

Submission: 2021-22 Pre-Budget Submissions

economic Security4Women (eS4W) welcomes the opportunity to provide this submission to the Minister for Housing and Assistant Treasurer providing a gender lens regarding priorities for the 2021-22 Budget.

economic Security4Women

economic Security4Women (eS4W) is a national women's alliance, funded by the Australian Government through the Office for Women in the Commonwealth Department of Prime Minister and Cabinet.

It is an alliance of women's organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.

The role of eS4W is to:

- bring together women's organisations and individuals from across Australia to share information, identify barriers to women's economic security and to identify solutions by prioritising the key issues for action to bring about change.
- engage actively with the Australian Government on policy issues as part of a better more informed and representative dialogue between women and government.

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Overview

Further to our pre-budget submission for 2020-21 we reiterate and provide further information on our primary recommendations for the 2021-22 budget. We acknowledge that our recommendation #6: Confirm extension of the funding the National Women's Alliances (NWAs) to June 2025, has in part been implemented with the extension of the current funding till 20 August 2021 and a Grant Opportunity to fund six National Women's Alliances till 30 June 2024.

Despite progress over the last 100 years, gender inequalities remain deep-rooted in every dimension of Australian society and our economy. Current policy settings are insufficient to drive material change in key dimensions of workforce participation, gender wage gap, superannuation, childcare and early childhood education, that will in turn deliver economic growth. Gender inequality is the remaining key structural reform open to government to drive significant economic growth.

eS4W primary recommendations are:

1. Apply a gender lens to all budgets and policies: Federal Government reinstatement of gender responsive budgeting into the annual gender budget statements and integration of gender impact assessments into budgetary decision-making processes.

2. Boost women’s economic security by narrowing the gender pay and superannuation gaps. Actions to include:

- Legislate above average wage increases for sectors and professions with a high proportion of female workers
- Amend the equal pay legislation by ensuring women in historically underpaid female-dominated industries receive the same remuneration as men in different but equal-value work
- Maintain the legislated timeframe for increase in the SDG levy and increase the government’s superannuation contribution to at least 12 per cent.
- Remove the \$450 monthly threshold for superannuation.
- Introduce legislation that ensures all employers continue to provide the superannuation guarantee to staff while on parental leave

3. Increase workforce participation by:

- driving economic growth by providing affordable and accessible childcare and early childhood education
- implementing a Gender Equality Procurement Policy with legislation that at a minimum one women-led business is included in every procurement/request for quote/s.
- Strengthen the support, funding and reporting role of the Workplace Gender Equality Agency (WGEA) including with the engagement on and uptake of formal flexible working arrangements by gender.

4. Recognition of unpaid care work:

This could occur through the Federal Government provision of a government funded “carer credit” for qualified carer benefit recipients. Credits are allocated in the form of superannuation payments, pension top-ups and other government services as a payment for the savings to the budget these carers implicitly accrue from their unpaid care for dependent family members.

5. Affordable and secure housing and reduced homelessness:

This could occur through the Federal Government provision of increased building of appropriate social housing stock across Australia and increased availability to homeless women.

economic Security4Women will be requesting a meeting with the Minister for Women to provide grass roots findings on the impact current policies have on women’s lifelong economic wellbeing and in turn the economy of Australia.

Background

The current Federal Government policy approaches to childcare, superannuation, education, jobs and financial literacy is not keeping up with changes in social attitudes, structural changes in the economy and demographic changes.ⁱ Since the initial economic Security4Women (eS4W) White Paper [Defining the concept of economic security for all women](#), (2018 White Paper) was finalised and published in June 2018, progress in Australia has been patchy when it comes to outcomes and policy responses designed with the specific purpose of boosting women's economic security.ⁱⁱ

Policy progress aimed at enhancing the economic security for women living in Australia has been hampered and complicated by what was a period of subdued economic growth in the period up to the end of 2019. The more recent economic fallout from the COVID-19 pandemic, which appears to have a considerable time to run, is further holding back progress. The economic dislocation in the form of a recession with high and rising unemployment as a result of the pandemic, shows signs of restricting progress in supporting the financial well-being of Australian women.

As a member of the United Nations (UN), in addition to ratifying and upholding Human Rights Conventions in the Australian context. Australia also participates in global strategies to transform the world for all global citizens. The most recent of these global strategies are the [Sustainable Development Goals](#) (SDGs). Due to the universal nature of the SDGs; means Australia needs to look not only outwardly through the International Aid and Development Policies, but also Australia needs to examine our [Australian Policy and progress to ensure we are universally meeting the goals and targets set within the SDGs](#).ⁱⁱⁱ

Gender inequalities are still deep-rooted in Australian society. Women suffer from lack of access to decent work and face occupational segregation and gender wage gaps^{iv}.

What is gender equality?

"Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world."

- United Nations Sustainable Development Goal SDG5

"Workplace gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of gender."

- Workplace Gender Equality Agency

How do we achieve gender equality?

The Federal Government should review and action the below recommendations:

Recommendations

1. Apply a Gender Lens to all Budgets and Policies:

For the Federal Government to deliver Gender Responsive Budgeting (GRB) by reinstating the annual gender budget statements and integrating gender impact assessments into budgetary decision-making processes.

In 1984 Australia was the first country in the world to develop, apply and implement GRB and had a 30-year history of delivering the Women's Budget Statement (WBS) until 2014. The WBS was produced under the Hawke-Keating Labor Governments (1983-1996), the Howard Liberal-National Coalition Government (1996-2007) and the Rudd and Gillard Labor Governments (2007-2013). However, in 2014 under the Abbott Liberal-National Coalition Government a WBS was not published despite major policy and budgetary changes outlined in the 2014-15 federal budget that had major implications for gender equality and women's empowerment.^v Women have already been adversely affected by COVID-19, a reinstatement of WBS to monitor steps to reduce any further disadvantage during the recovery stage would assist in mitigating economic growth.

eS4W recommends the Government reinstate the publication of the Women's Budget Statement and further, to elevate issues enhancing the economic security of Australian women to a key policy narrative that monitors gender imbalances on a range of indicators and sets a framework on how to address these in both the short and medium term. eS4W refers you to our Issue Paper – A gender lens on economic policy including in the budget^{vi}

eS4W reiterates the Senate Select Committee on COVID-19's first interim report, section 5.12^{vii}

The committee strongly shares the view of eS4W that:

Moving forward we encourage the Government to apply a gender lens on all policies...

Women's economic empowerment will be essential if we are to ensure effective and sustainable economic recovery from COVID-19 in Australia. ⁹⁵ eS4W, Submission 179, p. 9.

2. Boost Women's Economic Security:

2.1 The Federal Government can diminish/narrow the Gender Pay Gap:

- **Legislate above average wage increases for sectors and professions with a high proportion of female workers – for example: nurses, social workers, teachers (particularly in early childhood) and carers (including but not limited to personal, family and aged care).**
- **Amend the equal pay legislation by ensuring women in historically underpaid female-dominated industries receive the same remuneration as men in different but equal-value work.**

The gender pay gap remains significant with women earning, on average, 13.9 per cent less than men for full time work. This measure of the gender pay gap was 18.5 per cent in 2014 but as low as 14.9 per cent in November 2004.^{viii} It should be noted much

of the narrowing has been driven by trends in the economic cycle on a sectoral basis, rather than being the outcome of specific policy decisions. For example, weakness in construction, agriculture, forestry and fishing and utilities – sectors with relatively high wages and a high proportion of male employment – have experienced a cyclical downturn relative to health care and education – sectors with relatively lower wages and a high proportion of female employment.^{ix}

Occupations that have a high concentration of women in the workforce tend to have lower incomes. The ‘carer’ occupations including health and social assistance and education and training are generally dominated by full time equivalent wages in the middle to lower quartiles. Women also make up around 56 per cent of those employed in retail trade and accommodation and food services, which also are generally low wage sectors. If wage levels in these sectors increase at a pace above the average, progress would be made in reducing the gender pay gap.^x

The government should review existing research and support other initiatives, that seek to understand why many industries are gendered and seek to normalise careers across all sectors for men and women. COVID-19 linked economic stimulus programs, which are primarily in male dominated sectors (e.g. construction) should be linked to increased female representation in those industries.

eS4W reiterates the Senate Select Committee on COVID-19’s first interim report, section 5.99^{vii}

The Grattan Institute’s submission found that women were economically worse off when compared to other notable demographic groups,⁸³ while economic Security4Women (eS4W) highlighted that:

Women have been disproportionately affected during COVID-19. They make up the majority of front-line workers in care, and education and are overrepresented in precarious employment, including in the informal sector, where their benefits and protection are inadequate or lacking.⁸⁴ (economic Security4Women (eS4W), Submission 179, p. 9.)

and section 5.106^{vii}

Failure to incorporate known inequities, such as those in superannuation outcomes, has promoted greater disparity. eS4W asserted in its submission that their analysis of Australian Prudential Regulation Authority and ATO data found women, who already retire with 47 per cent less super than men, withdrew 4.5 per cent of their balance on average compared to 2.5 per cent for men accessing the scheme.

In addition, eS4W Discussion Paper – The Gendered Labour Market^{xi} further highlights the discrepancy between male and female dominated industries with the fact that a miner who helps to dig out iron ore or copper from the ground and transport it to a ship is paid substantially more than an early education teacher who uses their skills and expertise to nurture Australian children as they start their journey through life. The data shows that the miner has an 83.7 per cent chance of being a male, while the teacher has a 73.2 per cent chance of being a female.

2.2 The Federal Government can diminish/narrow the Superannuation Gap (SG):

- **Maintain the legislated timeframe for increase in the SG levy and increase the government's superannuation contribution to at least 12 per cent.**
- **Remove the \$450 monthly threshold for superannuation.**
- **Introduce legislation that ensures all employers continue to provide the superannuation guarantee to staff while on parental leave**

Superannuation savings levels provide another stark contrast in the economic and financial security of women relative to men. According to estimates from the Association of Superannuation Funds of Australia, the average superannuation balance of a 50-year-old woman is \$99,520, some 73 per cent below that of a 50-year-old man. For a 65-year-old entering retirement, the gap is still a wide 44 per cent with the slight narrowing attributable to women re-joining the paid workforce after having and caring for children.^{xii}

According to Industry Super Australia, current trends in wages and workforce participation will mean that by 2030, men will retire with an average superannuation balance of \$432,000 which is 39 per cent above the \$262,000 average balance for women.^{xiii}

Research from The Grattan Institutexiv has found that the superannuation balances of women is below men in all age groups and the two problems that need to be resolved are:

1. Women are at greater risk of experiencing absolute poverty in retirement
2. Women retire with comparatively less savings than men, resulting in relatively lower retirement incomes.

3. Increase Workforce Participation:

3.1 The Federal Government can provide affordable and accessible childcare by:

- **funding additional childcare centres in areas identified from the Census of Population and Housing with the greatest need,**
 - **increasing subsidies to ensure childcare is affordable for working parents and those looking to return to paid employment and**
 - **providing more affordable 'in home care' options (for remote women, or those who do not have access to a child-care centres, for example)**
 - **establishing a roadmap to achieve universal early childhood education.**
- The OECD confirmed the well-established research findings that accessible and affordable childcare makes it easier for parents to participate in paid work, with the most significant effect on maternal employment.
 - Relative to other countries, childcare remains expensive in Australia. According to the OECD, childcare in Australia, the costs for a two-earner couple on median earnings is approximately 30 per cent of a woman's median full-time earnings. This is almost double the OECD average of 16 per cent. While the costs fall relative to a woman's wage of a couple on low earnings and single parents, Australia's childcare costs are above average in comparison across the OECD countries.
 - The OECD has also suggested that costs for the parents can be lowered via childcare benefits and rebates and tax deductions. Some of these options have been explored and implemented in Australia, but the quantum of the measures is clearly short of what is required to boost workforce participation, especially for women.^{xv}

- o Please refer to eS4W's White Paper "[Policy reforms needed to boost women's financial well-being](#)" (Page 5: "The Gender Superannuation Gap")
- o Please refer to eS4W's discussion paper "[The Gendered Labour Market](#)" recommendation:

*Childcare that is affordable and accessible to all parents via direct subsidies to childcare centres and making more places available in the cities and in regional centres. This will ensure there is a rise in female workforce participation and will, among other issues, provide greater opportunities for women to advance to managerial positions across all sectors of the economy. **A lift in workforce participation has the added benefit of raising the potential economic growth rate of the Australian economy.***

3.2 The Federal Government can implement a Gender Equality Procurement Policy with legislation that at a minimum, one woman-led business is included in every procurement/request for quote/s.

The Australian Government report that 34.8% of Australian business owner managers are female. However, women owned businesses attract less than 2% of the global procurement market (United Nations). This gap presents an opportunity to create gender equality through ethical supply chains to enable Australia to achieve economic outcomes for businesses and communities. Whether your organisation is a sole trader, small business, medium sized business, not-for-profit, government entity, or large corporation, you can choose to include women led businesses in your supply chain. Every budget owner has the power to take action to be consciously inclusive of women led businesses. Research shows this leads to greater profitability, and better organisational outcomes. ^{xvi}

There is a role for micro/small enterprises (versus or in addition to employee focus) to play in supporting women's economic security that could be highlighted for investment in incubators/women led training/resourcing/support and policy around 'gaps' for self-employed people - as more women are exiting from an unfriendly or unsatisfying workforce.

Access to technology and to women's learning and development improves both the costs and availability of the attractive option of working for self as a woman, but also comes with some pitfalls (super, savings, inability to access govt support for example) which can be supported by implementing the recommendations in this pre-budget submission.

3.3 The Federal Government could strengthen the support, funding and reporting role of the Workplace Gender Equality Agency's (WGEA) gender equality reporting scheme with the requirement for employers to specify targets, timeframes, and incentives for addressing workplace gender equality outcomes, including with the engagement on and uptake of formal flexible working arrangements by gender

WGEA provides a critical monitoring and reporting program for Australian businesses, which in turn provides the essential facts database by which organisations individually and collectively can assess gender equality performance in the workplace, including the all-important gender pay gap. The data and reporting is a key resource for businesses and also acts as a 'report card' on where necessary change is occurring and where it is not.

According to WGEA's data 72.7% of employers promote flexible work, up 2.0pp but only 2.3% have set targets for men's engagement.^{xvii}

Diversity Council Australia (DCA) and Suncorp Inclusion@Work Index 2019-20^{xviii} found workers with the flexibility they need to manage work and other commitments – Flex Satisfaction – are significantly more likely than workers without this perceived flexibility to report that their team excelled at:

- Working hard (69% for workers with the flex they needed versus 39% for workers without)
- Customer/client service (65% for workers with the flex they needed versus 29% for workers without)
- Working together effectively (65% versus 23%), and
- Innovating (54% versus 12%).

All in all, workers with Flex Satisfaction were four times as likely to indicate their team was innovative, close to three times as likely to report that their team was working together effectively, and twice as likely to agree that their team provided excellent customer/client service.

4. Recognise Unpaid Care Work:

The Federal Government can provide a government funded “carer credit” for qualified carer benefit recipients. Credits are allocated in the form of superannuation payments, pension top-ups and other government services as a payment for the savings to the budget these carers implicitly accrue from their unpaid care for dependent family members

Reiterating the findings of the [eS4W Carer White Paper](#), government funded carer credits in the form of income payments, superannuation top-ups, pensions and other services are critical for carers. They shoulder a significant financial burden when providing care often with little or no payment and at an enormous saving to the government. This would also put a value on the work of carers and could further encourage such care which would be a significant partial saving to the budget.

5. Provide Affordable and Secure Housing and Reduce Homelessness:

The Federal Government can increase the building of appropriate social housing stock across Australia and increase availability to homeless women

Adequate housing is not just physical shelter but also a gateway to wellbeing. It provides the foundation for improved physical and mental health, educational outcomes and employment. In NSW, as in many states and territories, there is a severe shortage of affordable rental housing for those on lower incomes.

FACT: The 2016 Census estimated that 6,866 older women were homeless in Australia.^{xix} A further 5,820 older women were living in marginal housing and may be at risk of homelessness.^{xx}

FACT: The 2016 Census estimated over 37,000 people were homeless in NSW – nearly 37 percent more than in 2011.^{xxi} Homelessness is increasing, particularly for Aboriginal people, young people and older renters.

Older women are the fastest growing cohort of homeless people in Australia, with the numbers aged over 55 increasing by 31% between 2011 and 2016, and the numbers aged between 65 and 74 increasing by 51% in that time^{xxii}. Most homelessness among older women occurs because they do not have the economic means to access housing they can afford, due to cumulative and interrelated gender-related disadvantage.

Older women's homelessness is often hidden from view. Women experiencing homelessness often stay with friends or family, live in severely crowded dwellings, under the threat of violence or are physically hiding.^{xxiii} In contrast, men often sleep rough, or live in improvised dwellings or boarding houses. Women additionally look to 'self-manage' their homelessness through strategies such as partnering up, moving between family and friends, and looking to take on jobs that provide housing.^{xxiv}

The key to tackling homelessness is to shift from short-term crisis assistance to long-term secure housing. Social and affordable housing is a sensible infrastructure investment which generates important social and economic benefits. For example, when homeless people obtain stable accommodation, they require less healthcare and have less emergency hospital admissions. With the economy slowing, public investment in social housing is a cost-effective way to boost growth in jobs.^{xxv}

Supporting Documents:

- Links:
 - economic Security4Women's White Paper 2018 "[Defining the concept of economic security for all women living in Australia](#)"
 - economic Security4Women's Update to 2018 White Paper "[Policy reforms needed to boost women's financial wellbeing](#)"
 - Financy Women's Index, June Quarter 2020 "[The pandemic impacts, progress and timeframe to economic equality](#):"
- Attached
 - economic Security4Women's Discussion Paper November 2020 "The Gendered Labour Market"
 - economic Security4Women's Issue Paper October 2020's:
 - "Childcare – Affordable & Accessible"
 - "Workplace Flexibility increases Workforce Participation"
 - "A gender lens on economic policy including in the budget"
 - economic Security4Women's submission to the Senate Committee on COVID 19

Endorsement

eS4W endorses The Parenthood 2021-2022 Pre-Budget Submission prepared by Georgie Dent, Executive Director and their stated primary recommendations:

- Recommendation 1: Increase statutory paid parental leave for parents and carers.
- Recommendation 2: Make high quality early childhood education and care universally accessible to all children.
- Recommendation 3: Protect children from poverty.
- Recommendation 4: Commit to reducing gender inequality.
- Recommendation 6: Support parents and caregivers through family inclusive workplace policies.

- ⁱ economic Security4Women’s White Paper 2018, @ <https://www.security4women.org.au/boosting-womens-economic-security/economic-security-defined-for-all-women/> [Accessed 10 August 2020]
- ⁱⁱ economic Security4Women’s White Paper (June 2018 Update) 2020 @ <https://www.security4women.org.au/boosting-womens-economic-security/policy-reforms-needed-to-boost-womens-financial-well-being/> [Accessed 10 August 2020]
- ⁱⁱⁱ economic Security4Women, “A Global Impact on National Issues” @ <https://www.security4women.org.au/overarching-focus-womens-lifelong-economic-sustainability/a-global-impact-on-national-issues-es4w/> [Accessed 10 August 2020]
- ^{iv} United Nations: Department of Economic and Social Affairs, Sustainable Development Goal 5 @ <https://sdgs.un.org/topics/gender-equality-and-womens-empowerment> [Accessed 10 August 2020]
- ^v “A Case Study of Gender Responsive Budgeting in Australia, Rhonda Sharp and Ray Broomhill @ https://www.unisa.edu.au/siteassets/epi/server-6-files/global/eass/hri/grb_papers_australia_comm-sec-updf_final-copy-.pdf [Accessed 17 August 2020]
- ^{vi} eS4W’ Issue Paper – A gender lens on economic policy including in the budget @ <https://www.security4women.org.au/boosting-womens-economic-security/issues-post-covid/a-gender-lens-on-economic-policy-including-in-the-budget/> [Accessed 25 January 2021]
- ^{vii} “Senate Committee COVID-19 First interim report, December 2020 @ https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Interim_Report [Accessed 26/1/2020]
- ^{viii} Wgea.gov.au. 2020. Australia’s Gender Pay Gap Statistics | WGEA. [online] Available at: <https://www.wgea.gov.au/data/fact-sheets/australias-gender-pay-gap-statistics> [Accessed 13 August 2020].
- ^{ix} economic Security4Women’s White Paper 2020 “Policy reforms needed to boost women’s financial well-being <https://www.security4women.org.au/boosting-womens-economic-security/policy-reforms-needed-to-boost-womens-financial-well-being/> [Accessed 13 August 2020]
- ^x economic Security4Women’s White Paper (June 2018 Update) 2020 – Section “Gender participation by occupation” @ <https://www.security4women.org.au/boosting-womens-economic-security/policy-reforms-needed-to-boost-womens-financial-well-being/> [Accessed 17 August 2020]
- ^{xi} eS4W Discussion Paper – The Gendered Labour Market @ eS4W Discussion Paper – The Gendered Labour Market @ https://www.security4women.org.au/wp-content/uploads/2020/12/eS4W-The-Gendered-Labour-Markets_20201215.pdf [Accessed 25 January 2020]
- ^{xii} Women, Finance and Money » Industry Super <https://www.industrysuper.com/understand-super/women-and-superannuation/> [Accessed 17 August 2020]
- ^{xiii} Women, Finance and Money » Industry Super <https://www.industrysuper.com/understand-super/women-and-superannuation/> [Accessed 17 August 2020]
- ^{xiv} Grattan Institute, “What’s the best way to close the gender gap in retirement incomes” Brendan Coates, 2018, http://bcec.edu.au/assets/AGEW-2018_Brendan-Coates-Whats-the-best-way-to-close-the-gender-gap-in-retirement-incomes.pdf [Accessed 17 August 2020]
- ^{xv} OECD: Is Childcare Affordable, June 2020 [online] Available at: <https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf> [Accessed 13 August 2020].
- ^{xvi} Femeconomy, Creating Gender Equality through Procurement Available at: <https://femeconomy.com/policy-creating-gender-equality-through-procurement/> [Accessed 20 August 2020]
- ^{xvii} WGEA, Australia’s gender equality scorecard, November 2019 Available at: <https://www.wgea.gov.au/sites/default/files/documents/2018-19-Gender-Equality-Scorecard.pdf> [Accessed 20 August 2020]
- ^{xviii} DCA-Suncorp Inclusion@Work Index at <https://www.dca.org.au/inclusion-at-work-index> [Access 20 August 2020]
- ^{xix} Australian Bureau of Statistics (ABS), Census of Population and Housing: Estimating homelessness: State and territory of usual residence, Sex by age of person, 2016, Data cube: Excel spreadsheet, Cat. No. 2049.0 (2018).
- ^{xx} Australian Bureau of Statistics (ABS), Census of Population and Housing: Estimating homelessness: State and territory of usual residence, Sex by age of person, 2016, Data cube: Excel spreadsheet, Cat. No. 2049.0 (2018).
- ^{xxi} NSW Government, NSW Homelessness Strategy 2018-2023. Available at: https://www.facs.nsw.gov.au/data/assets/pdf_file/0007/590515/NSW-Homelessness-Strategy-2018-2023.pdf [Accessed 17 August 2020]
- ^{xxii} [ABS Census of Population and Housing, Estimating Homelessness, 2016, cat no. 2049.0]
- ^{xxiii} Maree Petersen and Cameron Parsell, ‘Older Women’s Pathways out of Homelessness in Australia’ (Report, Mercy Foundation, 2014)
- ^{xxiv} Andrea Sharam, ‘Going it Alone: Single, Low Needs Women and Hidden Homelessness’ (Research Report, Women’s Information, Support and Housing in the North, 2008) 31. Guy Johnson, David Ribar and Anna Zhu, Women’s Homelessness: International Evidence on Causes, Consequences, Coping and Policies’ (Discussion Paper No. 10614, Institute of Labor Economics, 2017) 20–23.
- ^{xxv} ACOSS, August 2019 “How to reduce homelessness and boost incomes and jobs: Social Housing as infrastructure. Available at: <https://www.acoss.org.au/wp-content/uploads/2019/08/ACOSS-Brief-Social-Housing-Investment-as-Infrastructure.pdf> [Accessed 17 August 2020]