Budget 2020 – Employment: JobKeeper

JobKeeper Overview

The original design of JobKeeper did not distinguish between payments made to full-time workers and those made to part-time workers. Some commentators regarded this as unfair to those who held full-time positions and others described it as a stimulus measure for the lowest paid. The July 2020 Economic and Fiscal Update introduced differential JobKeeper payments for full-and part-time workers, reducing costs and making way for a refocus on range of stimulus measures targeting high paid men and male dominated industries. Twice as many women as men are affected by the JobKeeper cuts for part-timers. The payment falls again in December and disappears in March. JobKeeper 2 continues to exclude support for people working in female dominated industries (universities and child care) and for casuals not classed as regular and systematic – around 950,000 of them—who also make up a female dominated group. Those over 35 in that group – mainly women -- will be excluded from JobMaker payments as will those unable to work 20 or more hours a week because of childcare costs.

JobKeeper

The Budget

COVID-19 Response Package — JobKeeper Payment

Payment ($m)

	2019-20	2020-21	2021-22	2022-23	2023-24
Australian Taxation Office	20,576.0	65,125.7	-	-	-

Source: 2020 Budget Paper No 2, Appendix A: Policy decisions published in the July 2020 Economic and Fiscal Update, p. 277.

The JobKeeper Payment, originally due to run until 27 September 2020, will continue to be available to eligible businesses until 28 March 2021. However, the payment rate of $1,500 per fortnight has been reduced to $1,200 per fortnight from 28 September 2020 and will fall further to $1,000 per fortnight from 4 January 2021. For part-time workers, the subsidy was sliced to $750 from 28 September 2020 and from 4 January 2021 will fall to $650 until it ends on 28 March 2021.

From 28 September 2020, and again from 4 January 2021, businesses and not-for-profits seeking to claim the JobKeeper Payment will be required to demonstrate that they have suffered a decline in turnover using actual rather than projected GST turnover.

Gender implications

Why is this an issue for women?

Because employment is gendered, the impact of COVID-19 on employment has also been gendered, and because women are disproportionately represented in direct contact employment and the retail and hospitality industries, more women than men are losing their jobs. In the early stages of the epidemic, between March and April, hours worked by males fell 7.5% but for females the fall was 11.5%.

- In fact, it is not 'all about the sparkies'. According to the ABS, between 14 March 2020 and 22 August 2020, the number of payroll jobs in Accommodation and food services fell by 21.1% and wages fell by 13.9%. The corresponding figures for construction are 5.8% and 9.4%.
    - While a number of female-dominated industries benefitted from JobKeeper, industries with high levels of female employment were excluded, such as local government (55% female workforce in Victoria), and universities (58% female workforce nationally). Since 20 July 2020, childcare workers have also been excluded (95% female).

Apart from industrial segregation, three other factors were critical to the impact of the JobKeeper scheme on women: the number of women in part time work; the number of women in irregular casual work; and women's reliance on child care to access work.

- Nationally, 22% of women work fewer than 20 hours a week compared to 10.6% of men. This meant that women were likely to be among the 20% of JobKeeper recipients who benefitted from receiving the same $750 minimum weekly rate as full-time workers in the original JobKeeper design. The scheme was criticised by many analysts as unbalanced in favour of part-time employees, and others argued that the flat rate received by these low paid workers was a welcome welfare measure. In practice, it made JobKeeper easier to roll out quickly.

- The original design of the JobKeeper program included only those casuals employed on a regular and systematic basis during the relevant 12-month period. Cassels and Duncan have estimated that 950,000 casuals were excluded from this group, with the majority employed in the accommodation and food services, retail trade, and health care and social assistance sectors. A higher share of these workers are women. According to an analysis of data in the Treasury review, almost 750,000 employees of companies receiving JobKeeper were laid off because they were ineligible for wage subsidies. That would mainly be about 80% of the 950,000 largely female casuals excluded from JobKeeper.
    - Women over 35 in this group will be ineligible for JobMaker subsidies.

- Casuals do not have, and so cannot use, sick leave. The great majority of casuals are women. The lack of universal Paid Pandemic Leave has left many women vulnerable to the financial pressures of working while exposed to COVID-19. This has not only impacted their health, but the health of their colleagues and the wider community.

- Women are reliant on childcare to access work and hours of work. According to a national survey by *The Parenthood*, a third of parents (32%) surveyed will need to reduce days or remove their children altogether if their childcare fees return to pre-COVID-19 levels. Early support for the childcare industry was a welcome and critical support for women, especially those in frontline health and community support sectors.

    - However, the first plank in the government's plan to "snap back" to the pre-COVID-19 economy was to cancel free childcare.

What are the 2020 Budget impacts on women?

In practice, men are being targeted for government support through the design of tax cuts, of targeted industry assistance ('it's all about sparkies'), and now through Budget changes to JobKeeper.

- Effectively, JobKeeper, which in its original design resulted in increased weekly earnings for significant numbers of low paid women, is to be phased out in favour of permanent tax cuts targeting highly paid men. Men will get a bigger share of the tax cuts: in 2020/21 women get 40% but that drops to 31% in 2021-22, when the LMITO extension runs out (see Individual Taxation paper).

- The relevant date for employment eligibility has been moved from 1 March 2020 to 1 July 2020, increasing employee access to the scheme, but wholesale exclusions of child care workers, university staff, local government employees and an estimated 950,000 short-term casuals – all female dominated groups -- remain in place. Temporary visaholders continue to be excluded from both JobKeeper and JobSeeker (see paper on Impact on Migrant and Refugee Women).

- Instead, Budget initiatives target construction, gas, telecommunications and manufacturing.

Recommendations

1. NFAW recommends that, given the removal of stimulus payments made to low paid women through JobKeeper, the Government provide alternative support for workplace participation by significantly reducing the costs of childcare.

2. Given that the nearly three quarters of a million casuals lost their jobs as a result of the JobKeeper casual exclusion, NFAW recommends that the Government redesign the JobMaker Hiring Credit to ensure that unemployed women in that group are not also excluded from that program. This includes addressing age cutoffs, minimum hours requirements and childcare costs.

3. A national paid pandemic leave scheme is required. NFAW endorses the call from both unions and business for the Federal Government, together with relevant States, to provide for and fund a national Paid Pandemic Leave Scheme by amending the Fair Work Act to incorporate a leave entitlement consistent with the decision of the Fair Work Commission in relation to the Aged Care Awards and providing for reimbursement to business to facilitate the leave entitlement.

Budget 2020 – Employment: JobMaker

JobMaker Hiring Credit

Employment programs need to address the differing workforce participation patterns and barriers for women. The JobMaker Hiring Credit does not do this. The 20 hour per week minimum work requirement fails to take into account childcare costs and high Effective Marginal Tax Rates, which would leave a mother of two – on the median female wage with a working partner – with less than $31 dollars for any day's work after her first 8 hours. At the same time, JobMaker encourages employers to restructure full-time jobs to maximise 20-hour, 12-month jobs which tend to lock in low-skilled, high-turnover work. Finally, and critically, JobMaker builds age discrimination into employment support. This is a problem for both men and women, but it is a greater problem for older women – the group that is already most likely to retire into poverty.

JobMaker Hiring Credit

The Budget

JobMaker Plan — JobMaker Hiring Credit

Payments ($m)

	2020-21	2021-22	2022-23	2023-24
Australian Taxation Office	850.0	2,900.0	250.0	-

Source: Budget Paper 2, p.162.

The Government is providing $4.0 billion (excluding administrative costs) over three years from 2020-21 to support organisations to take on additional employees through a hiring credit. An employer can only receive the JobMaker Hiring Credit for 12 months for each additional position created.

Since 7 October 2020, eligible employers have been able to claim $200 a week for each additional eligible employee they hire aged 16 to 29 years old; and $100 a week for each additional eligible employee aged 30 to 35 years old. New jobs created until 6 October 2021 will attract the JobMaker Hiring Credit for up to 12 months from the date the new position is created.

To be eligible, the employee must have received the JobSeeker Payment, Youth Allowance (Other), or Parenting Payment for at least one of the previous three months at the time of hiring.

Gender implications

Why is this an issue for women?

Employment programs need to address the differing workforce participation patterns and barriers for women if they are to be effective for women and for the economy.

What are the 2020 Budget impacts on women?

The JobMaker Hiring Credit is gender blind, which means that it ignores the impact of women's caring responsibilities and of gender-focused age discrimination in its design. Its effectiveness is correspondingly reduced for both eligible and ineligible women.

Eligible women (16-35)

- *Childcare*: The 20 hour per week minimum work requirement fails to take into account women's caring responsibilities and the cost of child care – this barrier has increased as family incomes contract under COVID.

According to a national survey by The Parenthood, a third of parents (32 per cent) surveyed will need to reduce days or remove their children altogether if their childcare fees return to pre-COVID levels. The first plank in the government's plan to "snap back" to the pre-COVID economy was to cancel free childcare, thus effectively undermining the scope for carers, mainly women, to join a recovery.

- *Women returning to work* after caring for young children will be likely to fall into the 30-35 group, which only attracts half the subsidy of women 16-29.

Women, and especially single parents, are more likely to take time out of the paid workforce to care for children or elderly parents. This creates a gap in their careers and résumés which typically makes it harder to get back into employment. This problem is exacerbated by the tiered effect of JobMaker, which doubles the rebate for the younger group.

Further, women leaving paid parental leave will have to apply for and access one of the specified income support programs before qualifying for JobMaker.

- *The scheme encourages employer to restructure to maximise 20-hour, 12-month jobs*.

The Jobmaker rules appear to allow a worker on roughly a 38-hour week to be replaced by two young workers on 20 hours each. The employer increases their headcount and payroll (just), while pocketing $400 a week in subsidies. This incentive multiplies across larger businesses such as major aged care centres or social service providers as well as hospitality or retail chains -- workplaces where job design already favours part-time, casual, high turnover jobs outside management.

While NFAW agrees that young people face a difficult transition to work in a recession, we note ILO research findings that while generous and long-lasting hiring subsidies targeted at disadvantaged youth can have substantial positive and long term effects, short-term hiring programmes "are only effective if they comprise a substantial training element".

In the case of young women the case for longer lasting subsidies is even stronger. Female-dominated sectors are already often characterized by part-time, casual, high turnover jobs intended for women whose choices are limited by the high costs of child care and high EMTRs. This is a pattern that needs to be reversed, not extended. COVID has shown how these jobs need to be restructured to prevent multiple jobholding and to improve job quality and retention.

Ineligible women (35+)

- Age discrimination is a problem for both men and women, but it is a greater problem for women than men. JobMaker builds age discrimination into employment support.

A 2018 Human Rights Commission survey found one in three HR professions would not hire someone above a certain age – and 65 per cent nominated over 50 as "too old". Other research has found older jobseekers are often seen as "rusty" or "threatening" (because they're overqualified for entry-level positions). Older women face a further "appearance bar" that makes them "invisible".

All of these factors, including program design, may account for the poor take-up of the Restart package, to which the government points when concerns are raised about older workers. According to reports, the government has spent less than half what it planned for the Restart wage subsidy program, and more than 40 per cent of those receiving wage subsidies were out of a job within three months. Older workers between 35 and 50 lose out all around.

According to the Parliamentary Budget Office, before COVID-19 and *regardless of any government programs then in place*, the number of women on JobSeeker was higher than the number of men among those aged 45 and older, with women aged 60 and over accounting for more than 8 per cent of all recipients. While the increases in JobSeeker recipient numbers since COVID-19 are higher for men than women, data on job losses shows more women leaving the labour force altogether, in part reflecting higher concentration of women in the industries most affected by the early stages of COVID-19 restrictions (pp. 9, 23).

Further, the PBO Jobseeker analysis also indicates that 15 per cent of full exemptions from mutual obligation requirements that went to women were based on their already having part-time or voluntary employment, typically in the service sector (figure 2-11). If employers in the service sector take up the subsidy they will potentially displace the women who would usually take up this work. In any event, there is an incentive to actively replace older with younger workers, especially where casualisation means older workers can be dropped by employers by simply leaving them off the roster.

In the absence of added stimulus funding for social infrastructure jobs, JobMaker's age restrictions will serve to entrench unemployment among older women – the group that is already most likely to retire into poverty (see Older Women paper).

Modelling commissioned by NFAW shows that additional government-funded service delivery and higher wage growth in the child care, aged care and disabled care sectors could underpin additional economic growth such that GDP in 2030 would be 1.64 per cent cent higher than it otherwise would have been. This is equivalent to an average of $1266 per person per year in 2018-19 prices, or more than $30 billion per year in aggregate (see Budget Overview section).

Recommendations

1. NFAW recommends that the JobMaker Hiring Credit be changed to remove the tiering of funding and to permit women on paid parental leave to access the program without first having to will have to apply for and spend a month on one of the specified income support programs.

2. The costs of childcare continue to restrict women's access to paid employment. We have made a number of recommendations to address this issue (see Child Care paper).

3. NFAW recommends that Government provide additional stimulus funding targeting social infrastructure to provide accessible, quality care, to encourage employment and to enable employers to provide ongoing, professionalised jobs (see Gender Responsive Budgeting paper).

Budget 2020 – Employment

Social and Community Services equal remuneration funding

After considerable uncertainty, the Budget has provided funding to implement the Equal Remuneration Order for the social services sector workforce through to the end of the 2023-24 financial year. The funding applies to programs in the Social Services and Attorney-General's portfolios. This measure is very welcome. Doubt remains, however, about supplementary funding for equal remuneration in a number of services that are funded by other agencies or under partnership agreements, such as housing.

Social and Community Services equal remuneration funding

The Budget

Ongoing Funding for Frontline Social Services Impacted by the Cessation of the Social and Community Services Special Account

Payments ($m)

	2020-21	2021-22	2022-23	2023-24
Department of Social Services	0.2	43.6	44.1	44.7

2020 Budget Paper No 2, p. 157.

The Government has committed $132.6 million over four years from 2020-21 to deliver ongoing funding for frontline social services supporting children and families in areas of entrenched socio-economic disadvantage and people with disability.

Expediting Family Law and Federal Circuit Court Matters

Payments ($m)

	2020-21	2021-22	2022-23	2023-24
Attorney-General's Department	8.1	28.9	29.1	29.5

2020 Budget Paper No 2, p. 56

The Budget provides $87.3 million over three years from 2021 22 to maintain funding for family law services funded under the Family Relationship Services Program, following the cessation of the social and community services wage supplementation funding.

Gender implications

Why is this an issue for women?

In 2012 the Fair Work Commission made a landmark decision that addressed the gendered undervaluation of work performed by the 500,000 strong social services sector workforce that is 80% female. Under the Commission's Equal Remuneration Order (ERO), wages were increased by up to 45 per cent over eight years. Most governments across Australia, including the Commonwealth, provided additional funding to ensure that community sector organisations met their ERO obligations without cutting staff.

Commonwealth funding was not budgeted beyond June 30, 2021 for existing programs. New programs were expected to incorporate ongoing ERO funding in their base as they were established. Since 2012, a number of Commonwealth programs reliant on Social and Community Services Wage Supplementation have in fact been redesigned or transitioned to new funding arrangements, eliminating the need for supplementation.

Before the Budget, supplementation funding was also included for disability services transitioning through to the National Disability Insurance Scheme (estimated at $330M a year) as part of the NDIS pricing structure, as well as in funding agreements for community legal centres and Aboriginal and Torres Strait Islander legal services under the National Legal Assistance Partnership Agreements.

Since award rates are legal minima, loss of supplementation for the remaining organisations would have meant job cuts to services in more than 460 organisations serving to families and children, now carrying the added responsibilities of bushfire and COVID-related support.

What are the 2020 Budget impacts on women?

The Government has agreed to increase base funding for programs impacted by the cessation of ERO supplementation, acknowledging that "It is important that social and community services are able to attract and retain a workforce that delivers critical frontline social services to vulnerable Australians – especially during recent times with bushfires and the coronavirus."

This funding will support around 720 grant agreements delivering services to around one million people across Australia including:

- Commonwealth Financial Counselling Services and National Debt Helpline
- Financial Crisis and Material Aid: Emergency Relief services
- Family and Relationship Services Specialised Family Violence Services
- Communities for Children Facilitating Partners
- Children and Parenting Support Services
- Reconnect Program
- Intensive Family Support Services
- National Find and Connect

- Family Mental Health Support Services – Community Mental Health, Early Intervention for Children, Young People and their Families
- National Disability Advocacy Program.

Some uncertainty remains for a number of services that are funded by other agencies or under partnership agreements.

- Budget Paper No 3 (p. 41) notes, for example, that "until 30 June 2021, Australian Government funding includes supplementation to assist with increases in wage costs arising from the Fair Work Commission's Social, Community and Disability Services Industry Equal Remuneration Order 2012."

- We understand from ACOSS that here is a commitment across government to fund ERO supplementation for ongoing grants and that other agencies are to advise how they will do this. Supplementation for funding grants under state/territory/federal partnership agreements will have to be discussed with state and territory government partners.

Recommendations

1. NFAW congratulates Minister Rushton for delivering this essential support to the social and community services sector and to the practice of providing equal remuneration for women. We recommend that the Government act quickly to ensure the remaining services in the sector whose ERO supplementation is due to expire receive supplementation.

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Budget 2020 – Paid Parental Leave

Paid Parental Leave Overview

The $130.4m allocated to increase the flexibility of the Paid Parental Leave Scheme and to help women and their partners navigate the COVID-19 Pandemic and plan their families is very welcome.

The Government has again missed an opportunity to complete unfinished business on paid parental leave in Australia, to ensure it is a key element in advancing gender equality, particularly since this was intended to be a nation-building Budget.

Paid Parental Leave

The Budget

One of the largest items in the 2020 Women's Economic Security Statement is $130.4m allocated to improve access to paid parental leave and increase the scheme's flexibility. $90.3m of this is a temporary response to COVID-19 disruptions relaxing the work test arrangements for parents to qualify for the payments. It applies to births between 22 March 2020 and 31 March 2021 and allows parents to qualify for the payment if they have worked at least 10 of the 20 months instead of the previous 10 of 13 months. (Budget Paper No. 2, 2020, p. 67). JobKeeper payments count as qualifying work for these purposes (Australian Government, Women's Economic Security Statement 2020, Department of the Prime Minister and Cabinet, Office for Women, Canberra, 2020, p. 40).

Program 2.2 - Paid Parental Leave

	2019-20 Estimated actual $'000	2020-21 Budget $'000	2021-22 Forward estimate $'000	2022-23 Forward estimate $'000	2023-24 Forward estimate $'000
2.2.1 - Component 1 (Dad and Partner Pay)					
Special appropriations					
Paid Parental Leave Act 2010	129,681	146,088	144,708	146,976	150,186

Program 2.2 - Paid Parental Leave					
Total component 1 expenses	129,681	146,088	144,708	146,976	150,186
2.2.2 - Component 2 (Parental Leave Pay)					
Special appropriations					
Paid Parental Leave Act 2010	2,269,882	2,130,994	2,138,474	2,264,339	2,378,717
Total component 2 expenses	2,269,882	2,130,994	2,138,474	2,264,339	2,378,717
Total Program expenses	**2,399,563**	**2,277,082**	**2,283,182**	**2,411,315**	**2,528,903**

Source: Department of Social Services Portfolio Budget Statement, Table 2.2.2, p. 75. See also: Department of Social Services Portfolio Budget Statement Table 2.2.1: Budgeted expenses for Outcome 2, p. 71.

The 2020 Women's Economic Security Statement also includes a 2018 Women's Economic Security Statement measure which was legislated and came into effect in July 2020. This measure increases flexibility and facilitates better sharing of time between carers, by allowing six weeks of leave to be taken flexibly at any time during the two years following the birth or adoption of a child (Australian Government, Women's Economic Security Statement 2020, Department of the Prime Minister and Cabinet, Office for Women, Canberra, 2020, p. 40).

Gender implications

Why is this an issue for women?

Paid parental leave is an essential support for women to balance their childbearing with paid work and to enable women to take the necessary time out of paid work to recover from childbirth and bond with their infant. It is such an essential provision it is included as a right in the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. When Australia introduced its paid parental scheme, it was one of only two OECD nations, along with the USA, that did not have a comprehensive scheme. Since its introduction, the scheme has helped Australian women to balance their paid work and family obligations.

What are the 2020 Budget impacts on women?

The measures included in the 2020/21 Budget are very welcome adjustments to support women and their partners navigating the COVID-19 Pandemic and planning their families. The flexibility measures that came into effect in July are positive.

However, as NFAW noted in a July 2020 submission, the scheme as introduced contained a number of compromises. 'The review of the scheme in 2014 identified many areas where the scheme has improved outcomes as intended, but other areas where further thought and reform are necessary.' (National Foundation for Australian Women Submission to the Senate Community Affairs Legislation Committee Inquiry into the Paid Parental Leave Amendment (Flexibility Measures) Bill 2020, p. 5).

The overall cost of the Paid Parental Leave Scheme is projected to reduce for 2020/21 and 2021/22 since the Government estimates the fertility rates of Australian women will reduce in response to the Pandemic before climbing again from 2022/23. It estimates that in 2021/22, the Total Fertility Rate will drop to its lowest rate ever of 1.58. (Budget Paper No. 3, Appendix A: Parameters and Further Information, p. 86, 2020).

This modelling recognizes the effect of the economy and social services on the decisions Australian women and their partners make on whether to have a child.

It is therefore a pity that the Government did not take the opportunity to complete this unfinished business for Australian women and families in what was intended to be a nation-building Budget.

Recommendations

1. The Government should address outstanding issues around the Paid Parental Leave Scheme, including to implement outstanding NFAW recommendations to:
   - ensure all employees are eligible for 26 weeks leave at least at the minimum wage;
   - increase the duration of Dads' and Partners' Pay to at least four weeks;
   - include Superannuation Guarantee payments in parental leave and DAPP;
   - amend the National Employment Standards to address mismatch in the eligibility requirements for unpaid and paid parental leave;
   - model other changes that could be built onto these fundamental changes to the scheme; and
   - ensure the scheme encourages more equal sharing of paid and unpaid work between women and men.

References

Commonwealth of Australia (2020), Budget Paper No 2 2020–21: Budget Measures https://budget.gov.au/2020-21/content/bp2/download/bp2_complete.pdf.

Commonwealth of Australia (2020), Budget Paper No 3 2020–21 Appendix A: Parameters and Further Information https://budget.gov.au/2020-21/content/bp3/download/bp3_15_appendix_a.pdf.

Commonwealth of Australia (2020), Social Services Portfolio Budget Paper https://www.dss.gov.au/about-the-department/publications-articles/corporate-publications/budget-and-additional-estimates-statements-budget-2020-21/portfolio-budget-statements-2020-21-budget-related-paper-no-112.

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National Foundation for Australian Women Submission to the Senate Community Affairs Legislation Committee Inquiry into the Paid Parental Leave Amendment (Flexibility Measures) Bill 2020, https://nfaw.org/news/nfaw-submission-into-ppl-inquiry-2/.

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.

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Budget 2020 – Working from Home

Working from Home Overview

Working from home has been a workplace flexibility option for decades but had not been widespread until it became necessary for nearly half of Australians in paid work during the COVID-19 response. The Government missed an important opportunity in the 2020/21 Budget to support the flexibility and productivity benefits of working from home and to ensure that it promotes more equal sharing between women and men of paid work and family obligations. Without specific measures funded through the federal Budget, there is a risk that gender inequalities in the management of these obligations will be further entrenched.

Working from Home

The Budget

The 2020/21 Budget contained no specific measures to support those working from home during the COVID-19 Pandemic or beyond, to help families to balance their paid work and family obligations. However, at the beginning of the Pandemic, the Australian Taxation Office (ATO) made available a simplified method of reporting expenses related to working from home for the purpose of tax deductions. In early October these temporary arrangements were extended until 31 December 2020. These arrangements allow the taxpayer to claim 80 cents for each hour worked at home to cover costs such as electricity and internet expenses, and the use of ICT and office furniture. There are also more complex methods of calculating tax deductions for working from home and these remain unchanged. (Australian Taxation Office Home Office Expenses).

Gender implications

Why is this an issue for women?

Women remain overwhelmingly responsible for unpaid care and domestic responsibilities in Australia. The Office for Women notes that, prior to the COVID-19 Pandemic, women devoted twice as many hours to these family obligations as men did. (Australian Government, Women's Economic Security Statement 2020, Department of the Prime Minister and Cabinet, Office for Women, Canberra, 2020, p. 38; see also Work and Family section). As a consequence, women are able to devote less time to paid work and are more likely to access flexible work measures to accommodate their unpaid care and domestic responsibilities.

Prior to the Pandemic, working from home was a flexibility measure less often used by families in Australia, with, for example only 15 per cent of Australian public servants accessing these arrangements in 2019 (Linda Colley & Sue Williamson, Working during the Pandemic: From resistance to revolution? UNSW & CQU, Canberra, 2020, p. 2).

The COVID-19 Pandemic saw a massive and immediate increase in working from home by women and men in paid work. The Australian Bureau of Statistics reports that nearly half of Australian men and women in paid work were working from home either all or part of the time in June (44 per cent) and August (45 per cent) (Australian Bureau of Statistics, Household Impacts of COVID-19 Survey, 6-10 July 2020, Cat 4940.0).

During the Pandemic, 80 per cent of women and 39 per cent of men reported doing most of the unpaid domestic work in their household; women were more than three times as likely to report they did most of the unpaid caring work (Australian Government, Women's Economic Security Statement 2020, Department of the Prime Minister and Cabinet, Office for Women, Canberra, 2020, page 38, citing Australian Bureau of Statistics, Household Impacts of COVID-19 Survey, 6-10 July 2020, Cat 4940.0.)

The ATO arrangements noted above, of course, apply to women and men equally on their face. However, media reports suggest that they only apply where the taxpayer is working in a specifically designated office, or where they are using a communal space such as a dining room exclusively (Samantha Maiden 'Tax deductions extended for Australians working from home' News.com.au 1 October 2020).

Given women's greater role in providing unpaid care for children and other family members, women are more likely to be working in a communal space shared with others and so may be less likely to make use of the simplified tax deductibility arrangements. (See also Lyn Craig, 'Coronavirus, domestic labour and care: Gendered roles locked down' Journal of Sociology 2020, 1-9, p. 5). It will be important for the Government to monitor the take up of these arrangements by gender and the amount of deductions accessed by women and men.

One of the unforeseen consequences of the Pandemic has been a massive reassessment of the flexibility and productivity benefits of working from home. A recent report by Williamson and Colley, based on a survey of over 6,000 federal public servants suggests that employees felt more productive and enjoyed benefits including better ability to balance paid work and caring responsibilities. Importantly, managers also recognized the productivity benefits, with over 90 per cent of managers concluding that their teams were equally as, or more, productive when working from home.

The authors note that policy may now be lagging behind practice, that there is considerable scope for policy and work design to support greater working from home by Australian employees, and that this may be '…a key piece in the puzzle of reconciling work and caring responsibilities' (Linda Colley & Sue Williamson, Working during the Pandemic: From resistance to revolution? UNSW & CQU, Canberra, 2020 p. 2).

As we move out of the Pandemic and women and men are able to return to work, employees may prefer to continue to work from home either all or part of the time, a survey by Boston Consulting Group suggests. However, its survey found that men were considerably more enthusiastic about returning to the office than women (62 per cent compared to 53 per cent)

(Daniel Ziffer, 'Most workers want 'hybrid' jobs at the office and at home after coronavirus, study finds' ABC News 23 June 2020).

Not all workers are able to access working from home equally as a way of managing paid work and family responsibilities. A recent World Bank survey of 36 nations demonstrates that women are more able to work from home, given the types of employment they have, and that those with greater education and higher incomes are more able to work from home ('Who Can Really Work from Home' World Bank Blogs 28 May 2020). In Australia it is likely Indigenous and some immigrant families will be less likely to have privacy and technology available at home to work effectively. In thinking about the future of arrangements for working from home it will be important to take account of these equity issues.

All of this suggests that the Australian Government should have made provision in the Budget to support Australian families to better manage their paid work and family responsibilities, with working from home as a key element.

On the contrary, however, the Australian Public Servant Commissioner has recently called on public servants to return to work wherever it is safe to do so, following the lead of the Prime Minister, who is seeking to have '…our CBDs humming again' (Matthew Cranston, 'Public Servants Told to Go Back to the Office', Australian Financial Review, 29 September 2020). This both misses an opportunity to support public servants to work more productively and to support families to balance paid work and family obligations, and fails to show Australian Government leadership.

The Budget should have included support for employers to assess and implement ongoing arrangements and included campaigns aimed at households to encourage better sharing of unpaid caring and domestic obligations. It has failed to do so.

What are the 2020 Budget impacts on women?

The Australian Government has missed an opportunity to support Australian families, to increase productivity and usher in a new way of working.

Recommendations

1. The Government should monitor the take up of tax deductibility for working from home arrangements by gender and the deductions accessed by women and men.

2. The Government should support Australian families to better manage their paid work and family responsibilities, with working from home as a key element, through support for employers to assess and implement ongoing arrangements and campaigns aimed at households to encourage better sharing of unpaid caring and domestic obligations. Equity issues should be considered and support provided to ensure that this key paid work and family option is widely available.

3. The Government should lead the way in supporting Australian families to better balance their paid work and family obligations by developing equitable and supportive policies for Working from Home as a key part of workplace flexibility for federal public servants.

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Budget 2020 – Women in STEM

Women in STEM Overview

The Government has provided specific funding in the 2020-21 Budget to boost the number of women studying and working in STEM. This includes $25.1 million over five years from 2020-21 for a Women in Science, Technology, Engineering and Mathematics (STEM) Industry Cadetship program and $14.5 million over four years from 2020-21 to extend or expand existing initiatives that support girls and women to gain STEM skills and capabilities.

The additional funding for women in STEM is commendable. As noted in the Schools paper, students and teachers must be provided with STEM training to further boost Australia's future workforce capability in this area.

The funding for Women in STEM is comparatively meagre when compared with the funding provided in the 2020-21 Budget for supporting apprenticeship and traineeships, most of which is anticipated to support men and boys.

STEM

The Budget

A funding allocation of $25.1 million over five years from 2020-21 will establish a Women in Science, Technology, Engineering and Mathematics (STEM) Industry Cadetship program to support 500 women working in STEM industries to complete a four year Advanced Diploma through a combination of study and work integrated learning experiences. Employers and universities will collaborate to provide sandwiched programs combining study and work in STEM fields (see the Department of Education, Skills and Employment Portfolio Budget Statement 2020-21, page 15 and the Women's Economic Security Statement, page 26).

It has also provided $14.5 million over four years from 2020-21 to extend or expand existing initiatives that support girls and women to gain STEM skills and capabilities, including the Women in STEM Ambassador, Women in STEM Entrepreneurship grants program and Girls in STEM toolbox (Budget Paper No. 2, page 67-68, 2020-21).

Gender implications

Women continue to be under-represented in STEM subjects in schools, university and careers. According to the Department of Industry, Science, Energy and Resources' STEM Equity Monitor 2020, girls aged 12-17 years old in 2019 were less likely to aspire to a STEM related career than boys – 27 per cent compared with 42 per cent. This continues at university and in vocational education and training where women comprised on 21 per cent of total STEM course enrolments and 23 per cent of total course completions. In contrast, women comprised 64 per cent of students in non-STEM university course completions (STEM Equity Monitor, p. 8). In 2018, these figures were particularly poor for women who made up just 15 per cent of enrolments and 19 per cent of completions. In 2018, of all higher education enrolments, only 9 per cent of women were studying STEM courses compared with 35 per cent of men.

The STEM Equity Monitor also measures outcomes for women and men in STEM post-education. There is a significant pay gap for women in STEM fields from their very first job – women earn around $14,000 less than men following a VET qualification, and also less than men after most university and all post-graduate studies in STEM fields (p. 10). The STEM equity monitor has a detailed breakdown from the annual full-time median incomes for women and men STEM graduates by field of study (pp. 10-11).

The Government also has an Advancing Women in STEM 2020 Action Plan under its overall Women in STEM strategy, which is a commendable strategic document that highlights the necessity of action on STEM gender equity. Action areas set out in the Plan include enabling STEM potential through education (more women and girls studying STEM), supporting women in STEM careers (active recruitment and retention) and making women in STEM visible (helping women and girls see potential opportunities).

What are the 2020 Budget impacts on women?

The Budget allocation for Women in STEM is positive and will assist more girls and women study STEM subjects at school and higher education and work in STEM fields in the future. This is to be commended. However, the amount of funding provided is small particularly compared with the amount of funding allocated to boosting apprentice and trainee numbers, most of which will benefit boys and men.

Careful monitoring of the program design, participation and outcomes of the new STEM program is required to ensure that it is meeting its purpose of boosting the number of women in STEM related jobs and that the gender pay gap in STEM occupations is addressed.

Recommendations

1. That Government consider raising the funding amount for women in STEM programs to ensure that more women can take up STEM-related job opportunities in the future.

2. That program design and outcomes of the new Women in STEM program are carefully measured through an evaluation strategy, which includes women's salary data.