

Budget 2020 – Gender-responsive Budgeting

Gender-responsive Budgeting

The 2020-21 budget speech recognises that women’s employment was worst affected by COVID-19. The budget itself stimulates male-dominated jobs and industries. Tax cuts also favour men. The budget plan for female-dominated service industries is to “continue to guarantee the essential services Australians rely on. Without increasing taxes”. NFAW recommends that the government adjust its stimulus spending to target social as well as physical infrastructure. We also recommend that it enhance its sources of gender-responsive budgeting and attend to their advice.

Gender-responsive Budgeting

The Budget

The [Government’s \\$74 billion JobMaker Plan](#) is the main plank of the Government’s Economic Recovery Plan for Australia, designed ‘to support a stronger economic recovery and bring more Australians back to work’. Out of the \$74b committed by the Plan, the Government will provide \$231.0 million over four years from 2020-21 for the Second Women’s Economic Security Package.

The Second Women’s Economic Security Package includes temporary concessional work test arrangements for Paid Parental Leave and \$2.1m to address workplace sexual harassment. In terms of job-making, 83 per cent of the budgeted funds are allocated as follows:

- \$47.9 million over four years from 2020-21 to increase grants for the *Women’s Leadership and Development Program*, including funding for the Academy of Enterprising Girls and Women Building Australia
- \$35.9 million over five years from 2020-21 to increase the number of co-funded grants and mentoring to women-founded start-ups under the *Boosting Female Founders Initiative*
- \$25.1 million over five years from 2020-21 to establish a *Women in Science, Technology, Engineering and Mathematics (STEM) Industry Cadetship* program for 500 women
- \$24.7 million over four years from 2020-21 to streamline the servicing arrangement of ParentsNext, and

- \$14.5 million over four years from 2020-21 to extend existing initiatives supporting girls and women to gain STEM skills and capabilities, including a *STEM Ambassador, Women in STEM Entrepreneurship Grants Program* and the *Girls in STEM Toolkit*.

JobMaker Plan — Second Women’s Economic Security Package

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of Social Services	105.4	23.9	1.1	-
Department of the Prime Minister and Cabinet	22.6	12.6	8.0	4.7
Department of Industry, Science, Energy and Resources	7.7	8.0	14.6	13.6
Services Australia	6.8	-0.1	-0.9	-0.9
Department of Education, Skills and Employment	6.2	17.0	21.2	0.3
Attorney-General's Department	0.6	1.1	0.5	-
Total — Payments	149.3	62.5	44.5	17.7
<i>Related receipts (\$m)</i>				
<i>Australian Taxation Office</i>	<i>35.0</i>	<i>8.0</i>	<i>-</i>	<i>-</i>
<i>Department of Education, Skills and Employment</i>	<i>-</i>	<i>-</i>	<i>..</i>	<i>..</i>
Total — Receipts	35.0	8.0

Source: 2020 Budget Paper No 2, p.67.

Gender implications

Why is this an issue for women?

The 2020 [Budget Speech](#) acknowledged that women’s employment was worst affected by COVID-19. The budget itself does not. Either the Government lacked gender-aware advisers when it built the budget or it was deaf to them. Where are the advisers?

- **At a National Cabinet level:** The Council on Federal Financial Relations that guides the spending of the new National Federation Reform Council (including the National Cabinet) on COVID recovery only receives advice on spending on violence against women. There is no Women’s Ministerial Forum to address employment, social services, education, taxation or any other issues.
- **At a Commonwealth Level:** The Expenditure Review Committee (ERC), which guides the Government’s own internal budget decision-making, was made up of five men between December and June, when Government announced \$688 million for the construction industry, and removed the child care sector from JobKeeper support. Social Services Minister Anne Ruston joined them shortly afterwards, making it five men and one woman.
- There is also a Minister for Women, outside ERC, who is advised by the Office for Women, who released the [Women’s Economic Security Statement](#) (after some reported difficulty) on budget night.

The effectiveness of these advisory mechanisms is measurable by the budget outcome. Were they able to deliver a gender-equitable budget?

What are the 2020 Budget impacts on women?

The JobMaker Plan is the budget centrepiece. The Plan is made of measures including job credits, industry stimulus packages, infrastructure investment, tax write-offs and skills development. As a package it is comprehensively skewed to favour men's employment:

- JobMaker stimulates male-dominated industries: construction (87.9 per cent male); manufacturing (72.9 per cent male); electricity, gas, water and waste (74.4 per cent male)) and sectors that invest in big machines – construction (again), mining (84.1 per cent male) and agriculture (70.1 per cent male) (see Taxation – Business Overview section). Of course women, like men, get the use of roads and waste facilities; but they miss out on much of the direct employment stimulus effect despite being employed in the sectors worst affected by COVID-19.
- The piece of the full JobMaker package that actually targets women, the Second Women's Economic Security Package, received 0.3 per cent of the JobMaker budget overall. In terms of job-making, 83 per cent of the funds budgeted for women's economic security involve urging women to move into male dominated businesses or to start their own.
- The budget plan for female-dominated service industries is to "continue to guarantee the essential services Australians rely on. Without increasing taxes".

In short, the budget broadly fails women's employment. Its most positive measure is the retention of wage supplementation for women working in the community services sector (see Social and Community Services equal remuneration funding section). While that measure will not actually stimulate additional jobs in the sector, it will at least prevent additional job losses.

What could the Budget impacts have been?

NFAW has commissioned independent simulations of what would have been the impact of increased government expenditure in the care sectors. The modelling shows that:

- Supporting carers with additional government-funded service delivery and higher wage growth in the child care, aged care and disabled care sectors would increase GDP by an estimated 1.64% percentage points relative to what it otherwise would have been in 2030. The investment would add more than an estimated \$30 billion per year to the economy in 2018-19 price.
- Costs would be partially recouped in increased income and consumption tax revenue, offsetting the estimated \$19 billion costs in 2030 with a net impact on the deficit of less than \$3 billion.

The government has produced blue collar solutions to a pink-collar recession. This represents a significant missed opportunity for both jobs stimulus and accessible care.

When these findings are set against the design of the overall JobMaker Plan, it becomes clear that the government is in need of a better gender lens than has been provided to National

Cabinet or to ERC. Stronger machinery of government for women at the political level would also increase the influence of bureaucratic level advice offered by the Office for Women.

Recommendations

1. NFAW recommends that a Women's Ministerial Forum be established to guide the spending of the new National Federation Reform Council (including the National Cabinet) on employment, social services, education, taxation and other issues. We also recommend that ERC routinely co-opt expertise on gender responsive budgeting to inform its decision-making and that submissions to ERC be required to incorporate a gender lens.

We note that important recommendations relating to increased government expenditure in the care sectors are made in the Budget Overview section.