable to households in receipt of social security payments or family tax benefits.
- The Social Security Act to make applying an intersectional gender lens mandatory.
- Increasing the age of the youngest child to 16 years for Parenting Payment Single.
- Substantially increasing Commonwealth Rent Assistance and indexing it to an appropriate indexation regime.
- Introducing a Carer's Supplement Payment and transitional arrangements to the Age Pension.
- Providing women facing domestic and family violence with a revamped Crisis Payment.
- Ensuring that Services Australia staff receive professional development and training for the treatment of vulnerable clients.