

BUDGET 2021-22 NET IMPACT ON WOMEN

Background: Gender Responsive Budgeting (GRB)

GRB is an analysis of the impact of the budget on gender equality and a process of changing budgetary decision making and priorities. (Rhonda Sharp and Ray Broomhill, A Case Study of GRB in Australia, Commonwealth Secretariat, 2013.)

The Women's Budget Statement, part of the official Budget papers ceased to be a budget paper in 1996; in 2014 women's budget documentation ceased altogether. NFAW has produced our analysis each year since 2014. The NFAW Gender lens is produced after the Budget is brought down to allow readers to critically assess fiscal policies and their impact on women, and is compiled from analysis by approximately 40 subject matter specialists. The gender lens provides the most expert, detailed analysis of the budget impact on women compiled outside government.

Introduction

“... it was women whose economic opportunities were so significantly impacted when COVID hit.... And as we gather together here in this place, as we often do as a full Cabinet with a particular focus and lens on our challenges as a country to ensure that women have at least equal opportunity, at least as much safety, at least as much economic security as men in this country.

This is what we hope for, for ourselves, for our families and for our daughters.”
(Prime Minister, transcript of Cabinet Women's Taskforce, 6 April 2021.)

This year the Cabinet Women's Taskforce, released a *Women's Budget Statement 2021-22*, as part of the budget papers.

Structural Reform

For too many years women have carried a heavier share of unpaid work in the economy, which has affected our economic security; left us vulnerable to violence at home and at work; and affected our health and wellbeing.

These were the three themes of the 2021-22 Women's Budget Statement, but there was little significant reform offered. NFAW welcomes the reintroduction of the Women's Budget Statement, which reports some of the spending in these key areas but did not set out a clear program of reform.

Women hoped that after the year of COVID, which showed up the flaws in so many of our systems and structures, we would see some real reform that would recognise the role that women have in the Australian economy, and in society; we hoped government would take steps to address the systemic issues.

The Australian economy has rebounded well from the recession but the recovery is fragile and uneven. The Government's commitment to decreasing unemployment to less than 5% is welcome, as is the decision to use fiscal policy to maintain the growth momentum and reject austerity/ budget repair policies.

NFAW welcomes the new spending in the care economy. The 2020-21 Gender Lens highlighted the effect of spending in the care economy, and the economic stimulus that would be created. Last year NFAW commissioned modelling from Janine Dixon, Victoria University, that demonstrated the effectiveness of investment in the care economy, including increasing wages. It was estimated that costs would be recouped in increased income and consumption tax revenue, offsetting the estimated \$19 billion in costs in 2030 with a net impact on the deficit of less than \$3 billion.

The infrastructure and the stage three tax measures, worth far more than outlays listed above, largely reflect the government's long-standing commitment to traditional responses benefitting -- high income families and men.

While we are encouraged by the increased levels of spending on social infrastructure, without tax reform these important increases to pay for necessary services may not be sustainable. The legislated stage 3 tax cuts which will commence in 2024 have been estimated to cost up to \$18b a year, most of which will be paid to higher income workers. That is the equivalent of the increase in spending on aged care in the budget. As the Grattan Institute noted in 2019, pre-COVID, decisions relating to taxes should be made based on current circumstances, not locked in six years ahead of time.

We recommend that the stage 3 tax cuts be reviewed, to ensure that tax collections are sufficient to pay for the necessary level of spending on social infrastructure. Otherwise we run the risk of cuts to these essential programs when "budget repair" becomes a feature of the economy.

Funding the Care Sector

While money has been provided to support the users of childcare, and the quality of aged care, there is no specific funding allocated to improve the wages of care workers in either sector.

Child care is a critical part of Australia's social infrastructure. We welcome the additional spending on childcare for the (estimated) [one in five families that will benefit from the spending in 2022](#); but there are still structural barriers to increased workforce participation. There is no change to the harsh activity test, to the reduction in subsidies for vulnerable families and the quality of child care, nor is there increased funding for out of hours school care.

Funding two important child care components is not reform, doesn't "bake" structural change into the budget, doesn't improve workers' poor pay and misses the opportunity to increase productivity.

Women who are increasingly **working from home** needed to see a plan to ensure that they can work productively in the hybrid economy that has developed in the post COVID world.

The budget also provides \$17.7 b over 5 years for **aged care**. The changes in Aged Care present more structural reform than in other portfolios as there are recommendations relating to the deficiencies in the current system. The package makes a start on the recommendations of the Royal Commission, but the risk of cherry-picking proposals out of the report is that structural reform will not occur.

The programs that are funded will provide more home care places but does not move the system to a demand- based model of care. Mandated minimum care time in residential homes and capacity building in the aged care work force represent a net positive impact and set a reasonable base for transition to a reformed system.

However, the Government must address the low levels of remuneration in the aged care sector to be able to attract workers. The Royal Commission recommended the Commonwealth support the wage case for the aged care sector before the Fair Work Commission. Government support is key to the success of the case. It's disappointing that the low wages of workers critically needed to address skills shortages were not addressed.

We also need a transparent system so that we can be assured that the additional money being paid into the sector is in fact being used to improve the quality of care in each facility. The star rating system is a step along this road. In the meantime the proposed new legislation is being described as "values based", and not "rights based", despite the Royal Commission and the United Nations supporting a rights based system.

Women's Safety

The \$1b for women's safety contains many positive measures and represents a good down payment on the second National Plan to Reduce Violence against Women and Children. For the first time funding to prevent and respond to violence against women with a disability who experience disproportionate levels of violence is included. However, overall the package appears piecemeal with limited structural reform.

Women's Economic Security

Increased childcare, and the long-overdue removal of the \$450 superannuation threshold, will contribute to ensuring women's economic security – but it is not enough. Changes to superannuation that rely on surplus funds from the sale of the home will not help the vast

majority of Australian women who will have no surplus to invest in superannuation after finding somewhere else to live.

Structural reform is needed to address the gender pay gap and the lower wages in feminised industries and to encourage a more equal care burden within households.

The budget failed to reset policy to disrupt the structural accumulation of poverty across the life course that reaches its peak with disastrous consequences for so many women later in life. There was no additional support for women on pensions who have little or no superannuation and who don't own their own homes, and no increase in the Commonwealth Rent Allowance.

The related issue of housing for low income renters is missing from the budget. There is also nothing to address the needs of growing homelessness among older women or the need to fund greater social housing more generally..

Reducing unemployment alone will not address gender wage and employment inequities-- women dominate low and middle income jobs in the service sector, almost half of women work part time and experience widespread casual and insecure employment. None of these issues were addressed in the budget.

Conclusion

The persistent gender inequalities embedded in Australia's labour market, tax system and transfer systems were never going to be resolved in a single budget. However, the budget missed the opportunities to address long-standing issues of inter-generational inequity and poverty, act on climate change and take a more transformative approach to social infrastructure investments post COVID, such as social housing.

Overall, while the budget addresses many of the failures in critical care services and partial solutions were identified, underpinning systemic issues weren't dealt with. NFAW's concern is that some of the initiatives that received short term funding may be subject to "budget repair" once the government moves away from stimulatory fiscal policy. The result is lost opportunities to invest in real structural solutions that would have led to a greater boost in female employment, addressed the gender pay gap and created real productivity gains through higher wages in the female dominated care industries workforce.

This budget is a major improvement on last year's but it is far from a comprehensive Gender Responsive Budget (GRB) response. The concept of GRB is not new. It has been adopted in countries as diverse as South Korea, Timor L'Este and Finland. The Victorian Government announced in its 2021-22 Budget that it would establish a GRB unit in the state Department of Treasury and Finance. NFAW volunteers have demonstrated how to apply a gender lens post hoc for many years.

However, only the government, in Treasury or the Budget Office, and with policy officers based in each department, has access to the complete dataset needed to undertake GRB to embed technical expertise and build awareness of gender inequities, prior to finalising the budget. This would enable the systematic examination of mainstream initiatives to determine whether they have a gendered outcome, intentional or not.

Portfolio overviews & recommendations

The National Foundation for Australian Women makes the following observations and recommendations.

Women's Budget Statement, Women's Economic Security Package, and Workplace Gender Equality Agency

The Women's Budget statement is still at heart a glossy: it does not systematically examine the mainstream budget initiatives to determine whether they have a gendered outcome, intentional or not. The result of this silence is that the WBS seriously under-reports 2021 budget outlays which should have an impact on women.

Despite significant outlays in the care sector, the Women's Economic Security Statement appears generally to operate on the conviction that the best that can be done for women in the workforce is to move them out of the female-dominated sector into male-dominated stem and non-traditional work. Given about 80 per cent of Australians work in services (and 90 per cent of working women), this is not really a viable strategy.

It is also an odd strategy to pursue given the broad budget focus on care services, if not actually on care service providers.

Recommendations

- NFAW welcomes the 2021 Women's Budget Statement as an initial step towards gender-responsive government budgeting. We recommend that future WBS documents systematically review mainstream budget initiatives to provide an understanding of how they are likely to impact on women and men, and document those gendered budget outcomes.
- We recommend that as part of its pivot to gender-responsive budgeting, government initiate an early consultation with women's organisations prior to developing its budget priorities and bids. This consultation should be part of the broader gender impact analysis that should precede and underpin any final budget decisions.
- We recommend that the responsibility for preparing an annual Women's Budget Statement be given to the Parliamentary Budget Office.

- NFAW recommends that any future Women’s Economic Security package address the workforce problems, including job insecurity and work value issues, affecting the service sector, where 90 per cent of working women are employed.
- NFAW recommends that government adopt a transparent and consultative approach to the foreshadowed review of the focus of the Workplace Gender Equality Agency.

Respect@Work

The government’s response to Respect@Work, [*A Roadmap for Respect: Preventing and Addressing Sexual Harassment in the Australian Workplaces*](#) and applicable Budget 2021 funding allocations constitute a step forward. However, the lack of detail in the government’s overall response so far and the lack of a timeline for law reform give a muted signal to the public and private sectors and the Australian community that addressing women’s safety and sexual harassment in the workplace is a priority.

We welcome the government’s agreement to amend the Workplace Gender Equality Act 2012 (WGE Act) to require public sector organisations to report to WGEA on gender equality initiatives.

It is disappointing that the government has not agreed with the recommendations that it impose a positive duty on employers to take reasonable measures to eliminate sexual harassment, and that it empower the Human Rights Commission to audit their compliance.

It is immensely disappointing that Community Legal Centres received no additional funding from the Budget, and that the amount provided to working women’s centres was little short of pathetic.

Recommendations

NFAW recommends that the government:

- Agree to and implement recommendations 17 and 18 of Respect@Work, putting a positive duty on employers to take reasonable measures to eliminate sexual harassment, and empowering the Human Rights Commission to audit employer compliance with this duty
- Reinstate meaningful funding for working women’s centres and community legal centres as a matter of urgency
- Ensure that the fifth National Survey on Sexual Harassment in Australian workplaces includes and reports on people living with disability, people from CALD backgrounds, Aboriginal and Torres Strait Islander people, and people living in regional and rural areas
- Publicly announce in 2021 a timeframe for legislative reforms, and
- Report annually to Parliament on its progress in implementing all recommendations of Respect@Work.

Impact on young women

Young women have been leading the charge in calling for social and structural change on key issues - including in the national conversation on action to address and prevent sexual violence and the School Strike 4 Climate movement.

While there are some positive announcements in this budget, they do not meet the vision being put forward by young women. Additionally, long-standing issues of intergenerational equity and the specific implications of this budget on this issue needs to be seriously examined.

Many aspects of the budget impact on young women, including housing and homelessness, health, taxation, disability and social services policies. NFAW's analysis in this section focuses on some key areas: youth policy, employment, education and training, mental health, violence against young women, and climate change.

Recommendations

- Commit to funding to support the whole-of-government National Youth Policy Framework and measures that will support structural change to issues affecting young women's education, economic security, employment, health and safety.
- Provide ongoing funding for the national peak body for young people to support national youth policy.
- Integrate a youth lens into gender analysis of budget measures.
- Develop a long-term plan for youth employment as part of the National Youth Policy Framework, with an ongoing focus and strategy from government on job creation, including in female-dominated industries, and measures to address workforce gender segregation.
- As part of gender-responsive budgeting, undertake analysis on education and training policies and commitments to identify specific impacts and implications for young women.
- Given the nature of the COVID-19 pandemic and impacts on young women, gender should be recognised and centred as a social determinant of mental health, and effective gender sensitive approaches to youth mental health should be developed in consultation with women's health organisations.
- Embed co-development processes for prevention initiatives which focus on engaging young people.

Impact on older women

This year's federal Budget contains some measures of direct benefit to older women, with a net positive impact in some policy and service areas (especially aged care), but no

improvement in other urgent priority domains (especially housing and mature age employment).

The measures of most interest and value to older women contained in the Budget include: an additional \$17.7b funding to respond to some of the findings of the Royal Commission into Aged Care Quality and Safety, including an increase of 80,000 home care packages, increased dementia support, expansion of the Serious Incident Response Scheme (SIRS) into home and community care and funding targeted at making aged care inclusive of diversity groups; increased support for carers of older people; and some small but positive changes for women in superannuation.

Overall, however, once again the 2021 Budget is a missed opportunity to improve the lives of older women who face the greatest difficulties: single, older renters totally reliant on JobSeeker or pension payments; those who are homeless; those experiencing elder abuse in the family or community; and those locked out of employment.

Despite an attempt to focus more on women's economic security in this year's Budget, it is also another missed opportunity to significantly reset policy to disrupt the structural accumulation of poverty across the life course that reaches its peak with disastrous consequences for so many women in later life.

Recommendations

For recommendations, see relevant sections of this Gender Lens on the Budget 2021-2022.

Impact on Aboriginal and Torres Strait Islander women

This will be provided shortly.

Impact on migrant and refugee women

Budget 2021 includes a number of measures that will have a specific impact on Australia's migrant and refugee women, in both a positive and a negative manner. In particular, these include extended funding for the Temporary Visa Holders Payment Pilot, funding towards mental health support services, and the extended funding towards Community and Legal Women's Centres.

Several universal measures to increase women's economic security and health and wellbeing will likely have implications for migrant and refugee women as a population cohort. However, no targeted approach towards migrant and refugee women has been taken in the allocation of the funding, except in relation to mental health.

Of significant concern is the consistent application of the four-year waiting periods before new permanent migrants can access most welfare payments, and the impact this will have on migrant women, in particular their access to services, reaching equality and social cohesion.

Recommendations

- Migrant and visa regulations should seek to minimise women’s dependency on their male partners, visa sponsors, and primary applicants and to ensure that equal support is provided to women regardless of visa/migratory status.
- Cultural responsiveness should be embedded across health service provision and a targeted approach taken to investments in women’s health which take into consideration and address the specific barrier faced by migrant and refugee women.
- Waiting periods for newly-arrived migrants should be reduced:
 - There should be no waiting period for newly-arrived migrants to access Family Tax Benefit, Paid Parental Leave, Special Benefit or Carer Allowance.
 - For other payments, the waiting period should be a maximum of six months.
 - For women experiencing FDSV, the waiting period should be waived.

Impact on women with disabilities

There are some welcome measures for women and girls with disabilities in the 2021-2022 Federal Budget, but many questions remain unanswered.

The Federal Government has, for the first time ever, announced it will fund a new National Women’s Alliance specifically for women with disabilities. For the first time, there is also an allocation of \$9.3 million for preventing and responding to violence against women with disability who experience disproportionate levels of violence.

However, key structural reforms have been left unaddressed:

- there has been no consideration of the need to address the large gap in National Disability Insurance Scheme (NDIS) participation rates between women and girls (37 per cent) and men and boys (73 per cent), nor any intention to abandon independent assessments which will present a specific barrier to women trying to access the NDIS
- no funding has been allocated to the National Disability Strategy, which is the key structural reform document for disability, particularly in relation to improving the status of disabled women and girls
- there is a lack of gender analysis of the Disability Employment Strategy to address the imbalance in employment rates between women and men with disability
- there is no clear strategy to transition away from systems that segregate people with disabilities in employment and education.

Recommendations

- NFAW recommends that the government halt the introduction of mandatory independent assessments, a measure that will specifically disadvantage women and girls with disability.

- Priority should be given to developing an NDIS Gender Strategy, in consultation with women with disability and their representative organisations (WWDA, 2014). This is particularly important for more marginalised groups of women with disability, such as Aboriginal and Torres Strait Islander women with disability who currently receive lower amounts of funding on average through the NDIS than the broader disability population.
- That the Government implement measures that work towards ending the segregation of, and discrimination towards, people with disability in employment, including in Australian Disability Enterprises (ADE's); and introduce temporary special measures to accelerate the participation of women with disability in employment and in political and public life (Frohman, 2020, p 7-12).
- That Government:
 - Ensure the availability of funding for individual and systemic advocacy services, alongside the extension of time for the Disability Royal Commission.
 - Implement accountability mechanisms that monitor the implementation and effectiveness of the National Plan to Reduce Violence against Women and Children for all women (Frohman & La Paglia, 2021).
 - That, consistent with Rec 2 of the Senate Inquiry into Violence, Abuse and Neglect Against People with Disability in Institutional and Residential Settings, the Government establish an independent, statutory, national protection mechanism to protect, investigate and enforce findings in relation to all forms of violence, abuse, exploitation and neglect against people with disability (*Ibid.*).
- NFAW recommends that the government work with children and young people with disability and their representative organisations to develop a plan to support young people with disability to overcome the barriers young people with disability face in securing and maintaining work in open employment, and commit to investment in a National Inclusive Education Plan that provides a roadmap to transition out of segregated education arrangements, and supports children and young people with disability to participate in inclusive education on an equal basis with their non-disabled peers from early childhood to tertiary education levels.

Revenue

Business tax

The business tax measures in the current budget are in two categories:

- Extended full expensing provisions and loss carry-back measures will support business in the economic recovery; and
- It is expected that the new patent box and digital economy measures will encourage innovation and research in Australia.

We welcome the extension of the loss carry-back measures, but note that it will not help the many self-employed workers in the entertainment and tourism sectors who do not operate through a corporate entity.

The asset write-offs, digital economy and patent box measures will be most useful to male dominated sectors of the economy – the examples drawn on in the Treasurer’s own [media release](#) makes that clear.

Recommendations

- The asset full expensing measure should be better targeted by reducing the \$5 bn income limit for eligibility and capping the value of the assets eligible for the measure.
- The asset full expensing measure should not apply to imported assets over a specified value unless a specific case can be made for the job creation capacity of that asset.
- The digital and patent box measures should be linked to evidence that the gender imbalance and the gender pay gap in the industry are being addressed; and there must be a clear linkage to industry schemes developed under the STEM initiative in the Women’s Economic Security Package.
- The patent box measures must be designed to ensure that industry cannot subvert them through substantially developing the technology offshore.

Personal tax

The Government has not taken the opportunity to restructure the personal tax plan that was legislated in 2019. Each year since the 2018-19 budget, NFAW has reminded the Government that the stage 3 tax cuts are regressive, with high income earners benefiting the most.

The extension of the Low Middle Income Tax Offset will extend tax relief to middle income earners for another year, but this does not fix the structural flaw in the personal tax rate schedule. Although the Government is claiming that it is delivering a tax cut, it is merely extending the current rates for another year: taxpayers will not see any increase in their pay packets.

Redesigning the stage 3 tax cuts to be more progressive would collect more taxes from those who have the ability to pay to contribute to the cost of funding aged care, childcare and other social infrastructure.

Recommendations

- The inequitable tax plan must be reviewed, with the stage 3 tax cuts repealed or restructured to ensure that the tax rates and thresholds are more progressive.
- The uncertainty of extending the LMITO in the annual budget must be reviewed, and the tax offset should be paid through the PAYG system, instead of eligible taxpayers being forced to wait until they lodge their income tax return after the end of the financial year.
- The reduced reporting threshold for Employee Share Schemes should be set at \$10,000.

Superannuation

The removal of the \$450 threshold for payment of Superannuation Guarantee (SG) payments is welcome. However there is a missed opportunity for further reform, including requiring that superannuation is payable on paid parental leave.

There is a risk that the extension of the First Home Super Savers Scheme will increase home prices in an overheated housing market and the extension of the Downsizer Superannuation Contribution will be of most benefit to more wealthy older Australians.

Longer term areas of reform include addressing the Gender Pay Gap to equalise male and female lifetime earnings and the generous tax concessions for superannuation that favour high balance accounts.

There has been no pause in the scheduled increase in superannuation guarantee payments from 9.5 per cent to 10 per cent from 1 July 2021. We note that while the higher rate of the SG will increase the long-term superannuation balances of women, workers who are not covered by an enterprise agreement or contract that guarantees the SG is paid on top of wages may see a cut in their take-home pay after the 1 July.

Recommendations

- The Government should require that superannuation guarantee payments are payable on all paid parental leave, under both the federal and employer paid parental leave schemes.
- The co-contribution scheme should be enhanced to encourage voluntary contributions from lower paid workers.
- Longer term, the generosity of the superannuation tax concessions should also be addressed with a restructuring to redistribute tax concessions within the superannuation system.
- We note that until the gender pay gap is addressed, women will have lower superannuation balances than men as superannuation is based on earnings.

Infrastructure spending

Social infrastructure

Overall, NFAW welcomes additional funding for industries in the care sector, but regards Budget 2021 as a missed opportunity to address the structural reforms necessary to ensure the money is used effectively.

The funding for the female-dominated care sector in the 2021 Budget is not measured in terms of employment, [as were the stimulus packages for male-dominated industries](#) in the October 2020 budget. In practice the employment impact may be muted: employers across the sector report staff ongoing shortages and difficulty attracting and retaining well-skilled staff due to low wages, poor employment conditions, lack of investment in staff training, and

no career pathways. The Budget targets payments to operators, who have an established record of approaching workforce management as a cost-cutting opportunity.

This is a systemic problem, driven by funding levels combined with the proportion of care operators using a commercial business model, and enabled by the continued undervaluation of women's work. Despite industry urging, the government has put no strategy in place to lift wages and address the risk of shortages and skill gaps that undermine the quality of care.

Recommendations

- NFAW strongly urges the government to change its position on recommendation 84 of the Aged Care Royal Commission on Aging, and as *principal funder, join in the current application for a work value increase in the aged care sector.*
- We recommend that the Commonwealth respond constructively to the Fair Work Commission's invitation to comment on the implementation of a work value decision affecting 12,000 early childhood educators, and that it work with the relevant unions to address undervaluation of the work of delivering childcare services see recommendations relating to Early Childhood Education and Care.
- Noting the technical difficulties that beset applications under the current equal remuneration provisions of the Fair Work Act, we recommend that the government amend its legislation to clarify that undervaluation in the basis of sex, and not the identification of a male comparator group, is the criterion to be applied by the Fair Work Commission in establishing a claim.

Physical infrastructure

More of the same this year in infrastructure with investments in so called "shovel ready" projects and grant programs. There are some passenger rail and freight investments however there are no significant or transformational infrastructure investments. The total infrastructure investment across more than 45 individual measures is \$15.2bn over 10 years. This reflects a decrease of \$189m from the 2019-20 budget. There are also further funding rounds for regional grant programs.

Recommendations

The Department of Infrastructure should implement a gender and inclusion policy to guide and apply to all infrastructure investments.

A gender analysis should inform the grant criteria, and grant eligibility should be determined by the extent to which the application addresses gender gaps.

Climate change and energy

The budget is a missed opportunity to accelerate action on climate change, aligned with the actions announced recently by the USA and other major trading partners, and to prioritise a 'green' recovery from the pandemic. Funding for the Technology Investment Roadmap

priority areas must be supported by more ambitious Government targets, including a commitment to Net Zero by 2050, and stronger regulation of large polluters. The Budget also does not address other areas where significant investment for emission reduction is required, such as incentives to promote the uptake of electric vehicles or investment to support the development of charging infrastructure.

Recommendations

- Being faced with a gendered climate crisis, NFAW recommends that the government takes serious action on climate change by committing to net-zero emissions by 2050, phasing and increasing Australia's 2030 Nationally Determined Contributions (NDCs) in line with the recent actions of major trading partners.
- NFAW recommends that the government prioritises a 'green recovery' over a 'gas led' recovery and diverts investments from fossil fuels towards accelerating the uptake of renewable energy technologies.
- NFAW recommends that budget stimulus measures target solutions that provide win-win opportunities for abating climate change and reducing gender inequality. This requires more alternatives to fossil fuels (beyond hydrogen), investments in the renewable energy sector, and support for female apprenticeships and jobs in the energy sector.
- From its inception, the National Recovery and Resilience Agency should put in processes to ensure that decision-making process around the allocation of grants associated with the Preparing Australia program and the National Bushfire Recovery Fund is transparent, gender aware, and responsive to the full range of negative impacts on women that have been identified, including physical and mental health, unemployment and family violence.

Housing and homelessness

The 2021-22 budget supports home purchasers and eligible owner-occupiers building or renovating a home. Single parents seeking to enter or re-enter home ownership are a new inclusion in this group. Older downsizers may benefit from superannuation contribution changes.

Women living on low incomes and experiencing housing insecurity and homelessness gain little support. State supports through the National Housing and Homelessness Agreement are maintained, however, the absence of funding outside the agreement is a missed opportunity to contribute to the national supply of affordable housing. This is particularly stark in light of the focus on other forms of infrastructure elsewhere in the budget.

Women outside of home ownership will continue to struggle, particularly the growing number heading low-income households or entering retirement without the security of owning their home. Despite evidence to indicate the inadequate funding for CRA, there has been no change to funding.

Recommendations

- Increase direct investment in social housing to support the growing number of women in need of secure, affordable housing. Investment in social housing has broader economic benefits, supporting employment and income growth. [Every dollar invested in social housing is estimated to boost GDP by \\$1.30.](#)
- Raise Commonwealth Rent Assistance rates to immediately support very low-income households to access the rental sector. Single older women who are not homeowners and single mothers and their children will be supported through this measure.
- National funding to address the housing needs of Aboriginal and Torres Strait Islander women through programs that support self-determination and address the known housing gap, in all housing sectors.

Social services

Income support

Women are over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments. During the COVID-19 pandemic the Government's Coronavirus Supplement and other short-term supports lifted women, who were 54 per cent of recipients, and children out of poverty.

Women were disproportionately impacted by the COVID-19 crisis, through job losses and extra care responsibilities. These effects are likely to have long-term negative consequences.

The New Employment Services Model (NESM) was intended to use online services for job-ready unemployed in order to free up funding for help to the most vulnerable, including long term unemployed. It was also intended to reduce caseloads for managers. However, the budget papers do not indicate that funding for will deliver outcomes for people seeking employment, rather it raises concerns that vulnerable customers will struggle with the online platforms. It is also not clear that the savings will go towards more support.

Also concerning is the mutual obligation Targeted Compliance Framework (TCF), which is attached to many income support payments, including jobactive and ParentsNext, has received increased funding. The TCF disproportionately effects women and is punitive, controlling, and ineffective at supporting people into employment. The TCF needs to be revisited.

The increase to the base rate of working-age payments by \$50 per fortnight from 1 April 2021 fails to lift social security payments above the poverty line and is completely inadequate. Proper indexing of cost-of-living increases would assist in keeping Australians out of poverty

(see Indexing paper).

Recommendations

- NFAW joins ACOSS in calling for a permanent increase to the rate of JobSeeker and related income support payments to at least \$65 a day. This increase must not come at the expense of other vital supports provided, including to people who have children, people renting privately, people fleeing violence, or people with an illness or disability. For women who have unique constraints and barriers to entering the workforce, lifting them above the poverty line will continue to mitigate the rate of poverty and its effects, including on children, in Australia.
- The TFC and mutual obligation requirements should be amended to ensure that breaches do not result in a payment suspension. Additionally, obligations should not be onerous, as creating stress reduces capacity for productivity.
- End compulsory income management and the implementation of the Cashless Debit Card (CDC) scheme (pursuant to the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (Cth)*) across all current sites, abandon any further expansion, and re-invest in local community services and initiatives.

Indexing

Women are over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments. Women were disproportionately impacted by COVID19, through job losses and extra care responsibilities. These effects will be carried through to the future.

In terms of income support, proper indexing of cost-of-living increases would assist in keeping Australians out of poverty.

Recommendations

- Income support payments should be calibrated to keep households out of poverty.
- The PBLCI, as designed by the ABS, should be utilized to better reflect true cost of living increases for all income support payments.

Pensioner loan scheme

Women are over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments.

The Pensioner Loan Scheme (PLS) is a small initiative aimed at allowing retirees to borrow against their home to augment their income, for people on the Aged Pension or self-funded retirees. The existing scheme has been used by over 2000 full-rate pensioners. While women are the majority of Aged Pensioners, there are more male homeowners than women.

Recommendations

The 4.5 per cent rate of interest is considered too high and should better reflect home mortgage rates.

Jobactive

Women were already over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments prior to the COVID-19 pandemic and its attendant effects on the Australian economy.

During the COVID-19 pandemic women were more likely to lose their jobs, more likely to increase their amount of unpaid work, and less likely to receive government support. Jobactive should be re-designed to provide meaningful supports back into employment for women. This includes monitoring the client experience rather than employer ratings of service quality, transferring responsibility for the TCF to Centrelink, and providing more flexible options for engagement. Furthermore, those who are currently on the JobSeeker payment who are not job-ready should be moved onto more appropriate payments.

Recommendations

- NFAW joins ACOSS in calling for a permanent increase to the rate of JobSeeker and related income support payments to at least \$65 a day.
- Jobactive provider's provision of 'quality services' should be measured based on client experience, rather than employer experience.
- Savings from the online facility should be directed to greater tailored assistance for the most disadvantaged.

Participants

- The TCF should remove the automated function that immediately marks an individual as out of compliance, as it appears to be too hasty and leads to an unacceptably high number of no-fault suspensions.
- Responsibility for the TCF framework should be transferred from contracted service providers to Centrelink, with discretion introduced over the imposition of penalties and suspensions.
- TCF data should be published more quickly and should be disaggregated by gender and program.
- Given the large number of older women with no recent work experience due to caring or long-term unemployment, career counselling and support services should be boosted for this group.
- Women who have left the labour force should be provided access to Jobactive services, including consideration given to enabling access by unemployed older women to the *Mid-Career Checkpoint Program*.

Parenting Payments

Women are more than twice as likely to rely on a Parenting Payment than men. COVID-19 caused a sharp increase in the number of women accessing the payment. Sole parent families, 82 per cent of whom are female headed, have the highest poverty rate of all household types.

The COVID supplement – which effectively doubled unemployment payments last March – reduced the proportion of single parent families living below the poverty line. This budget's increase of \$50 per fortnight from 1 April 2021 will be insufficient to lift single parent families out of poverty.

Recommendations

NFAW joins ACOSS in calling for Parenting Payments to be lifted above the poverty line and extended until the youngest child is 16 years. An increase must not come at the expense of other vital supports provided, including to people who have children, people renting privately, or people with an illness or disability. For women who have unique constraints and barriers to entering the workforce, lifting them above the poverty line will continue to mitigate the

rate of poverty and its effects, including on children, in Australia.

ParentsNext

Women are over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments. Women were disproportionately impacted by COVID19, through job losses and extra care responsibilities. These effects will have long-term negative impacts for women.

It is not evident that the ParentsNext model has adequately addressed the shortcomings raised by the Inquiry. The program is injurious to participants and if retained should be made voluntary, be decoupled from the targeted compliance framework (TCF), and provide more funding to support women into meaningful employment that will ensure their financial security longer term.

Recommendations

NFAW recommends that if the ParentsNext program is not scrapped entirely, the following changes be implemented immediately:

- Make ParentsNext voluntary. This will help to ensure a quality program while also returning agency and autonomy to the people who are enrolled.
- De-couple participation from receiving income support payments, thereby eliminating the punitive aspects of ParentsNext and enhancing the economic security of participants.
- Increase the Participation Fund to provide meaningful support for job readiness, such as paying for classes.
- Ensure the Participation Fund is spent in its entirety on participants.

Education and training

Early childhood education and care

The Budget 2021 Women's Economic Security measure of \$1.7 billion to reduce child care costs is limited to families who have more than one child five years or under in child care, as well as higher income families, for whom the cap of \$10,560 on the Child Care Subsidy will be removed. Both measures will only apply from July 2022. For the much larger proportion of families using subsidised care, there was no change in this Budget. NFAW supports the Government's announcement of ongoing funding of \$1.6 billion over four years from 2021-22 for preschool, with \$589.0 million per year ongoing. NFAW is concerned there were no measures in the Budget to improve pay and retention of early childhood educators.

Recommendations

The NFAW calls on the Australian Government to implement a broader range of measures to address the affordability and accessibility of ECEC to support *all* families and boost women's workforce participation, particularly in view of the [effects of the COVID-19 pandemic](#):

- amend the Child Care Subsidy Activity Test to make it easier for families to get the hours of subsidised ECEC they need for work, study, training or recognised volunteering activity, as well for as children's early development
- ensure that vulnerable or disadvantaged families and ECEC services are not left unsupported or in debt through complex requirements for subsidies
- increase support for Aboriginal controlled child care services and initiatives to promote engagement by Indigenous children and families
- provide funding for 15 hours per week of preschool for vulnerable and disadvantaged three-year-olds
- provide incentives to child care services to make child care cheaper for families, for example, by paying a higher hourly rate for shorter sessions of care (say, 6-9 hours per day rather than 10-12 hours, which is the standard session of care in centre-based day care)
- raise the hourly rate cap for each service type to reflect higher than inflation increases in the cost of ECEC (rents, wages, food and other overheads) and avoid these costs being passed on to families in higher child care fees
- introduce monitoring of fees by the Australian Competition and Consumer Commission.

In the longer term, the NFAW recommends the Government consider:

- raising the level of CCS from 85 to 95 per cent for low-income families below \$70,000, with a more gradual taper to make child care more affordable (cutting out at zero per cent for very high income families)
- introducing subsidised 'wrap-around' care options families using stand-alone community or government preschools, similar to outside school hours care for school age children
- further exploring flexible care options for families undertaking shift work or working from home (following on from the Nanny Pilot Program which ended in December 2017)
- offering a tax offset up to 32.5 per cent for approved care options for families not eligible for the CCS
- supporting further increases to minimum wages for early childhood educators under the Children's Services Award and Educational Services (Teachers) Award, to help address low pay, recruitment and retention issues as well as the gender pay gap for feminised caring professions.

Schooling

NFAW welcomes the extra spending in education but notes the disparity in the percentage increase for government schools at 7 per cent and non- government schools with 13 per cent. Given this is a Budget seeking to “secure Australia’s recovery” and direct Australia’s exit from the pandemic, the lack of an integrated education structure for upskilling the community in digital expertise is disappointing. The expansion of the Digital Economy and the role teachers and education will play has not been fully acknowledged and requires more attention and resources. As women have been more heavily impacted by COVID-19 than men (WGEA 2020), better outcomes for the recovery could be achieved with a more nuanced and cooperative approach across a range of sectors with women as the central focus.

Recommendations

- NFAW recommends that the STEM skills of all Australians can only be enhanced by a national policy that is fully funded and supported by the government.
- NFAW recommends that a national STEM programme for all young people be established in schools. Such a programme would need to be fully funded and resourced.
- NFAW recommends that all classroom teachers be given the opportunity to develop their knowledge of digital technologies to enhance the quality of their teaching.
- NFAW supports universal access to high quality education for all Australian girls and calls on the government to overturn the disparity in the percentage increase of funding to government and non-government schools and fully implement the Schooling Resource Standard. This will help assure more equitable educational outcomes as well as better support the many female teachers working in the government sector.
- NFAW calls on the government to ensure all Australians have access to the internet to enable them to avail themselves of full educational opportunities as well as other aspects of Australian life.

Vocational education and training

The COVID 19 pandemic impacted disproportionately on women with the loss of jobs in hospitality, retail, arts and tourism. The Government’s vocational education and training budget allocation continues with funding for a range of programs, but no major program aimed at increasing women’s participation in a greater diversity of vocational fields of study.

The Government gives some recognition to the ongoing issue of women being concentrated in certain fields of study in the Women’s Budget Statement, but then allocates the bulk of funding to the Australian Apprenticeships Incentives Program with Boosting Apprenticeship Commencements wage subsidy of up to \$7000 per quarter for 12 months to businesses.

Women make up only about one quarter of apprentices. The Budget initiatives targeting women in non-traditional trade occupations are tokenistic. Yet these trade occupations continue to be areas of skill shortage.

The other major initiative is the Job Trainer Fund which has benefited women who, according to the Women's Budget Statement represent 56 per cent of enrolments.

Recommendations

NFAW recommends that:

- The implementation guidelines or criteria for funding of the **JobTrainer Fund** should require reporting on student enrolments and completions by gender. Female enrolments and their fields of study should be collected with male students and further disaggregated by language background, disability, Indigenous group and so on. Good program design requires reliable data.
- The brief of the **National Skills Commission** should be expanded to include the identification of occupational areas into which women may be attracted to diversify their occupational choices aiming for more economic security and closing the gender pay gap.
- Women should be added to the list of Equity Groups on page eight of **AAIP Guidelines**.
- The National Skill Needs List and the Occupational Skill Shortage Information should be kept under constant review and the responsibility for the compilation of these two lists brought under one jurisdiction. There should be data accompanying the lists showing numbers of males and females employed in the occupations as a guide to employers and potential trainees and apprentices as well as VET providers planning courses provision and establishing priorities.
- **Revitalizing TAFE campuses across Australia** program should be adequately funded so that the public VET provider can fulfil its community service obligations and provide the targeted programs for women of diverse backgrounds with appropriate specialist student support.
- All targeted programs under the **Gateway Services and Mid-Career Checkpoint** announced in the Budget need to be evaluated and reported upon for their effectiveness.
- Women's and girls' needs should be explicit in all VET funding policy, with all VET-related legislation and programs being accompanied by a requirement for women's impact statement to ensure that programs are equitable and inclusive. The data should be annually published in the **Women's Budget Statement**.
- **VET Student Loans** Statistical report should include gender disaggregated data.
- The NCVER needs to collect data by sex. The data published in the **Atlas of Total VET** is not adequate for detailed statistical gender analysis on VET enrolments. Hence claims of growth or success are difficult to establish from the available data.

Higher education

This Budget has not provided the rescue hoped for by university leadership. Instead has cut funding in real terms. The pandemic has already had a severe impact on the higher education

workforce, largely because universities were excluded from JobKeeper funding. Recent modelling by Universities Australia estimated the decline in university revenue would mean the loss of 21,000 jobs, or 16 per cent of the total university workforce.

Data released by the Australian Bureau of Statistics in 2020 shows that there was a 7 per cent drop in the number of women enrolled at universities and some vocational courses, and a 2 per cent drop in the number of men. Participation among women above the age of 25 dropped more sharply than among younger women and the presumption is that many of these women have been forced to abandon or at least postpone their studies to undertake caring duties, including supervising children learning at home.

Significant increases in fees are likely to further deter women from obtaining a higher education, particularly when fee increases are higher in female-dominated subjects and faculties such as arts and humanities. This will have flow on effects to women's lifetime earnings and economic security.

Recommendations

NFAW recommends that the Australian Government:

- Institute equitable fee structures for all university courses;
- Recognise the pivotal role of higher education the recovery of the [Australian economy](#);
- Restore *per capita* funding through the Commonwealth Grants Scheme to enable universities to provide quality teach and end their dependency on casual staff;
- Consider the [12 point plan](#) proposed by Universities Australia that would create a sustainable funding system capable of providing comprehensive support for teaching and research;
- Provide new scholarships to help enable women offset education, travel and childcare costs; and
- Increase the number of scholarships/fellowships for early career researchers for women and annual funding for travel and childcare for presentations at conferences.

Employment

Paid parental leave

Ten years after Australia's national paid parental leave scheme began operation, the Government has again failed to complete the unfinished business on paid parental leave even though it is clear there is more work to be done on the scheme to ensure it meets its objectives.

The National Foundation for Australian Women (NFAW) and gender equality and parent organisations have been calling with increasing urgency for the Government to address this unfinished business. This oversight is particularly disappointing for a Budget that was intended to deliver for gender equality.

Recommendations

The Government should address outstanding issues around the paid parental leave scheme, in the short term through a review of the scheme, and in the longer term to introduce:

- a more generous scheme of at least 26 weeks of PPL to be shared by both partners, with ‘use it or lose it’ mechanisms to encourage men to use their share
- parental leave pay at Average Weekly Earnings, paid by the Australian Government
- employers be given incentives to top up pay to actual income beyond AWE
- the ability of both parents to split parental leave into blocks of time over the first two years of a child’s life, including paid and unpaid periods
- superannuation to be paid on all government funded PPL
- amendments to the National Employment Standards to address mismatch in the eligibility requirements for unpaid and paid parental leave;

The review should 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.

Work and family

Many women experienced job loss and reduced working hours during the peak of the COVID-19 pandemic, however, there are positive signs that women’s jobs are recovering. This places new pressures on women as they renegotiate paid and unpaid work responsibilities when taking up new employment or increasing their hours of paid work. There is a limited window of opportunity to learn from innovative working arrangements employed during the pandemic, however, in the rush to ‘normal’, these lessons may be lost. This Budget did not take advantage of the opportunity to embed innovative work practices and supports, with no changes to paid parental leave, no incentives to normalise working from home arrangements and very targeted increases to child care support for some groups. The small career advice initiatives for women returning to work will not impact significantly.

The Australian Bureau of Statistics’ Time Use Survey is a valuable tool and its commencement in late 2020 is a welcome development.

Recommendations

NFAW recommends that the 2020 Time Use Survey data should be used to inform a cohesive and comprehensive review of current arrangements and the development of a new root and branch Work and Family Strategy, initiated by Government and including input from academics, the community and families.

Working from home

The Budget's significant funding for hard infrastructure and to support women's economic engagement and safety fails to provide leadership on, or direction for, the transition into a post COVID working life that learns from our experiences with working from home during the pandemic.

It is clear that many workers will want to continue a hybrid model of working from home part-time. This could present significant opportunity to create a more flexible, equitable working life, but it requires leadership and incentives from government to take advantage of these opportunities.

Recommendations

- The Department of Education, Skills and Employment, with advice from the Office for Women and the Workplace Gender Equality Agency, should carefully monitor changes to working arrangements following the pandemic and identify gender implications.
- Government should work with employers, business, unions, academia and relevant civil society organisations to develop best practice models to support workers to manage hybrid working models in ways that support and promote gender equality.
- The Department of Infrastructure, Transport, Regional Development and Communications should develop a strategic approach to urban and social infrastructure that will be needed into the future to support workers to better manage their paid work and caring responsibilities within a more permanent hybrid working model.
- Government should support civil society to develop a gender equality focused recovery plan, similar to the [Canadian Feminist Recovery Plan](#).

STEM

Two measures identified as aimed at increasing the number of women in science, technology, engineering and mathematics (STEM) fields were announced in the 2021 Budget totalling \$42.4 million for co-funded STEM scholarships for women and the development of a gender equity evaluation toolkit for the STEM sector. These initiatives complement existing small-scale programs provided for under the [Advancing Women in STEM 2020 Action Plan](#) including the WISE program which has, to date, provided \$7.97 million for 46 projects across Australia ([Women's Budget Statement](#), p. 52).

While NFAW supports efforts to encourage career options free from gendered assumptions, along with workplaces free from discrimination, there is limited evidence that more women in STEM addresses gender inequality at the aggregate level. More women in STEM may fulfil a number of policy objectives including improved workforce capability, but it should not be the key or central plank of a government approach to achieving gender equality. Of significant value would be more attention paid to fairly valuing all sectors of the workforce including, particularly, the care sector (see Social Infrastructure section).

Recommendations

A number of recommendations relevant to STEM are made in other papers, including schooling, business tax, and social infrastructure. Additionally NFAW recommends:

- Noting and supporting the additional \$4.3m over four years to WGEA to strengthen reporting on sexual harassment (see Respect@Work section), WGEA be adequately resourced to conduct cross-sectoral analysis on all outcomes measures, and to develop tailored responses based on industry characteristics.
- That WGEA maintain and improve its capacity to collect data on a full range of gender equality indicators, including wages and non-monetary compensation.

Health

The 2021-22 Women's Budget Statement acknowledges that the health of Australian women and girls is critical to their overall wellbeing and ability to participate in society, but only provides an additional \$351.6 million over four years to implement a number of initiatives consistent with the 2020-30 Women's Health Strategy across maternal, sexual and reproductive health, ageing, chronic conditions, preventative health and mental health.

The additional funding is welcomed by NFAW, following our calls post the 2020-21 Budget for the Government to provide further funding for the Strategy. However, more spending will be required in future budgets to fulfil the vision of the Strategy.

The 2021-22 Budget represented the Government's first response to the Productivity Commission's 2020 Inquiry into Mental Health. The package totalled \$2.3 billion over four years but fell well short of full implementation of the Commission's recommendations.

The Government's response provides additional funding for prevention and early intervention, suicide prevention, treatment services, supporting the vulnerable and workforce measures. There were important investments in perinatal mental health services, including the funding of a new universal mental health check. However, more investment will be required to significantly reduce the high burden of disease caused by poor mental health including in many of the social determinants of poor mental health such as poor social housing and inadequate levels of income support.

The Budget also includes a number of initiatives to meet the Closing the Gap targets, however we note the overall spending on Aboriginal and Torres Strait Islander health is set to decline in the 2021-22 Budget. While the improved focus on Aboriginal Controlled Health Organisations is a positive, the Government must maintain and expand the overall funding envelope.

The Government has provided funding to continue access to tele-health until the end of 2021, however this should become an ongoing feature of our health system to improve access.

Recommendations

- The Government fully implement the Productivity Commission's recommendations in its 2020 Inquiry into Mental Health, and work with state and territory governments to address care fragmentation that undermines mental health care delivery.
- Additional investments are made to reduce the high out of pocket costs associated with accessing mental health care.
- That telehealth for reproductive health and pregnancy consultations be funded on an ongoing basis as a means of achieving the National Women's Health Strategy's priorities relating to equity of access.
- That telehealth more broadly for primary health care continue to be supported, given its important role in supporting access to women to basic health care.
- That the quantum of the increased allocation for Long Acting Reversible Contraceptives in the budget be stated and its intended contribution to supporting the National Strategy's success measure of increasing women's LARC use.
- The Government commits additional resources to Aboriginal and Torres Strait Islander health to ensure the successful implementation of the Closing the Gap Agreement.

Aged care

Many funding announcements were made in the Aged Care portfolio which will have a net positive impact for women. \$17.7 billion was allocated over 5 years to address key areas identified in the Aged Care Royal Commission, including an additional 80,000 aged care packages to reduce the waiting list and additional funding for staffing and governance. However, the budget failed to address the poor pay and undervaluing of aged care workers. There is an urgent need for structural change, increased status of workers, strategies to boost recruitment, training and retention and funding for higher wages. The ongoing border closures will present immediate issues for a workforce heavily reliant on new migrants to fill skill gaps.

Recommendations

A rights-based system: The rights of aged care users and workers should be made central to the aged care system, be grounded in the UN Declaration of Human Rights and include:

- The right to be treated with respect
- The right to participate in decisions about care
- The right to personal safety
- The right to access to appropriate medical services and care
- The right to fair remuneration and safe working conditions

Aged Care funding: substantial funding has been provided, but it is concerning that the Government has not introduced any ongoing revenue raising initiatives as [it must be sustainable](#) in the long term. There are also no measures outlined to increase transparency and accountability for how providers spend their funding. NFAW recommends that funding should be sustainable and provide rights-based quality outcomes, including [consumer control over their funding, independent pricing and transparency](#) about how money is spent.

Paid care workers: there is some money addressing workforce issues in the budget, but measures focused on increasing the pay and status of the aged care workforce have been largely excluded. The workforce conditions and pay of these workers must be improved and the pay gap between hospital and aged care staff closed. Workforce funding [needs to](#) improve career paths, pay, and skills to support better care of older Australians. NFAW recommends that the Government support the current application for a work value increase in the hourly rate for aged care workers to ensure the right people are attracted to work in the sector.

Informal carers: funding an additional 80,000 aged care packages as well as increased access to respite care will provide substantial support to women who are informal caregivers. Further recognition of the impact of caregiving on women financially needs to be considered. [It has been suggested that the Government examine entitlements to unpaid carer's leave, with a focus on the proposal for incorporating additional unpaid leave entitlements for informal carers in National Employment Standards.](#)

Reducing violence against women and their children

Reducing violence against women and children

The ongoing impacts of the COVID-19 pandemic and recent public conversations about sexual violence continue to highlight the importance of addressing and preventing all forms of violence against women.

NFAW welcomes the Government's investment of \$1.1 billion to address and prevent violence against women. This funding largely funds existing programs and initiatives, ensuring a continuation of services and in some cases expanding on what is currently in place, during a transition period while the next National Plan to Reduce Violence against Women and their Children is being developed (due to begin in mid-2022).

However, to see real change in both the way that our systems respond to and support women experiencing violence and in the underlying drivers of gender-based violence to prevent it, deep structural reforms informed by the expertise of women's and specialist organisations is critical. The Government has described this funding package as a "down payment" on the next National Plan. The design and resourcing of this next Plan will be critical to seeing real change on this issue.

Recommendations

- With states, territories and specialist organisations, monitor and respond to the ongoing impacts of the COVID-19 pandemic on violence against women, including through resourcing for increases in service demand.
- Address violence against Aboriginal and Torres Strait Islander women by providing adequate and ongoing funding to Aboriginal community-controlled organisations and services, including the national family violence legal prevention services.
- Prioritise the provision of appropriate and affordable housing for women as part of the national approach to addressing violence against women (see 'housing' section for further information about NFAW's policy recommendations in this area).
- Invest in addressing the underlying drivers of violence against women including through initiatives that address these drivers at all levels of society (institutional/system, organisational, community and individual) and the introduction of gender-responsive budgeting and policy-making.
- Meaningfully and substantially engage women's and specialist violence against women organisations in the design of the next National Plan and decision-making processes about resourcing required to implement the Plan.

Community Legal Centres

The amount provided to the sector through the National Legal Partnership Agreement 2020-2025 over the 2020-21 to 2023-24 period has increased by \$244.4 million comprising increased funding of \$129 million over four years to Women's Legal Centres, a modest increase of \$4 million per annum to Domestic Violence Units and Health Justice Partnerships, and \$26 million to Family Violence Prevention Legal Centres over 4 years to assist Aboriginal and Torres Strait Islander women and children experiencing family violence

There has been no specific additional funding to Community Legal Centres (CLCs) and the COVID-19 Legal Assistance funding and Bushfire Response funding has been discontinued.

While the \$129 million allocated to Women's Legal Centres is welcome to improve services to women, NFAW is concerned about the lack of detail in the Budget around the specific allocation of funding. In terms of the demand for services, the amount in the Budget is not enough, and it is immensely disappointing that Community Legal Centres received no additional funding from the Budget. During 2020 CLCs reported a significantly increased demand in a range of areas, and demand is anticipated to continue to increase over time as the community recovers from the pandemic crisis.

Recommendations

- The government provide increased funding to assist the CLCs to address their existing and predicted high demand.

- The government ensure that the \$129 million funding provided to Women’s Legal Centres goes directly to the legal centres in each State and Territory for the direct provision of assistance to women. and not absorbed elsewhere.
- That the government consider increased funding to Aboriginal Legal Centres to address unmet need.

International development

International development spending has been cut by \$144.4 million from last year to a total of \$4,435.3 billion, just a tenth of the budget allocated to Defence. The budget papers estimate that \$1.3 billion of this funding goes to supporting gender equality across the program, however when considered as a proportion of total ODA this figure places us in 22nd place out of 29 OECD donors. There are some welcome initiatives, particularly the allocation of \$170 million regional funding over five years to *Pacific Women Lead*. With the Generation Equality Forum – an international platform for accelerating action on gender equality – just weeks away, Australia needs to extend this regional commitment to the global level to ensure that we are taking a strong stand against backlash on women’s rights and gender equality.

Recommendations

That the Australian Government:

- Commit to ongoing and increased funding for the international development budget, including gender equality programming, to lay the foundation for COVID-19 response, recovery, and reset.
- Resource gender, disability, and social inclusion by reversing the 25 per cent funding cut to the central disability fund and significantly increasing the proportion of ODA targeting gender equality, including through increases in funding to women’s rights organisations.
- Allocate 20 per cent of funding within *Pacific Women Lead* to feminist movement strengthening and research, and ensure bilateral programs are incentivized to fund work under the program.
- Increase the predictability, transparency and flexibility of ODA by reintroducing multi-year budgeting and allowing funds to be rolled-over between financial years.
- Increase the staffing portfolio of DFAT in Canberra and at Post with a focus on development and gender expertise.

Budget 2021 – Fiscal outlook

Fiscal outlook

- The 2021-22 Budget runs an underlying cash balance of \$106.6 billion, equivalent to 7.6 per cent of GDP.
- The fiscal position reflects the historically high stimulus support injected into the economy to support the recovery, as well as increased investment in areas of social need including aged care and mental health services.
- The economy is expected to rebound solidly from the COVID-induced recession, with a forecast growth rate of 4.25 per cent in 2022-21, before moderating with a growth rate of 2.5 per cent in the following year. Employment opportunities are expected to strengthen, with the unemployment forecast to fall below 5 per cent in 2022-23.
- This 2021-22 Budget included a Women’s Budget Statement document which improves on recent budgets in terms of comprehensiveness and analysis, but still falls short of applying a gender lens across the entirety of all budget measures, as per a comprehensive Gender Responsive Budgeting approach.

Budget aggregates

This year’s fiscal position reflects the historically high stimulus support that the Australian Government is injecting into the economy to steer the economy toward recovery following the COVID-induced recession.

The fiscal position also reflect significant investments by the Australian Government in aged care and mental health services in response to recent Royal Commission and inquiries commissioned by the Government. The focus of these investments is to “guarantee high-quality and sustainable services for our community’s most vulnerable”.

The underlying cash balance for 2020-21 is estimated to be a deficit of \$106.6 billion, equivalent to 7.6 per cent of GDP. The underlying cash balance is forecast to reduce in forthcoming years as the economy recovers, and tax receipts grows and government support reduces.

The debt-to-GDP ratio provides a measure of the economy’s capacity to service this debt in the future. Net debt is expected to equate to 32.2 per cent of GDP by the end of 2022, peaking at

40.9 per cent by 2025. This debt-to-GDP ratio is deemed low relative to most other advanced economies and fiscally sustainable, by historically low interest rates.

The extension of the Australian Government Securities across the yield curve has contributed towards reducing the refinancing risk on the debt portfolio. This strategy reduces the sensitivity of debt repayments to short term movements in yields. The Budget reports that this approach means the debt-to-GDP ratio can be serviced without the need to run a budget surplus.

The fiscal deficit represents a profound change in rhetoric from the current Australian Government's previous approach to economic management which was focused on returning the budget to surplus. By contrast, the Government has now articulated a new goal to guide its fiscal policy settings, focused on reducing unemployment as a measure of economic recovery. However, the Australian Government has retained a focus on elevating the private sector as the engine room for the economy, articulating its intent for private sector activity to be the mechanism that sustains Australia's economic recovery, particularly as the stimulus support is progressively wound back.

Table 1: Budget aggregates

	Actual	Estimates					Total (a)
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Underlying cash balance (\$b)(b)	-85.3	-161.0	-106.6	-99.3	-79.5	-57.0	-342.4
Per cent of GDP	-4.3	-7.8	-5.0	-4.6	-3.5	-2.4	
Net operating balance (\$b)	-92.3	-154.5	-92.7	-90.2	-70.2	-55.7	-308.9
Per cent of GDP	-4.7	-7.5	-4.3	-4.1	-3.1	-2.3	

Source: 2021 Budget Paper No. 1, Statement 1: Budget Overview, Table 1.1 <<https://budget.gov.au/2021-22/content/bp1/index.htm>>
 (a) Total is equal to the sum of amounts from 2021-22 to 2024-25. (b) Excludes net Future Fund earnings before 2020-21.

Economic outlook

Following two consecutive quarters of negative GDP growth in June and September quarters of 2020, the Australian economy is emerging from the pandemic-induced recession. The Australian economy's recovery has been supported by the government's large stimulus initiatives. Households are also re-directing spending back towards consumption, following several periods of historically high saving ratios.

Real GDP returned to positive growth rates in 2021. This strong growth period throughout 2021 represents a rebound from the suppressed rates of economic activity that were experienced during the lockdowns. Real GDP is forecast to grow annually by 1.25 per cent in 2020-21, accelerating to 4.25 per cent growth in 2021-22. Following this rebound, growth rates are expected to moderate in coming years, with a forecast growth rate in real GDP of 2.5 per cent in 2022-23.

The consumer price index, as a measure of the change in the overall price level in the economy, is expected to rise from a negative rate of 0.3 per cent in 2019-20 to a positive rate of 3.5 per cent in 2020-21, indicative of the economy gaining momentum. Forecasts for the years ahead place the inflation rate in the vicinity of 2 per cent annually, which aligns with the lower bound of the RBA's inflation target.

Australia's employment outlook is also reflects a positive rebound from the recession. Following a fall in the aggregate employment rate by 4.2 percentage points during 2019-20, the employment rate is forecast to lift by 6.5 percentage points in 2020-21, before easing to a annual growth rate of 1 percentage point annually in 2021-22.

Correspondingly, Australia's 2019-20 unemployment rate of 6.9 per cent is forecast to improve to 5.5 per cent for 2020-21. Unemployment is forecast to continue to fall further to 4.5 per cent by 2023-24. The last time that the Australian labour market recorded an unemployment rate that was sustained below 5 per cent was in 2008 before the Global Financial Crisis.

Table 2: Major economic parameters^(a)

	Outcome	Forecasts				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Real GDP	-0.2	1 1/4	4 1/4	2 1/2	2 1/4	2 1/2
Employment	-4.2	6 1/2	1	1	1 1/4	1 1/4
Unemployment rate	6.9	5 1/2	5	4 3/4	4 1/2	4 1/2
Consumer price index	-0.3	3 1/2	1 3/4	2 1/4	2 1/2	2 1/2
Wage price index	1.8	1 1/4	1 1/2	2 1/4	2 1/2	2 3/4
Nominal GDP	1.7	3 3/4	3 1/2	2	4 3/4	5

Source: 2021 Budget Paper No. 1, Statement 1: Budget Overview, Table 1.2 <<https://budget.gov.au/2021-22/content/bp1/index.htm>>

(a) Real GDP and Nominal GDP are percentage change on preceding year. The consumer price index, employment, and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter. Budget paper cites the following sources: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia and Treasury.

To supplement these aggregate workforce-wide indicators, Table 3 presents the labour force indicators disaggregated by gender. Due to the atypical disruptions the pandemic caused in the labour market, it is important to consider fluctuations in workforce participation and under-employment alongside the standard metrics, especially because these metrics tend to differ by gender.

Both men and women's employment opportunities were negatively impacted during the pandemic, manifested by a fall in employment numbers and a rise in the unemployment rate. For some workers, the negative toll of the pandemic took the form of reduced hours, which is captured by an increase in the under-employment ratio. Women's underemployment ratio has consistently exceeded that of men's throughout the pandemic.

For other displaced workers, a loss in job opportunities or the inability to sustain employment during the pandemic (attributable, in part, to home-schooling responsibilities) resulted in workers stepping out of the workforce completely. These workers are not captured by the unemployed numbers, but instead captured by a fall in the labour force participate rate. The early months of the pandemic saw a significant drop in women's labour force participation rates. In the first two months of the pandemic, women's workforce participation had fallen by over 3 percentage points. These metrics indicate that women were more likely than men to absorb the negative toll of the pandemic by dropping out of the workforce rather than being recorded as unemployed. Disaggregating these indicators further by migrant status, Indigenous status, cultural and linguistic background, age, region, disability, sexuality and other important demographic characteristics, would highlight further disparities in workforce experiences.

Table 3: Labour market indicators by gender

Month	Employment numbers (000s)		Unemployment rate (%)		Under-employment (ratio)		Labour force participation rate (%)	
	Men	Women	Men	Women	Men	Women	Men	Women
Mar-2020	6837.6	6156.9	5.4	5.2	7.6	11.2	70.7	61.2
Apr-2020	6562.1	5840.4	6.7	6.0	13.3	15.9	68.8	58.5
May-2020	6457.2	5680.6	7.1	6.9	12.9	15.1	68.0	57.5
Jun-2020	6550.7	5825.9	7.4	7.3	11.8	13.5	69.1	59.2
Jul-2020	6603.3	5878.0	7.4	7.5	11.3	13.2	69.7	59.8
Aug-2020	6656.0	5974.3	6.9	6.6	11.4	13.0	69.9	60.2
Sep-2020	6625.3	5960.6	7.0	6.7	11.5	13.1	69.7	60.1
Oct-2020	6734.5	6013.6	6.9	7.0	9.9	12.7	70.7	60.8
Nov-2020	6788.2	6049.2	6.6	7.1	8.6	11.7	71.0	61.3
Dec-2020	6782.4	6094.1	6.6	6.5	7.6	10.8	71.0	61.3
Jan-2021	6811.5	6098.4	6.5	6.3	7.5	10.3	71.1	61.2
Feb-2021	6818.7	6175.2	6.2	5.5	7.7	10.4	70.9	61.4
Mar-2021	6836.8	6234.2	6.0	5.4	7.0	10.0	70.9	61.9
Apr-2021	6842.8	6197.6	5.8	5.2	6.8	9.7	70.8	61.3

Source: ABS, Labour Force Australia, Cat. no. 6202.0. All data are seasonally-adjusted. Under-employment is measured as a ratio of the number of people who are employed and seek more hours, as a fraction of the total number of people who are employed.

Australia's wage price index – a measure of changes in the wages and salaries of employees over time – is forecast to sit at 1.25 in 2020-21. This relatively weak rate is indicative of excess capacity in the labour force. The wage price index is expected to improve slightly in coming years as the labour market strengthens. However, as with all employment metrics, the average growth rate of wages and salaries for the workforce in aggregate will not reflect the experiences of all workers. Sectors with weaker job opportunities are likely to experience slower or even stagnant wage growth.

Some caveats apply to these economic forecasts. Australia's economic recovery depends on the capacity for potential COVID-19 outbreaks to be contained the effectiveness of vaccination programs, both in Australia and elsewhere in the world. It also depends on the timing of the reopening of international borders and global trade arrangements that affect Australia's exports. The Budget also acknowledges that Australia's recovery has been buoyed by recent improvements in commodity prices, particularly iron ore, which has strengthened Australia's terms of trade.

The education and tourism sectors have been highlighted as key sectors whose economic outlooks are highly contingent on the reopening of international borders – and large employers of women. Yet, even beyond these sectors, international border closures also affect the supply of skilled workers across the economy more broadly, as well as affecting demand for goods and services within our economy and future population growth. Internally, Australia's economic

recovery depends on the mobility of workers and businesses to transition effectively out of sectors that are experiencing weaker demand towards high-growth, high-need areas.

A focus on women

This year's Budget stands in contrast to last year's Budget in terms of its focus on women and recognising the impacts of the pandemic on women's economic experiences.

This year's Budget explicitly acknowledged a Government's focus on "ensuring that Australia is a place where women are able and encouraged to make the choices that are right for them. This means an Australia that does not tolerate violence against women and their children, promotes women's economic security, and supports women's health and wellbeing."

The 2021-22 Budget included a Women's Budget Statement as part of the budget package. The document outlines the initiatives that will contribute towards addressing women's safety, economic security, and health and wellbeing. It also analysed the ways that women's economic outcomes were differently affected to men during the pandemic. In this respect, the 2021-22 Women's Budget Statement constitutes an expansion in awareness and action on the part of the Australia Government, compared to its more recent budget releases.

However, a more comprehensive approach to Gender Responsive Budgeting (GRB) would have applied as gender impact analysis across the entirety of the budget, as exemplified in the following chapters of this report. Casting a gender lens across all mainstream budget policies would also serve to dismantle notions that areas such as childcare are exclusively a women's issue, and instead understand how gender equality is about breaking down gender norms that apply to both men and women. A Gender Responsive Budgeting approach also applies this assessment to both expenditure and revenue-raising decisions. These elements are examined more fully in this report's Machinery of Government chapter.

The budget measures announced in the Women's Budget Statement amounted to \$3.4 billion, with some of this expenditure amount spread out over several years. As a point of comparison, total spending announced in the Budget for 2021-22 alone amounted to \$589.3 billion.¹

In 2021, the Australian Government established a new Cabinet Taskforce to lead the work to address the issues of women's safety, economic security, and health and wellbeing. The Taskforce is co-chaired by the Prime Minister and the Minister for Women, and supported by the Minister for Women's Safety, the Minister for Women's Economic Security, and the Assistant Minister for Women. This constitutes a significant expansion in portfolio appointments on issues affecting women, however the extent to which these new appointments generate meaningful changes in policy design and economic outcomes for all women is yet to be seen.

¹ Source: 2021-22 Budget Paper No. 1, Statement 3, Table 3.2: Australian Government general government sector budget aggregates; 2021-22 Women's Budget Statement.