

# Gender Lens on the Budget 2019-20

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## Summary

### Revenue

The headline item of the budget was the proposed reduction in personal income tax. The proposal builds on the changes in the 2018-19 budget and consist of an increased income tax offset for low to middle income earners combined with changes to the tax rates from the 2022-23 year of income. NFAW opposes the longer-term plan to reduce the tax rates for high income earners. The immediate implementation of an increase to the Low to Middle Income Tax Offset is poorly designed, as it is overly complex, increases effective marginal tax rates and the lowest income earners benefit less from the offset.

Superannuation has remained largely untouched. The age limits for contributions for voluntary contributions to superannuation have been increased so that persons aged 65 and 66 will not have to meet the work test; and to allow contributions on behalf of a spouse until they turn 75. NFAW is not opposed to this change as it is consistent with the increases in the age pension age. Although it increases that amount that a person can place in superannuation, the overall transfer balance cap of \$1.6m in retirement phase remains as a constraint on contributions.

### Climate change and health

The government has not taken leadership in delivering strategies, policy and funding to reduce emissions. While repeatedly claiming Australia will meet the Paris Agreement goals 'in a canter', the budget in fact moves it further away from addressing its Paris targets. The 2019 budget includes some partial measures, for example Snowy Hydro 2.0 and electrical vehicles, but it remains wholly inadequate, missing opportunities for Australia to leverage its large tracts of land, abundant solar radiation and tertiary education exports to become a global leader in renewable technology and projects. Instead, it has added to the existing 'Emissions Reduction Fund', although the plan has been shown to be inadequate and to lead to increased, not decreased emissions.

### Housing

The 2019 budget continues a pattern of underfunding social housing and housing assistance and overfunding tax breaks for investors. This business as usual approach to housing in the face of a chronic affordable housing shortage, which sees almost half a million women in housing stress, continues to undermine all other efforts towards women's safety and economic security. Overall the lack of a coherent and gender-responsive strategy on housing affordability does not address the myriad housing challenge growing numbers of women face.

### Social Services

Measured against the social services priorities for women that we have identified, the 2019 budget is disappointing. NFAW welcomes the increased spending on young carers and the very modest Energy Assistance Payment to welfare recipients, particularly the late inclusion of Newstart. However, the budget delivers no benefit to women on the lowest incomes, who do not pay tax, exacerbating poverty and inequality. Newstart, Family Tax Benefit and Parenting Payment recipients continue to suffer from the cumulative effects of changes, including cuts, compliance requirements and inadequate indexation arrangements. Newstart was not increased for the 25th budget in a row. Approximately two thirds of Rent

Assistance recipients are women, who received no increase to their payment and experienced a further erosion in its value.

## Education and training

While the government has headlined initiatives for vocational education and training (VET): “Delivering Skills for Today and Tomorrow”, there is very little additional funding overall for education and training. Policy and program settings have not substantially changed. In early childhood education, there is no long-term secure plan to ensure it is available for all pre-schoolers. For schools, any increase in funding is due to rises in student numbers while the National School Reform Agreement of 2018 remains with proportions allocated to public schools still not meeting Gonski<sup>1</sup> recommendations.

In VET, funds have been redirected from some existing programs into new programs and two new agencies are to be created, the National Skills Commission and a National Careers Institute with 10 Industry Training hubs to support unemployed youth into training to fill skill shortages. There are no targeted initiatives to increase access and support for women and girls to post-school education. For higher education, the government has trumpeted its \$17.7 billion investment, but there is no additional recurrent funding for universities in the budget and there will be additional charges on institutions from HELP administration and TEQSA full cost recovery. HELP loan repayment scheme changes with significant impact on women have not been reversed except for teachers in very remote areas. There are only CPI increases for the Youth Allowance and Austudy.

Education and training remains an almost blank page as far as attending to NFAW priorities and issues.

## Employment

The 2019 budget seems to take the view that as long as women’s employment continues to grow, its shape can be left to the market. There are small but welcome measures to prevent abuse of the most vulnerable workers at one end of the spectrum and, at the other end, to assist the most highly educated women entering STEM industries. There are, however, no measures to support the longer term professionalisation of the industries providing social infrastructure such as health care and social assistance. These female-dominated industries are notoriously casualised, undervalued and low skilled. The professionalisation of the sector through the re-valuation and restructuring of work underpinned by awards and access to bargaining is as important to those receiving aged, child and disability care as it is to those delivering the services. The current state of our social infrastructure is a direct consequence of Commonwealth programs as price setters for labour. Other NFAW recommendations addressing the future of paid parental leave were not addressed.

## Health

Overall the additional investments in health lacked a strategic direction and the continued lack of investment in preventative health care is failing to address to underlying drivers of higher health care costs. NFAW renews its calls for the government to establish a preventative health care agency to inform investments in cost effective preventative health care. The budget delivered the end of the Medicare freeze with the re-introduction of indexation on remaining GP items, however the impact of the freeze continues and Australians will continue to pay more to visit their GP. As the major users of GP services for themselves and their children, women continue to be disproportionately impacted by higher out of pocket costs. There is a welcome investment in breast cancer services in this budget including greater funding for diagnostic imaging and funding for breast cancer nurses. However, there is a need for a systematic approach so that all women with breast cancer benefit from the gold standard care of a breast care nurse.

## Reducing violence against women and their children

The government's financial commitment of \$328.0 million in initiatives to reduce domestic and family violence against women and children is welcomed. However, the 2019-20 budget is unlikely to deliver an identifiable reduction in violence against women and their children across Australia any time in the foreseeable future. There are still major gaps and the individual measures are not situated within a well-designed and fully funded national strategy developed jointly with the states and territories. The Commonwealth's funding contribution to *the Fourth Action Plan of the National Plan to Reduce Violence against women and their children 2010 - 2022* is not sufficient to deliver the significant and sustained reduction in violence against women and their children across Australia promised in the National Plan.

While the modest recognition of economic and financial abuse is a step in the right direction, there is a lack of acknowledgement that it is facilitated by a complex interplay of policies, systems and norms. The certainty in funding for community legal services, after a long delay in announcing any funding arrangements beyond July 2020, is very welcome. But the decision to deliver funding through a single mechanism from 1 July 2020 is concerning. Not only will it put community legal centres (CLCs) into direct funding competition with each other wasting precious resources; it may unduly force amalgamations; and, without specific allocated funding for specialist legal centres including the Aboriginal and Torres Strait Islander Legal Services (ATSILS), there is concern that their work may be subsumed into broader CLC services.

## Infrastructure

Measured against the infrastructure priorities for women that we have identified, the 2019 budget is bad for women. Overall this budget fails to implement Australia's recent commitment at the UNs Commission on the Status of Women (CSW 63) to ensure the participation and leadership of women and girls as producers and users of infrastructure. Government procurement policy is the fulcrum to accelerate gender equality. It can establish norms in planning requirements that design to accommodate women's differing interactions with public infrastructure and in infrastructure construction, as well as advance women's workforce participation. This budget missed that opportunity. No consideration is given to the need to balance physical infrastructure with social infrastructure in response to population growth.

## Energy

Measured against the energy priorities for women that we have identified, the 2019 budget is a token at best. Overall the energy measures are dismissive of women's energy poverty. A one-off payment is not a policy solution to energy costs—it is the deferral of a policy solution. The interactions of energy and climate change are not addressed – a 'technology neutral investment' scheme is at best a deferral of decision-making about energy generation. Further, without the requirement for gender analysis in feasibility studies and program design of new energy programs, the measures are a missed opportunity to advance women's workforce participation and economic security through smart procurement.

## International aid

Despite years of justifying cuts to the aid program with reference to the budget deficit, the Government has cut a further \$117 million from Australia's Official Development Assistance (ODA) budget, while announcing an overall budget surplus of \$7.1 billion. This brings Australia's total aid budget down to \$4.04 billion, or just 21 cents for every \$100 of national income and is inconsistent with the feminist foreign policy approach NFAW has called for. Additionally, further cuts have been made to programs in Asia in order to fund the "Pacific step-up." In particular, DFAT-administered aid to Pakistan has been cut by 50% despite significant development and gender equality challenges, such as 85% of women experiencing domestic violence in their lifetime and women making up just 8% of parliamentary representatives.

Importantly, the Gender Equality Fund has been maintained at \$55 million. However, overall a reduced aid budget will disproportionately affect diverse women and girls in our region and the world, as women and girls are more disadvantaged globally across many dimensions of poverty.

Moreover, this budget has been delivered alongside the annual *Performance of Australian Aid Report 2017-2018*, which shows that, for the fourth consecutive year, the gender performance target (that 80% of investments address gender issues) has not been met; indeed, performance against the target has gone backwards. This points to systemic issues within DFAT (and the Australian Government more broadly) in building gender equality machineries with the capacity to ensure that there are no unintended or harmful gendered impacts of policy and budget initiatives. Political will and resourcing need to be aligned to ensure that gender equality expertise is built across DFAT, including increased resourcing for the Gender Branch as they support this approach.