

Budget 2020 – Work and Family

Work and Family Overview

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

Work and Family

The Budget

The Budget had no new initiatives to help working parents and carers manage their paid working and unpaid caring responsibilities. While it provides some additional funding for existing programs, the Women's Second Economic Security Statement is essentially a grab-bag of existing measures aimed at making the Government's action on work and family look better than it is. There is no overarching strategy to systematically or holistically address the unequal caring load and its impact on women's workforce participation.

Child care is a critical element in enabling women to manage their work and family responsibilities and is discussed separately in the Early Childhood Education and Care paper. Government investment in the child care sector not only invests in workers in the sector, but by making care services available and affordable, it allows mothers to engage in paid work in greater numbers. While families across Australia are being supported until 4 April 2021 through an easing of the Child Care Subsidy activity test requirements, there are no other new measures to support families with the cost of ECEC, or to better remunerate early childhood educators. Lack of further investment in child care will prohibit many mothers from entering or returning to paid work.

Similarly, Paid Parental Leave is a critical element of any work and family strategy and is separately discussed in the Paid Parental Leave paper. While some flexibility has been introduced to eligibility criteria, improved assistance to working mothers with newborns could make a substantial difference to their workforce participation levels.

Other initiatives that could support parents that are already underway include the [Mid-Career Checkpoint](#), at a cost of \$75 million, aims to support up to 40,000 people (mostly women aged 30 to 45 years old) looking to return to the workforce or step up their careers. This involves development of a plan and coaching to boost skills and confidence. A pilot commenced on 1 July 2020 in NSW and Queensland, which will run to the end of 2020. A national rollout may occur in 2021 following an evaluation. No new funding for this measure was provided in the 2020-21 Budget.

For parents receiving income support, ParentsNext was provided with an additional \$24.7 million over 5 years to “simplify eligibility criteria, better direct support to those most in need and extends access to financial assistance to all participants” (Department of Education, Skills and Employment [Portfolio Budget Statement](#) 2020-21, page 18). The Social Services paper discusses ParentsNext in detail, noting that, regardless of the foreshadowed changes, the program is injurious to participants and, if retained, should be made voluntary, be decoupled from the Targeted Compliance Framework, and provide more funding to support women into meaningful employment that will ensure their financial security longer term.

The Time Use Survey was not provided with funding in the Budget but the Women’s Economic Security Statement appeared to indicate that the Survey will go ahead following a trial which, if this is the case, is to be commended. The Time Use Survey provides invaluable data on women and men’s care and work patterns and future areas for public policy development.

Gender implications

Why is this an issue for women?

Women’s workforce participation has been a priority of Government for some time. Leaders from G20 countries agreed a target in 2014 to reduce the gender workforce participation gap by 25 per cent by 2025. This goal was met by Australia in October 2019, where the gender participation gap between women and men’s participation rates fell below 9.1 percentage points. However, the impact of the pandemic affected women significantly, with women’s employment contracting 7.4 per cent between February and May 2020 compared with 5.6 per cent for men (in other words, 457,000 jobs were lost by women). Women’s participation also fell more than men’s over this period – 3.5 per cent compared with 2.7 per cent ([CEDA, September 2020](#)). The seasonally adjusted participation rate for women as at August 2020 is now 60 per cent, much lower than the March 2020 rate of 61.2 per cent. There are now over 200,000 women who were working in March but still do not have a job (Department of Education, Skills and Employment [Labour Market Information Portal](#), August 2020 data).

While women’s participation rates appear to be recovering, it remains to be seen how many women (particularly older women) have now left the labour market never to return. The more that Government can do to support working parents to engage in paid work, the greater women’s economic security will be now and in the future.

What are the 2020 Budget impacts on women?

No new measures were announced to support women to balance their work and family obligations. Government has missed an opportunity to boost women’s workforce participation and help working parents.

Recommendations

NFAW recommends that:

1. Government ensure that the ABS Time Use Survey proceeds as planned to provide data and information on women and men's work and caring patterns.
2. Government develop an overarching work and family strategy with additional funding to help working parents, especially mothers, better able to balance their work and family obligations.