National Foundation for Australian Women

REAL WOMEN. VISIONARY LEADERSHIP

BUDGET 2015-16 – A GENDER LENS

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1. INTRODUCTION

It has been the practice since 1984 for Federal Governments to produce a Women's Budget Statement as one element of the official Budget Papers. In 2014 this practice ceased. There has been no explanation from the Government. It is regrettable that the Government has made this decision.

In 2014 the National Foundation for Australian Women, a non-politically aligned feminist organisation, in conjunction with experts from a range of women's organisations, took up the task of analysing the implications of the Budget through a gender lens (see http://www.nfaw.org/wp-content/uploads/2014/05/Budget-2014-NFAW-gender-lens-final.pdf). That document proved useful to a number of organisations and analysts, and so this year, in the continuing absence of a Government Women's Budget Statement, we have prepared a Gender Lens for the 2015-16 Budget.

Why a Gender Lens?

NFAW, with other women's organisations, is committed to examining the potentially differential impacts of policies and their outcomes for men and for women, and whether the consequences of policies, intended or unintended, may adversely impact on women.

The gap between the earnings of men and women is 18.8 per cent and is continuing to widen. Women take time out of the work force for child bearing, child rearing, and for care responsibilities for extended family members to a much greater extent than do men. As a consequence, women have lower rates of savings for retirement, and most women will eventually become wholly or partially dependant on the Age Pension. Women are also underrepresented in the well-paying occupations and over represented in the feminised industries that are low paid. Their career progression and therefore representation in the senior executive levels is often interrupted by the periods of unpaid care work and consequently women continue to be underrepresented on boards and other senior positions in the workforce. Many older women have not had an extensive history of work-force attachment, and are unlikely to be good prospects for working until age 70. Housing security is markedly worse for mature women than for men. Women have different experiences of poor health conditions than men. Women in Australia are much more likely than men to experience violence at the hands of a partner.

Gender analysis is essential.

This document has been prepared by a volunteer team of analysts. It has been not possible to cover all areas extensively including women with disability and CALD women. Most particularly we regret our inability to analyse the implications for indigenous women and children specifically, given the merging of many pre-existing programs into new groups in the Department of Prime Minister and Cabinet. However, we can legitimately assume that any measure adversely affecting the income, housing, health care access or education of low income families will be much worse for indigenous women and children.

Not all detail required for a thorough analysis of government decisions is available or clear in the Budget Papers. In fact, one of the themes emerging from this analysis is the progressive loss of transparency in Budget documents—a loss which extends even beyond gender disaggregated data to transparency in presenting offsets and distinguishing between old and new money for Budget initiatives. Our analysis has been further affected by the loss of data formerly made available by research and review bodies that since been abolished in the name of reducing red tape. The Government that committed to increased transparency and accountability continues to reduce both, making it very difficult for everyone to assess the practical implications of the cuts. This reduced transparency in the federal government's reporting is a concerning development.

2. THE BUDGET ENVIRONMENT

This is a Budget which does little overall to assist women to rise out of poverty -- the insistence on using the Budget 2014-15 changes to Family Tax Benefits parts A and B and on access to the Paid Parental Leave Scheme as trade-offs against the generous child care package are against the best interests of infants and children, miserable and divisive.

Australia has come a very long way in policies designed to assist families since the days of dependent spouse rebates and a universal child endowment. The current emphasis on work force participation for mothers sits uneasily with the remains of the Howard Government's 'white picket fence' approach to supporting single income families and generous universal Family Tax Benefits.

Rather than the fiddling around represented by the proposed FTB A and B arrangements, which in themselves are unlikely to encourage workforce attachment and run the risk of punishing single income and low income family units, it is time for a total re-think of how we want Government to support families, and with what desired outcomes. Do we really want child care 'reform' with an activity test which will seriously disadvantage single income families across a wide range of incomes and family types?

Spare us from another inquiry which is all about 'rationalisation', let the nation's leaders do some thinking about key philosophical positions.

We might add, spare us also from intellectually dishonest political speak about 'welfare rich', or last year's 'lifters and leaners' both in the Budget papers and in media events. As Greg Jericho has put it, the Budget's Tables illustrating 'support for households' show

> *….. the disposable income of a single person on $40,000 (which is almost half the average full-time income) is just $35,053. That is a lower equivalent disposable income than all non pensioner household types displayed on the table except for two - a couple with one income of $60,000 and one child under 6; and a couple with two incomes equalising $60,000 and with two children aged 6-13.*
>
> *The tables might have been created to spin the tale that too many people are too dependent upon welfare that makes them better off than single people on the same income. But what they really show is that such families receiving government payments have a much lower standard of living than single people on average incomes, and are a very long way from being 'welfare rich.* [1]

NFAW and the YWCA have coordinated a national statement of support for the current access to paid parental leave arrangements (see Attachment A).

Having received a clear response from the public over the unfairness of the measures proposed in Budget 2014-15, the Government has attempted some different approaches to savings and expenditures this year (apart from those left over). What is not so clear to the public, however, is that all the heavy lifting in terms of revenue over the out-years comes from personal income tax, not from company tax. Bracket creep will continue to adversely impact taxpayers on low and modest incomes.

Notwithstanding talk of a bi-partisan approach to tax reform (and a review of Federation) the Prime Minister has expressly ruled out some reforms to tax such as changes to superannuation concessions, which are now close to the same cost to the Budget as total expenditure on the means

[1] *Greg Jericho If you're going to compare levels of income and welfare, do it fairly* . The Drum. Retrieved from: http://www.abc.net.au/news/2015-05-20/jericho-budget-2015-unfair-comparisons-of-income-and-welfare/6480576

tested Age Pension. Bracket creep remains the preferred mode of revenue raising to meet the community's demands for adequate domestic services such as heath, and education and such attention to the impact of population growth and climate change as is allowed.

Australia, sited on the rim of an arc of instability in its region (a region greatly affected by climate change and political instability) has decided to dramatically reduce its overseas aid budget. The rhetoric about promoting women's development remains, but the opaque Budget documents mean there is no way of tracking whether anything real is happening.

3. SUMMARY OF FINDINGS

The main features of the 2015-16 Budget were the small business package and the lack of any reform to the generous tax expenditures on negative gearing, capital gains tax discounts and superannuation. This means that the Government has had to continue the 2014-15 Budget strategy of simply cutting expenditure. Women are less likely to benefit from tax expenditures and more likely to be reliant on income support, generally because, as principal carers, they have lower income and assets.

Key 2015-6 measures affecting women:

The 2015-16 Budget, in the short term, appears to rely on the retail boost from the assistance to small business in the Growing Jobs and Small Business package to stimulate demand. Women small business operators may benefit directly from the package. It may also create jobs in the retail sector where women are well represented. The gender impact of these measures will, however, be limited unless implementation addresses increasing and supporting women's workforce participation. The interaction of the changes to child care and employment services will be crucial.

The 2015-16 Budget does not address investment in social infrastructure which is an area that is more likely to create employment opportunities for women. In fact, health, education and government services— significant employers of women, have been targeted for cuts. $131 million has been cut from the Department of Education and Training. Australian Public Service wage bills are forecast to drop. Service delivery public sector employers such as Centrelink and the Australian Tax Office are important regional employers of women.

The proposals to fund a rationalised child care scheme by cutting payments to sole parents and gains won by women in enterprise bargaining exhibit a classic Government wedge strategy that will be used to try to force an unpopular measure through the Senate in order to fund a popular one. In all, the proposed changes are an egregious reduction in women's work and welfare entitlements. They are ill-founded and do not cohere with government policy to improve women's workforce engagement, and indeed may have the reverse effect.

The following measures will also affect women differentially:

- $843m is to be invested in preschool programmes across Australia through the National Partnership Agreement on Universal Access to early Childhood Education in 2016 and 2017.
- The intention persists to index schools funding to CPI from 2018, effectively freezing funding at 2017 levels. This is estimated to leave a gap of $30 billion over the decade.
- $16.9 million has been provided to the Australian Institute for Teaching and School Learning does not quite cover the $19.9 billion cuts of 2014.
- $1.3 billion has been allocated for students with a disability.
- The intention to cut university funding 20 per cent from 1 January 2016 persists, and the Government will press ahead with the so-called Pyne reforms, including increases to student numbers and changes to the indexation rate of HELP debts.

- The Workplace English Language and Literacy Program has been retained with an allocation of $4.7 million, a little more than half of its estimated actual expenditure of $8.2 million in 2014/2015.
- While the Federation and Tax White Paper processes will continue to examine the roles and responsibilities of each level of Government in relation to housing and homelessness policy, the Budget is the latest example of inaction in this area.
- The Government proposes savings of $962.8 million over five years from 2014-15 by rationalising and streamlining funding across a range of Health programmes (Budget Paper 2, p. 110 – Health). These cuts will likely have a disproportionate impact upon people on low incomes and with chronic illness.
- There is to be a significant reduction in funding for health flexible funds, which is likely to undermine core capacity of community-based health work, including policy advice, representation of consumer and community interests, and services particularly in the area of primary health.
- National Partnership Agreement on Homelessness (NPAH) has been extended for the next two years at a cost of $115 million annually. There is no indexation for this funding.
- Five days after the Budget the Government announced an extra $4m for the 1800RESPECT hotline. This appears to be in addition to more than $1m announced in June 2014. It is unclear whether this funding is new or from existing resources.
- $25.5 million over two years has been 'restored' to community legal centres from last ear's Budget cuts. However, a revised National Partnership Agreement on Legal Assistance Services was detailed in the Budget, signalling significant cuts from 2017-18 onwards.
- The Commonwealth will contribute $15 million over two years toward the COAG National Awareness Campaign to Reduce Violence Against Women and their Children.
- It is unclear whether the 'new' $50m Gender Equality Fund is simply a re-badging of the Pacific Women Shaping Pacific Development.
- Funding for Burma has been slashed by 40 per cent.

4. RECOMMENDATIONS

NFAW suggests that in the interests of fairness, and of gender equity, the Government reconsider aspects of its overall savings and revenue strategy. Further, NFAW offers the following specific recommendations on particular topics.

Gender Budgeting

1. We recommend that in the future all Budgeted measures (savings and expenditure) should contain gender equality objectives and indicators and performance measures that have been disaggregated by sex.

Taxation

2. NFAW continues to call for reform to the generous tax expenditures on negative gearing, capital gains tax discounts and superannuation.

Social Services

3. NFAW recommends a review of retirement incomes, the age pension and superannuation.
4. NFAW supports the need for improved and more effective employment assistance. However, the increased age eligibility for Newstart and the one month waiting period for those under 25 are not supported.

Families – Childcare and Parental Leave

5. NFAW supports the model of child care provision proposed b the Government but recommends that the savings measures proposed in the 2015-16 Budget to offset costs be abandoned, and that the Government look for funding to current generous tax expenditures on negative gearing, capital gains tax discounts and superannuation.
6. NFAW calls on the Government to abandon the proposed changes to the current paid parental leave scheme announced in the 2015 Budget.

Employment

7. NFAW is concerned that women's employment is likely to be negatively impacted by the Budget forecast that Australian Public Service wage bills will drop. Service delivery public sector employers such as Centrelink are important regional employers of women, and if tightened jobseeker compliance requirements in the Budget should proceed, they should be complemented by more, rather than less, advice and support.

Education and Training

8. We recommend that the new VET Advisory Board commission an independent review of a range of VET programs to assess their impact on women wishing to complete a VET course. In particular, we are concerned that some programs may have the unintended outcome of excluding women from accessing vital support or a training place because it has been marked for male-dominated industries.
9. We recommend that Trade Support Loans be made available to eligible trainees and be renamed the Training Support Loans Scheme.
10. NFAW recommends, in the light of current research on schooling and GDP growth, that the Gonski funding model be revisited.
11. NFAW recommends that the government reconsider the central and pivotal role Education plays in the creation of a strong, safe and secure nation and needs to be funded accordingly.

Housing

12. We recommend that in funding for the National Partnership Agreement on Homelessness is fully indexed.
13. Funding for Community Housing Federation of Australia, National Shelter and Homelessness Australia should be reinstated to ensure Government has access to independent national-level information about housing and homelessness in Australia.

Violence against women

14. NFAW calls for more clarity around the cross-portfolio expenditure on reducing violence against women and their children and in future Budgets recommends a separate official Budget document on all measures to address violence against women.
15. As a matter of urgency, the Government should reverse cuts to legal aid and community legal services.
16. The Government should reconsider the allocation of the Australian Government's $30 million awareness-raising campaign to ensure that primary violence prevention programming is embedded in the national curriculum.
17. The Government should ensure COAG provides robust, long-term and adequate resourcing of women's specialist violence and related services (including health, counselling, housing and legal services) to enable better outcomes for women who present in crisis and with complex needs.

Health

18. The Government needs to reassure women that the combined impact of its 2014 and 2015 Budget measures will not be to undermine Medicare and other health sectors. Doing this will require the Government to:
    - reconsider or abandon draconian measures from the last Budget;
    - take account of issues raised by the community health sector, medical practitioners and representatives of disadvantaged groups, including many women, about the fragility of current health funding levels and the inevitability that many service delivery organisations will have to close their doors if funding support from governments deteriorates further;
    - conduct an independent study of the impact of the Budget and related policy decisions on the ability of Australia to meet current health needs and to ensure the long term sustainability of Medicare and the broader Australian health system.

5. BUDGET MEASURES

As ACOSS and NATSEM have pointed out, this year's Budget has to be understood in the context of last year's Budget. The main features of the 2015-16 Budget were the small business package and the lack of any reform to the generous tax expenditures on negative gearing, capital gains tax discounts and superannuation. This means that the Government has had to continue the 2014-15 Budget strategy of simply cutting expenditure. Much of this year's 'new money' is simply a restoration or partial restoration of last year's cuts, often rebadged; many old cuts remain (see Attachment B) and there are new ones.

NATSEM comes to similar conclusions, arguing that their modelling shows the 2015-16 Budget has done very little to redress the negative impacts and unfairness of the 2014-15 Budget, with low incomes earners once again set to lose out. [2] This conclusion arrived at only after the fine print of both budgets has been scrutinised.

In fact, one of the themes emerging from this analysis is the progressive loss of transparency in Budget documents—a loss which extends beyond gender disaggregated data to transparency in presenting offsets and distinguishing between old and new money for Budget initiatives. This loss of transparency is compounded by the loss of data formerly made available by research and review bodies that have been abolished by the Government in the name of reducing red tape. In addition to those advisory bodies lost last year, this year:

- $4.6 m has been taken from the Australian Early Development Census;
- the Australian Housing and Urban Research Institute (AHURI) has guaranteed funding only until 2017-18;
- Homelessness Australia, Community Housing Federation of Australia and National Shelter were not refunded ;
- the Community Engagement and International Research program was cut by 40 per cent.

While last year's main Budget narrative—the Budget crisis—has evaporated, the underlying narrative of the last two budgets continues to demonise welfare recipients. In addition to misrepresenting women receiving parental leave from their employers, this year's Budget contains tables claiming to show the amounts different households pay in tax and receive in benefits.

[2] Louise Yaxley *Low-income families to bear brunt of federal budget reforms, Labor modelling shows, ABC News* http://www.abc.net.au/news/2015-05-25/labor-figures-show-families-to-bear-brunt-of-budget/6493500

A number of commentators have pointed out that the 'support for households' tables have a number of flaws.[3] The tables don't show whether the results are greater or less than previous years. They don't include spending on education or health. The definition of disposable income includes Child Care Benefit and Child Care Rebate but not the costs of child care. The tables also ignore the reality that the costs of living for two adults and for those with children is greater than for those on a single income. The Treasurer has denied that the information is provided to build resentment between taxpayers and welfare recipients. Yet it is hard to see it would serve any other purpose.

It is difficult not to reach the conclusion that the 2025-16 Budget papers have been designed to obscure rather than to reveal the impact of the Budget generally, much less to apply a women's lens.

6. TAXATION

The main features of this budget were the small business package and the lack of any reform to the generous tax expenditures on negative gearing, capital gains tax discounts and superannuation. Reform in each of these areas has been specifically ruled out by the current government.

NFAW continues to call for reform in these areas. These tax expenditures are accessed substantially by taxpayers in higher income brackets. Women are underrepresented in high income brackets, and hold fewer investment assets and are, therefore, less likely to benefit from these tax expenditures.

We note that although there are adjustments to the Medicare low income thresholds, there are no other adjustments to tax thresholds and one of the major sources of revenue in this Budget is from bracket creep. We note that we need increased revenue, however any increases should be clear, transparent and open to debate. Increases should be properly legislated and based on revised tax rates, not through failing to index tax thresholds to wage increases.

BUDGET ANALYSIS - REVENUE MEASURES

Accelerated Depreciation for Primary Producers (Budget Paper No 2, 2015-16 Budget Measures Table 1 p 14).

This measure will assist farmers to bring forward expenditure on farm infrastructure and will improve income security for farming families and women.

Combatting Multinational Tax Avoidance (Budget Paper No 2, 2015-16 Budget Measures Table 1 pp 14-16).

There are a range of measures included to address multinational profit shifting. To the extent that this addresses a reduction in taxation revenue, making more revenue available to provide the normal services of Government, NFAW believes this will have a positive effect for women. However we note that there is no estimate of additional revenue collections, and that there is some concern that unilateral measures may be ineffective in combatting multinational profit shifting practices.

Full Cost Recovery of Superannuation Services (Budget Paper No 2, 2015-16 Budget Measures Table 1 p17).

Currently superannuation funds pay an annual supervisory levy to regulators. The levies will be increased to a full cost recovery model. This will increase the cost of superannuation and will impact on superannuation returns.

[3] Appendix C - 2015-16 support for households: Estimated tax and government assistance for various family types in 2015‑16, *2015-16 Budget Overview*. Retrieved from: http://www.budget.gov.au/2015-16/content/overview/html/overview-30.htm

Small Business Package (Budget Paper No 2, 2015-16 Budget Measures Table 1 pp 17 – 20).

The small business package includes full tax deductibility for items of plant and equipment that cost less than $20,000; tax cuts for businesses with a turnover of less than $2m; tax deductibility for fees to advisors in setting up a business structure; additional rollover relief when restructuring a business; and removing the current restriction of one work related electronic item for FBT exemption. These measures will benefit small businesses that have a positive cash flow, but will not assist businesses that do not have the cash flow to incur additional expenditure up front on relevant items. Women are almost as likely as men to operate small business, but are less likely to operate as independent contractors; therefore access to accelerated depreciation is more likely to favour men who operate businesses reliant on tools or machinery.[4] The tax cut is welcome, but is unlikely to be sufficient to increase employment directly in a micro business.

Cap on FBT Exempt Meal and Entertainment (Budget Paper No 2, 2015-16 Budget Measures Table 1 p 22).

Not for profit organisations and hospitals are able to access fringe benefits tax exemptions for meal and entertainment expenses provided to employees. These exemptions are in addition to the caps that are available for other salary sacrificed benefits. This measure will limit the value of the meal and entertainment exemption to $5,000 per employee. NFAW recognises the role of NFPs in the community, particularly in addressing areas that government policy has abandoned; and we also recognise that such organisations make benefits available to employees, predominantly female, to supplement low wage packages. However the current exemption is an anomaly and is in addition to the existing exemption for $17,000 or $30,000 of employer provided benefits. Although this measure has a gendered effect, we believe this will remove an unintended effect of the existing rules and do not oppose this measure.

Personal Income Tax: Changes to Zone Rebate rules for Fly In Fly Out workers (Budget Paper No 2, 2015-16 Budget Measures Table 1 p 25).

Zone rebates have been in place since 1945 and predate the Fly In Fly Out work arrangements currently implemented by employers in remote regions. They are intended to compensate residents of remote areas for the additional costs associated with living in a remote area. We recognise that removal of the rebate will affect the income of affected households at a time when the mining industry is in a downturn, and wages are falling. However, it addresses an anomaly and we do not oppose this measure.

Personal Income Tax: Car Deductions (Budget Paper No 2, 2015-16 Budget Measures Table 1 p 27).

The proposal will remove two of the four methods of calculating car deductions for work related travel. The two methods being removed are simplified calculation methods available to people who have not maintained adequate records to substantiate their claim. They are rarely used, and we do not oppose this reform.

[4]Department of Industry, Innovation, Science, Research and Tertiary Education: *Australian Small Business, Key Statistics and Analysis*, Dec 2012. Retrieved from: http://www.treasury.gov.au/~/media/Treasury/Publications and Media/Publications/2012/Australian Small Business - Key Statistics and Analysis/downloads/PDF/AustralianSmallBusinessKeyStatisticsAndAnalysis.ashx

7. SOCIAL SERVICES

This is a crucial part of the budget for women, not simply because it is the largest spending portfolio but also because nearly 60 per cent of welfare recipients are women. Women are more likely than men at all ages to be receiving income support, generally because they have lower income and assets. In the NFAW submission to the McClure report we highlighted that welfare spending is in decline in absolute terms and referred to OECD material that shows Australia spends relatively less on social security than other countries.

NFAW analysis of the 2014 budget suggested it failed the fairness and equity tests and that its measures fell disproportionally on women and low income people in receipt of benefits. The 2015/16 budget includes positive measures such as the child care changes and increased employment initiatives. However, proposals including changes to FTBB, Newstart eligibility, access to income support for young people under 25 and beefed up compliance measures, will make life for many working age recipients uncomfortable or precarious.

NFAW is also concerned that the underlying narrative of the last two budgets continues to demonise welfare recipients. This year's budget contains tables claiming to show the amounts different households pay in tax and receive in benefits. A number of commentators have pointed out that the 'support for households' tables have a number of flaws.[5] The tables don't show whether the results are greater or less than previous years,

They don't include spending on education or health, for example. The definition of disposable income includes Child Care Benefit and Child Care Rebate but not the costs of child care. The tables also ignore the reality that the costs of living for two adults and for those with children is greater than for those on a single income.

The Treasurer has denied that the information is provided to build resentment between taxpayers and welfare recipients. Yet it is hard to see it would serve any other purpose.

The *Growing Jobs and Small Business Package* is promoted as supporting 'the engine of the economy' and as a stimulation measure. As Ross Gittens in the SMH of 16 May 2015, points out, small business is only 38 per cent of the workforce and a third of total production. His analysis indicates the '*expected net effect of the budget measures is too tiny to matter… The budget is…mildly contractionary.*'[6]

As is pointed out in Section 9 on Employment, the projected growth in unemployment is worrying. NFAW supports the need for improved and more effective employment assistance. However, the increased age eligibility for Newstart and the one month waiting period for those under 25 are not supported. Young people not living at home, who are early school leavers, are particularly at risk. The vast majority of young people finish year 12 and go onto post school study. The at risk group are much less competitive and this needs to be recognised.

The 2014 budget included an extra $196m for emergency relief for young people affected by the 6 month waiting period, which has been reduced to one month. This money was on top of the existing emergency relief program. The extra money gives an indication of the likely harsh impact of these proposals.

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[5] Appendix C - 2015-16 support for households: Estimated tax and government assistance for various family types in 2015-16, *2015-16 Budget Overview*. Retrieved from: http://www.budget.gov.au/2015-16/content/overview/html/overview-30.htm

[6] Ross Gittens *Federal budget 2015: Small measures and a media circus* Sydney Morning Herald 16 May 2015. Retrieved from: http://www.smh.com.au/business/the-economy/federal-budget-2015-small-measures-and-a-media-circus-20150515-gh2bj5.html

The investment approach to welfare is a first step in the government's response to the McClure report. The aim of the investment approach is to estimate likely lifetime benefit costs for everyone on welfare – the so-called 'future liability' – and then target resources at those groups who represent the highest future liability. Based on the New Zealand actuarial approach, the government has committed $20.7m over 4 years. NFAW supports intensive early intervention for those most likely to be on benefits for a long time such as early school leavers and notes that there are a number of such initiatives that could be replicated already. However, NFAW is concerned that the New Zealand approach is still in its early stages and that improvements in welfare numbers there have occurred during a period of strong employment growth.

Critics of this approach, such as Michael Fletcher of the Auckland University of Technology, believe it contains a number of flaws. Fletcher believes that rather than being an investment approach it promotes disinvestment by encouraging the creation of barriers to entering welfare, since a client turned away from receiving welfare is 'valued' at the same rate as a client who moves off welfare into employment. He believes there is an increased use of administrative barriers to entry – suspensions and cancellations.

The Government will achieve savings of $1.7b over 5 years by enhancing DHS fraud prevention and debt recovery and by improving assessment processes (Budget Statement 2, p116-DHS). In addition, as part of the small business package, job seekers who fail to undertake adequate job search will be subject to payment suspension and will no longer be able to have the penalty waived by agreeing to undertake a compliance activity (Budget Statement 2, p. 83 – Employment).

NFAW is concerned that this further stigmatises welfare recipients. According to Tim Prenzier, in 'Welfare Fraud in Australia', June 2011, between 2006/7 and 2008/9 only 15.7 per cent of reviews led to cancellation or decreases in payments. Of these 0.5 per cent were prosecuted. Parenting Payment Single and Newstart accounted for the majority of debt recovered, with PPS double that of Newstart.[7]

NFAW rejects the idea that any new spending in portfolios must be offset by savings within the portfolio. The proposed FTBB cut to payments for children when they turn six is manifestly unfair. NFAW rejects both the FTBB and the Paid Parental Leave proposals to help pay for the child care package. See section 8 Families – Childcare and Paid Parental Leave.

According to Katie Atwell in The Drum 12 May 2015,

> *Depicting the FTB cut as funding child care clearly prioritises one type of social contribution over the other. It devalues the caring work traditionally done by women, and in the process disincentivises fathers from taking on those caring responsibilities…. We should all be sceptical of policies pitched towards women's workforce participation when not accompanied by discussion about gendered roles and awarding working men and women flexibility in order to parent their children.*[8]

The CEDA report released prior to this year's budget highlights the continuing entrenched poverty of sole parent families. It cites OECD 2010 figures showing the child poverty rate in Australia was higher than that of 25 out of 40 high income countries. The report documents inter generational poverty and disadvantage and explains why the simplistic assertion that a growing economy offers all

[7] Tim Prenzler *Welfare fraud in Australia: Dimensions and issues,* Trends & Issues in Crime and Criminal Justice no. 421, June 2011. Retrieved from: http://www.aic.gov.au/publications/current%20series/tandi/421-440/tandi421.html

[8] Katie Atwell, *Budget's child care plan doesn't cure all ills.* The Drum 12 May 2015. Retrieved from: http://www.abc.net.au/news/2015-05-12/atwell-budgets-child-care-plan-doesnt-cure-all-ills/6463156

Australians the chance of a job does not work out in practice. NFAW believes the FTB cut is short sighted and likely to worsen poverty.

NFAW believes that there should be a review of retirement incomes covering the age pension and superannuation. As Emily Millane of Per Capita was reported in the Age of 9 February 2015, at the last census 67 per cent of men and 76 per cent of women older than 65 were living on less than $600 per week from all sources of income or $31 000 per year.

When revenue is in decline, there are several superannuation concessions that operate to benefit the wealthy.

With respect to the proposed changes to the age pension assets test, many writers have pointed out, that instead of reducing future costs, the budget changes to apply from 1 January 2017, could well lead to even higher age pension outlays as retirees adjust their savings strategies by, for example, over-investing in the family home.

8. FAMILIES – CHILDCARE AND PAID PARENTAL LEAVE

OVERVIEW – CHILD CARE

The key elements of the expanded (but flawed) Child Care proposals build on the Productivity Commission's final report. The Budget estimates of the extent to which they will encourage greater workforce participation rates are more generous than the Commission's estimates.

The new proposals, other than the so-called 'Nanny scheme', are scheduled for implementation in 2017. However, the savings proposal for Paid Parental Leave - exclusion from the Government's flat rate universal scheme of anyone with a more generous employer scheme - would commence in July 2016.

It is therefore possible that some mothers of infants of 18 weeks of age (or less) will be returning to work earlier and looking for child care before the new child care arrangements are in place.

The other savings proposed to pay for expanded child care are the changes to Family Tax Benefits Parts A (large families) and B. Single mothers will lose entitlement to FTBB once the youngest child turns 6. Fortuitously a trial scheme is to be put into place through the Department of Employment with Uniting Care which will see Uniting Care receive a subsidy to take the women now desperate for other income into 'job ready' training at entry level in the charity's many service programs such as early childhood, age care and even palliative care.

NFAW with the YWCA of Australia has coordinated a public statement to the Government on the proposed changes to access to Paid Parental Leave urging it not to proceed with the savings proposal in the interests of the children (see Attachment A).

BUDGET MEASURES -- CHILD CARE[9]

Families package — child care — National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care

Expenses ($m)					
	2014-15 Estimates Actual	**2015-16 Budget**	**2016-17 Forward Estimate**	**2017-18 Forward Estimate**	**2018-19 Forward Estimate**
	$'000	$'000	$'000	$'000	$'000
Department of the Treasury			2.6	1.3	
Department of Social Services			-	-	
Total - Expenses			2.6	1.3	

Source: Budget Paper No.2, 2015-16 Budget Measures, pp.153

Funding for this measure includes $57.2 million, which has already been provisioned for by the Government and an additional $3.8 million. The National Partnership Agreement will support the delivery of an integrated and unified national regulatory system for child care services.

The Government will provide $61.1 million over three years from 2015-16 to extend the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care.

Families Package — child care — Workforce Participation Stream

Expenses ($m)					
	2014-15 Estimates Actual	**2015-16 Budget**	**2016-17 Forward Estimate**	**2017-18 Forward Estimate**	**2018-19 Forward Estimate**
	$'000	$'000	$'000	$'000	$'000
Department of Social Services	-	132.7	240.7	1,260.9	1,422.0
Department of Human Services	0.8	7.0	36.0	48.1	50.3
Department of Finance	-	0.1	-	-	-
Total — Expense	0.8	139.8	276.7	1,309.0	1,472.2
Related capital ($m)					
Department of Social Services	-	*0.8*	*0.1*	*0.1*	-
Department of Human Services	-	-	-	-	-
Department of Finance	-	-	-	-	-
Total — Capital	-	0.8	0.1	0.1	-

Source Budget Paper No.2, 2015-16 Budget Measures, pp.154

The Government will provide an additional $3.2 billion over five years from 2014-15 to support families with flexible, accessible and affordable child care so they can move into work, stay in work, train, study or undertake other recognised activities.

[9] Budget Paper 2, pp. 153-56

A new single Child Care Subsidy (CCS) will be introduced on 1 July 2017. Families meeting the activity test with annual incomes up to $60,000 (2013-14 dollars) will be eligible for a subsidy of 85 per cent of the actual fee paid, up to an hourly fee cap. The subsidy will taper to 50 per cent for eligible families with annual incomes of $165,000. The CCS will have no annual cap for families with annual incomes below $180,000. For families with annual incomes of $180,000 and above, the CCS will be capped at $10,000 per child per year. The income threshold for the maximum subsidy will be indexed by the Consumer Price Index (CPI) with other income thresholds aligned accordingly. Eligibility will be linked to a new activity test to better align receipt of the subsidy with hours of work, study or other recognised activities.

The hourly fee cap in 2017-18 will be set at $11.55 for long day care, $10.70 for family day care, and $10.10 for outside school hours care. The hourly fee caps will be indexed by CPI.

Additional support will be provided to eligible families through the Child Care Safety Net (see related expense measure *Families Package — child care safety net*).

A new Interim Home Based Carer Subsidy Programme will subsidise care provided by a nanny in a child's home from 1 January 2016. The pilot programme will extend fee assistance to the parents of approximately 10,000 children. Families selected to participate will be those who are having difficulty accessing child care with sufficient flexibility. Support for families will be based on the CCS parameters, but with a fee cap of $7.00 per hour per child.

The CCS will replace the current child care fee assistance provided by the Child Care Benefit, Child Care Rebate and the Jobs, Education and Training Child Care Fee Assistance payments which will cease on 30 June 2017.

Note: In 2017-18, the family income thresholds will be $65,710 (maximum subsidy), $170,710 (minimum subsidy) and $185,710 (application of the annual cap of $10,000). The annual cap will be indexed by CPI from 1 July 2018.

Families Package — Child Care Safety Net

Expenses ($m)					
	2014-15 **Estimates Actual**	**2015-16** **Budget**	**2016-17** **Forward Estimate**	**2017-18** **Forward Estimate**	**2018-19** **Forward Estimate**
	$'000	$'000	$'000	$'000	$'000
Department of Social Services	-	5.7	78.7	135.5	105.3
Related capital ($m) Department of Social Services		2.5			

Source Budget Paper No.2, 2015-16 Budget Measures, pp.155

The Government will provide additional funding of $327.7 million over four years from 2015-16 to provide targeted support to disadvantaged or vulnerable families to address barriers to accessing child care. The assistance will be provided through the Child Care Safety Net, which consists of three programmes — the Additional Child Care Subsidy (ACCS), a new Inclusion Support Programme (ISP) and the Community Child Care Fund (CCCF).

The ACCS will provide additional assistance to supplement the Child Care Subsidy (CCS) for eligible disadvantaged or vulnerable families (see related expense measure *Families Package — child care — workforce participation stream*).

The new ISP will assist families with children with additional needs to access child care. The ISP will provide more funding for services to get the necessary skilled staff and equipment to support children with special needs.

The CCCF will provide grants to child care services to improve access to child care in disadvantaged communities, increase the supply of child care places in areas of high demand and low availability, and improve affordability for low income families in areas where the average fees are greater than the CCS fee cap.

These measures will complement provision in the CCS to provide 24 hours per fortnight subsidised access for families on incomes below the income threshold for the maximum subsidy ($60,000 per annum in 2013-14 dollars) who do not meet the activity test.

The Child Care Safety Net and provision for base funding within the CCS will replace the existing *Inclusion and Professional Support Programme* which will cease on 30 June 2016, and the *Community Support Programme* and *Budget Based Funded Programme* which will cease on 30 June 2017. The Government has also redirected funding for existing initiatives under the *Support for the Child Care System Programme* to this measure.

Further information on the Child Care Safety Net can be found in the press release of 8 May 2015 issued by the Minister for Social Services.[10]

How will the Budget proposals affect families?

The winners from the Government's Budget proposals will be:

- families where both parents have regular hours of employment and who use services that charge the benchmark fee or less;
- service providers – government will pay parental subsidies directly to them and is asking nothing new in return;
- families above $185,000 who will see their subsidy cap lifted to $10,000.

The losers from the Government's Budget proposals will be:

- Indigenous children and children in poor families. (Accessing a 'safety net' is stigmatizing. Parents don't see a safety net, they see a spider web of bureaucracy, humiliation, form-filling and intrusion. Why not increase supply and maintain the 2 days per week that families are entitled to now?)
- Parents who work unpredictable hours. At present, families who meet the activity test have access to 50 hours subsidised Earl Childhood Education and Care per week; under new scheme, subsidised hours will be strictly related to hours of employment.
- Educators – they are invisible in the package, but low pay and high staff turnover are endemic in the sector.
- Families who can't find a place (the package does nothing to increase the number of places).
- Families who need flexible care but are not eligible for/ do not want a nanny.

OVERVIEW PAID PARENTAL LEAVE

The changes to the paid parental leave scheme and the associated pay arrangements were unexpected and were announced without consultation. They do not reference any research evidence and are a complete reversal of the previous government policy that advocated a far more

[10] *Abbott Government delivers child care safety net for disadvantaged families* http://scottmorrison.dss.gov.au/media-releases/abbott-government-delivers-child-care-safety-net

generous paid parental leave scheme to enable women to stay out of work for at least 26 weeks after child birth or adoption and receive financial compensation commensurate with their incomes. By contrast, the new proposal goes backwards on parental leave policy, it reduces the money new mothers are entitled to and the period of financially compensated leave they may take.

BUDGET MEASURES - PAID PARENTAL LEAVE

Removing Double-Dipping from Parental Leave Pay[11]

Expenses ($m)					
	2014-15 Estimates Actual	2015-16 Budget	2016-17 Forward Estimate	2017-18 Forward Estimate	2018-19 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Department of Human Services	-	8.9	5.4	2.5	2.4
Department of Social Services	-	0.9	-473.5	-595.5	-619.8
Administrative Appeals Tribunal	-	-	0.5	0.2	0.2
Total - Expense	-	9.8	-467.6	-592.8	-617.1
Related revenue ($m)					
Australian Taxation Office	-	-	-200.0	-250.0	-250.0

Source Budget Paper No.2, 2015-16 Budget Measures, pp.168

The Government will achieve savings of $967.7 million over four years by removing the ability for individuals to double dip when applying for the existing Parental Leave Pay (PLP) scheme, from 1 July 2016.

Currently individuals are able to access Government assistance in the form of PLP, in addition to any employer-provided parental leave entitlements.

The Government will remove the ability for individuals to double dip, by taking payments from both their employer and the Government.

The Government will ensure that all primary carers would have access to parental leave payments that are at least equal to the maximum PLP benefit (currently 18 weeks at the national minimum wage).

The savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

Commentary

This measure is strongly opposed. The objective of the current two part scheme, viz, employer provided benefits complemented by universal flat rate scheme was two fold: to enhance the well being of mothers and babies and to enhance female workforce participation.

The Productivity Commission noted the WHO and NHMRC recommendations that 26 weeks maternity leave was optimal, and considered that the two-part scheme would bring most women to 26 weeks combining the universal scheme and employer schemes.

[11] Budget Paper 2 p 168

The issue is discussed more fully in the open letter to the Prime Minister at Attachment A.

NFAW notes that the Australian Chamber of Commerce and Industry, together with the Australian Council of Trade Unions, is of the view that the predicted savings are ephemeral, since many employers will cease paying paid parental leave as such, and instead bargain with employees for the money to be paid in ancillary benefits and allowances. [12]

The current scheme was developed after considerable research and consultation undertaken by the Productivity Commission. Its report, *Paid Parental Leave: Support for Parents with Newborn Children* (2009), stated those

> *with access to privately negotiated paid parental leave schemes would still receive statutory parental and paternity leave payments' (provided they met the eligibility conditions such as the work test and residents) (at 2.2)*
>
> *After extensive examination of the benefits of exclusive breastfeeding and parental care for infants in the first six months of life, The PC decided 18 weeks government funded PPL would allow for almost all families 'with parents co-funding options (self and employer funded leave)' to achieve the recommended 6 months' time away from work (4.1)*

Furthermore, the extensive and high quality independent evaluation of the scheme, the Phase 4 Evaluation Report, found that:

> *PPL had a clear effect of delaying mothers return to work up to about six months after the birth of their baby, and then slightly increasing the probability of returning to work before the baby's first birthday.* [13]

For example, by 18 weeks following the birth of their child 85 per cent of post-PPL mothers had not returned to work compared to 78 per cent of pre-PPL mothers. The impact was found to be most pronounced 'amongst mothers on lower incomes and with lower formal education, including casuals.'[14]

The details in the Budget are sketchy and there remain many unanswered questions. For instance:

- It is not at all clear how the Government proposes to administer the changes to the scheme. Nor is it clear what the costs of the new administrative arrangements would be to Government.
- It is also not clear how employers will react. If, as suggested, some employers withdraw their own PPL schemes (i.e. those in company policy, not enterprise agreements (EAs) which continue to be obligatory to pay) allowing their employees to access the Government scheme, then the savings to Government will be less than estimated in the Budget.
- Unions & employers may also work to renegotiate EAs to redirect money spent on company PPL to other benefits, where employees will receive the money.
- It is not clear how many women will need to return to work at 18 weeks, rather than later, and therefore what additional child care places for infants will be needed.
- It is not clear which women will decide to leave the workforce completely, therefore preventing the Government from achieving the other objective of increasing female workforce participation.

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[12] http://www.theguardian.com/australia-news/2015/may/20/employers-and-unions-unite-to-try-to-force-changes-to-paid-parental-leave-plan?CMP=ema_632

[13] Phase 4 PPL evaluation report, pp4-5. https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/paid-parental-leave-scheme/paid-parental-leave-evaluation-phase-4-report

[14] Phase 4 PPL Evaluation Report, p. 2.

In all, the proposed changes are egregious reduction in women's work and welfare entitlements. They are ill-founded and do not cohere with government policy to improve women's workforce engagement, and indeed may have the reverse effect. They do not provide superannuation and they reduce women's and their family's incomes at a crucial period.

NFAW supports the model of child care provision proposed b the Government but recommends that the savings measures proposed in the 2016-16 Budget to offset costs be abandoned, and that the Government look for funding to current generous tax expenditures on negative gearing, capital gains tax discounts and superannuation.

NFAW calls on the Government to abandon the proposed changes to the current paid parental leave scheme announced in the 2015 Budget.

9. EMPLOYMENT

The Budget forecasts that unemployment will rise to 6.5 per cent, the highest rate for over a year. Unemployment is forecast to stay over 6 per cent until 2017-18. Employment is not predicted to grow significantly in this setting. The median income for Australian women is about $40,000 and the Budget is not directly addressing gender equality in income.

Women's employment is likely to be negatively impacted by the Budget forecast that Australian Public Service wage bills will drop. That means even more job cuts. Service delivery public sector employers such as Centrelink and the Australian Tax Office are important regional employers of women.

LABOR MARKET MEASURES

The measures in this Budget are small and outcomes could have limited impact because of the introduction of ***jobactive*** from 1 July 2015. **jobactive** is the new employment services contract to replace Employment Services Australia. The transition to **jobactive** will involve new services and, following the tender process, some new providers. In this context, implementation and evaluation of the employment measures in the Growing Jobs and Small Business package will need to be well managed.

The employment components of the 2015-16 Budget package, Growing Jobs and Small Business, will expand wage subsidies and work experience. The Government will establish a single wage subsidy pool from 1 July 2015 with access to funding of approximately $1.2 billion over four years, through the consolidation of four existing programmes: the Long Term Unemployed Wage Subsidy, the Youth Subsidy, the Restart Subsidy and the Tasmanian Jobs Programme (Budget Paper 2, 2015-16 Budget Measures p. 84). The work experience component of the package is small -- $18.3 million spread over five years from 2014-15 (Budget paper 2, 2015-16 Budget Measures p. 85). The money will be used to vary existing unpaid work experience arrangements, allowing job seekers to undertake up to 25 hours per week of unpaid work experience for up to four weeks where there is the likelihood of employment as a result.

The gender impact of these measures will be limited unless implementation addresses increasing and supporting women's workforce participation. The interaction of the changes to child care and employment services will be crucial.

Compliance measures are addressed in section 7, Social Services.

Government programs to assist jobseekers are supply side measures. The 2015-16 Budget, in the short term, appears to rely on the retail boost from the assistance to small business in the Growing Jobs and Small Business package to stimulate demand. This could create retail jobs in the retail

sector where women are well represented. Women small business operators will also benefit directly from the package.

The medium and long term infrastructure measures in the Developing Northern Australia package will create jobs in areas where women have not traditionally worked. Close interaction with training will be necessary if women are to get a fair share of the job growth from this package.

The 2015-16 Budget does not address investment in social infrastructure which is an area that is more likely to create employment opportunities for women.

WORKPLACE RELATIONS MEASURES

The 2015-16 Budget does not include any significant workplace relations measures as the Productivity Commission is undertaking an inquiry into the workplace relations framework with the final report to the Government due in November 2015. NFAW notes that the funding for the Workplace Gender Equality Agency continues at a level that should ensure their important data collection work can continue.[15]

10. EDUCATION AND TRAINING

The 2015 Education Budget has been identified as 'part of the Commonwealth government's plan to build a strong, safe and prosperous future for all Australians.'[16]

Given the Government's focus on jobs and employment the Education Budget does nothing to address the issue of achieving a universal level of basic skills for every school child which recent research has suggested could raise GDP by 162 per cent.[17] This remains a particularly important issue as schools face a $30 billion funding loss from 2018.

Further the cuts of $131 million to the Department of Education and Training suggests that the focus on a future Australia defined by Education and Innovation is no longer a priority of the Government. More women than men will be affected by these cuts as they are a larger cohort of the education workforce.

Indeed education was barely mentioned in the Budget and would indicate education is no longer a major priority of the Government.

EARLY EDUCATION

NFAW welcomes the Government's investment of $843m in 2016 and 2017 for preschool programmes across Australia through the National Partnership Agreement on Universal Access to early Childhood Education. This meets the UNICEF recommended benchmark for children's development and is proven to help all children achieve higher academic success through school readiness and wellbeing. Such education has a lifetime benefit.[18] It also contributes to women's ability to a better balance of work and family.

However, the success of this measure is undermined by the government's cut of $4.6m from the Australian Early Development Census which will limit the data being processed and presented to the community for at least three years. Such action inhibits necessary early intervention programmes for vulnerable children whose health, social competence, emotional maturity and language, cognitive,

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[15] Budget related paper No. 1.6 Employment Portfolio Budget Statements, Workplace Gender Equality Agency. Retrieved from: http://docs.employment.gov.au/node/34909

[16] Pyne, C. 2015 Tuesday 12th May. Media Release

[17] OECD 2015 *Universal Basic Skills : What Countries Stand to Gain* OECD Publishing .

[18] Black, M. and Dewey, K. 2014. 'Promoting Equity through integrated early child development and nutrition interventions' *Annals of the New York Academy of Sciences.* 1308:1-10

and communication skills need to be improved. Such lack of attention can be long lasting and impact on government expenditure over time.[19] If young females lack such skills the deficit then flows on to their children and can have an adverse effect on individuals, families and the community.[20] It denies young mothers and their families the opportunity for further participation in both education and the community and has a long term impact for individuals and the country.

K-12 SCHOOLING

This Budget makes clear that the bipartisan support for Gonski is now gone and state governments will have to pursue any such measures from their own budgets. The opportunity for a national schooling system which acknowledges difference and attempts to cater for all has passed. This lack of direction in schooling will have effects on government budgets for many years to come through extra spending on health care, unemployment benefits, lack of productivity growth and economic activity.

The effects of the failure to extend the Gonski reforms beyond the fourth year will fall on those schools that won't reach their school resource standard (SRS) and those girls in schools that are currently under-resourced for the particular students they are enrolling – mainly, but not only, in government schools. Preference has been given to maintaining the more privileged students in the style to which they have grown accustomed.

The failure to provide states with the funds they were anticipating from Years 5 and 6 of Gonski funding will give the middle class a further incentive to desert the public system and will give states an incentive to let the students move into non-government schools, where the Commonwealth foots the bulk of the bill.

A crisis for the States in schools education funding is anticipated. The small band-aid approach of Special Circumstances Funding for schools in temporary financial difficulty, at $1million per annum will not address this impending crisis.

NFAW recommends, in the light of current research on schooling and GDP growth, that the Gonski funding model be revisited.

NFAW welcomes the moves to improve teacher education and enhance classroom practice. This will particularly impact upon women who form 75 per cent of the teachers in Remote and Very Remote areas, 72 per cent of teachers in Major Cities and 69 per cent of teachers in Inner and Outer Regional areas. Generally females at secondary and primary school levels comprised 58.2 per cent and 80.7 per cent of total teaching staff respectively.[21] The provision of $16.9 million to the Australian Institute for Teaching and School Learning does not quite cover the $19.9 billion cuts of 2014. It is hoped the Government will also focus on rigorous entry standards and training for the 2,900 chaplains who will be funded in schools for 4 years and that they will have adequate skills for the pastoral care they provide.

NFAW welcomes the extra support of $1.3 billion for students with a disability. Carers of students with a disability are overwhelmingly women and extra support in the classroom will lead to further independence of such students and lessen the responsibility for many women whose lives are dominated by the care of their disabled children.

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[19] Robert Bauchmüller, Mette Gørtz,Astrid Würtz Rasmussen 2014. 'Long –run benefits from universal high-quality schooling' *Early Childhood Research Quarterly* 29.4: 457-470

[20] Allen W. Gottfried, Jonah Schlackman, Adele Eskeles Gottfrieda & Alma S. Boutin-Martinez 2015 'Parental Provision of Early Literacy Environment as Related to Reading and Educational Outcomes Across the Academic Lifespan' *Parenting: Science and Practice* 15:1.

[21] ABS – Schools Australia 2011. Cat No. 4221.0

NFAW cautiously welcomes the extension by $5.4 million of the Indigenous Boarders Initiative. However, there is still concern that for students who do not wish to leave their family and homeland there is no extra support for schools in Aboriginal communities where teaching and learning services need to be offered more widely. Many of these are young women with family responsibilities.

HIGHER EDUCATION – UNIVERSITY SECTOR

In contrast to the 2014-2015 Budget, Higher Education did not emerge as a high profile issue. Nevertheless, close reading of the budget papers reveals a persistent intention to cut university funding 20 per cent from 1 January 2016 while pressing ahead with the so-called Pyne reforms and increasing student numbers, particularly at private colleges.

Education Minister Christopher Pyne's intentions received little attention in coverage of the Budget; however, they are stated explicitly in the overview:

> *From 1 January 2016, the Government will fully deregulate higher education by removing fee caps and expanding the demand-driven system to bachelor and sub-bachelor courses at all approved higher education providers. Supported students will continue to be able to defer the costs of their studies through HELP.*
>
> *In addition, from 1 January 2016, the Government will rebalance student and Commonwealth contributions towards a new students course fees by reducing subsidies for Commonwealth-supported places by 20 per cent on average.*[22]

In reality, Australia does not spend sufficient on university education and the economy is suffering as a result. In 2011, the last year for which full OECD data is available, Australia's public funding of universities ranked thirty-third out of the thirty-four. In contrast to the OECD average of 1.1 per cent of GDP on universities, Australia spent 0.7 per cent. KPMG-Econtech estimated that if the Commonwealth raised its commitment to tertiary funding from 0.7 per cent to 1 per cent of GDP, then productivity would grow an additional 3.8 per cent by 2040. Increased government investment in the university sector would have a net funding cost of 0.5 per cent of GDP, while the net gain in living standards over the longer term would be 5.5 per cent.

The impact of deregulation has been discussed widely in response to Minister Pyne's two unsuccessful attempts to pass the necessary legislation, however one aspect should be noted: the impact of deregulation on women students and graduates. At present, Australian tuition fees are moderately high by OECD standards[23]; however Australian students already pay a significant proportion of the cost of a university degree.[24] In the lead up to the last attempt to pass this legislation the government's calculations suggested that the student contribution would increase from approximately 40 per cent to 50 per cent, a change that could be justified by the high rate of

[22] *Budget Paper No 1 2015-16, Budget Strategy and Outlook*, p. 175.

[23] Organisation for Economic Co-operation and Development. (2012). How are countries **around the world supporting students in higher education?** *Education indicators in focus. 2012/02 (February).* Retrieved from: http://www.oecd.org/education/skills-beyond-school/49729932.pdf

[24] Organisation for Economic Co-operation and Development. (2012). How are countries **around the world supporting students in higher education?** *Education indicators in focus. 2012/02 (February).* Retrieved from: http://www.oecd.org/education/skills-beyond-school/49729932.pdf, Organisation for Economic Co-operation and Development. (2013). *Education at a glance. OECD indicators 2013.* Retrieved from: http://www.oecd.org/edu/eag2013%20%28eng%29--FINAL%2020%20June%202013.pdf

return through greater employment opportunities and higher salaries. In reality, the student contribution varies from 29-84 per cent according to the course they undertake.[25]

Proposed changes to the indexation rate of HELP debts will increase student debt, especially for women who are likely to experience periods of under- or unemployment associated with family responsibilities. Modelling by the National Centre for Social and Economic Modelling (NATSEM) at University of Canberra has shown that the impact will be greater for women in all occupations. The impact of the proposed change to the indexation rate, combined with a new minimum repayment threshold for HELP debts, will be felt most strongly for low-pay occupations such as nursing or teaching. These occupations are dominated by women; combining the effects of less time in the workforce with less capacity to repay HELP debts will result in a disproportionately severe impact on women. Assuming that universities restrain themselves to recovering costs from the Government's planned funding reduction, NATSEM's calculations show that a female teacher will take an extra 3.7 years to repay her debts, compared with the additional 2.2 years required by a male teacher; a female nurse will require an additional 3.3 years while a male nurse needs only an additional 1.9 years.[26] Students in regional and rural areas will also be adversely affected.

The 2015 Budget also reprises a plan first mentioned in 2014 to recoup HECS payments from Australian graduates living overseas once they earn above the repayment threshold. At present, Australians working overseas do not have to lodge a tax return in Australia; however, they can be met with a demand for payment from the ATO once they return. Under the new regulations:

> *it is envisaged that from 1 January 2016, all HELP debtors who exit Australia and intend to go overseas for more than six months will be required to register with the Australian Tax Office (ATO). Debtors who are already overseas at this time will have until 1 July 2017 to register with the ATO. Payments will be required from 1 July 2017, when overseas debtors will need to self-assess income received in the 2016-17 financial year and submit details of their foreign-sourced income. It is expected that the self-assessment will be due by 31 October each year in the same way as Australian resident tax returns. Returns will be submitted and payments made through the MyGov website.*[27]

Minister Pyne asserts that this measure will generate more than $140 million for the Government over 10 years, however it is unclear how enforceable it will be. No details are available about what will happen if a graduate with a HECS debt does not register before going overseas. It should be noted that the US takes a similar approach to the repayment of college loans. There are at least two American academics who have opted to take out Australian citizenship rather than pay very substantial college debts.

TEACHING AND RESEARCH

Two specific decisions in the 2015-2016 Budget will have an impact on the quality of university teaching: abolition of the Office of Learning and Teaching (OLT) Advisory Committee and the *Aboriginal and Torres Strait Islander Higher Education Advisory Council (*ATSIHEAC).

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[25] Maslen, G. (2014, 8 May). Universities, and students, facing new world order after budget. *Sydney Morning Herald.* Retrieved from: http://www.smh.com.au/national/education/universities-and-students-facing-new-world-order-after-budget-20140509-zr6ur.html#ixzz3E08vVR5d

[26] Phillips, B. (2014, 25 July). HECS upon you: NATSEM models the real impact of higher uni fees. *The Conversation.* Retrieved from: http://theconversation.com/hecs-upon-you-natsem-models-the-real-impact-of-higher-uni-fees-27808

[27] 2015 Budget - Student Overview; Recovery of overseas HECS Debt. Retrieved from: http://studyassist.gov.au/sites/studyassist/helpfulresources/pages/2015%20budget%20-%20student%20overview

The announcement that the Office of Learning and Teaching (OLT) Advisory Committee would be abolished was made quietly in a media release by Mathias Cormann, Minister for Finance (11/5/2015) as part of a promised move to small government. The OLT was created in response to the backlash following the abolition of the Australian Learning and Teaching Council (ALTC) by the Gillard government in 2011, ostensibly to fund its flood reconstruction project. At that time, the Australian Federation of Graduate Women joined many other professional and community organisations in writing to Senator Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations to object. The OLT's overarching mission is to enhance learning and teaching at Australian universities by providing grants to explore, develop and implement innovations in learning and teaching and to develop leadership capabilities, commissioning work on issues of strategic significance to the higher education sector to inform policy development and practice in relation to learning and teaching and managing a suite of awards to celebrate, recognise and value teaching excellence and programs that enhance student learning. The OLT also disseminates resources on innovations in learning and teaching, encourages collaboration and sharing of good practice and facilitates networking and professional development opportunities for academics and professional staff. No specific reason has been given for the current decision; rather the OLT has been included with a number of other government bodies serving the education sector. Functions which are currently the responsibility of OLT will be transferred to a $28 million program to be administered by the university sector. No further details are available at this time.

Also included in Minister Cormann's press release was notice that the Aboriginal and Torres Strait Islander Higher Education Advisory Council will not receive further funding when its current contract concludes on 30 June 2015. ATSIHEAC was specifically charged with formulating an implementation plan for the recommendations from the 2012 Behrendt *Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People*. According to Minister Cormann, the Government will continue its focus on Indigenous higher education through the Prime Minister's Indigenous Advisory Council, other consultation and forums.

In what could be described as a slight of hand, Minister Pyne has 'fixed' the earlier $150 million cut to the National Collaborative Research Infrastructure Strategy, by taking the same amount from the Sustainable Research Excellence Program. In fact, the program -- intended to fund the indirect costs of research in universities and help with the cost of supporting research grant winners -- has taken one of the worst hits in this Budget, losing $263 million over three years. The NCRIS has been given a two-year reprieve to allow the government time to consider the outcome of the Miles review of research infrastructure announced in September 2014. The report is currently with the Minster and results may be announced shortly.

The Co-operative Research Centres, which bring universities and business into research alliances to produce research with commercial and applied outcomes and which had their funding cut by 20 per cent last year, will be cut by $26.8 million over four years despite Australia having the poorest record of business-university research engagement in the OECD. Some of the money will be re-allocated this year to the Australian Synchrotron and the Australian Nuclear Science and Technology Organisation. The Industry Minister, Ian Macfarlane, has been critical of a number of CRC projects, which he believes have become too independent. These projects will be terminated or rolled into five planned Industry Growth Centres - food and agribusiness; advanced manufacturing; mining equipment, technology and services; oil, gas and energy resources; and medical technologies and pharmaceuticals.

INCREASES IN SUPPORT AND FUNDING

Two areas have been singled out for support. The 2015-2016 Budget provides $16.9m over three years that is intended to lift the quality of teacher education courses in universities. How effective

this will be in improving the quality of graduate teachers or reducing attrition from the profession is debateable. Private colleges will be supported to enrol students and are expected to account for a substantial part of the anticipated increase in student numbers. All government-approved higher education providers, private as well as public, will be able to provide Commonwealth Supported Places (CSPs) to eligible students. CSPs will also be available for all accredited diplomas, advanced diplomas and associate degrees; at present, most of these courses are fee paying.

VOCATIONAL EDUCATION

There is very little change in the Federal Government's priorities in this sector. There has been an administrative transfer of Programs back to the Education and Training portfolio and some further bureaucratic streamlining resulting in changes in governance arrangements. A new Australian Apprenticeship Support Network has been established incorporating some of the apprenticeship initiatives in last year's budget.

The government has done nothing, however, to address concerns raised in NFAW's Budget 2014/2015 Gender Lens analysis about its inequitable and discriminatory approach in some high profile programs in this sector.

There are nearly 900,000 female VET students. They represent 47.9 per cent of all students.[28] Their fields of educational study and skills development remain concentrated in a certain fields like management and commerce, society and culture, food, hospitality and personal services, health and education.

The government's major programs under Building Skills and Capability are focussed on male dominated industries. Trade Support Loans, the Industry Skills Fund and the Australian Apprenticeship Support Network all have an emphasis on industry led, demand driven VET provision with the cost burden being increasingly and progressively shifted to students and also businesses. Most states have increased their TAFE fees and this has led to a reduction in the share of VET enrolments as well as reducing access to potential students on low or no incomes, many of whom are women and young people.

Specialist support services for various disadvantaged groups have been cut across the TAFE system with provision for the most disadvantaged and vulnerable in our communities. These short-sighted cost-saving measures will contribute to social exclusion and will result in the loss of productive potential and growth in the number of disenfranchised and disenchanted young unemployed.

Public funds are contestable in the market and, in some states, TAFE has reached a new low in its share of enrolments. Governments in Queensland and Victoria have attempted to address this decline with a cap placed on the level of contestable public funds.

There is a continuing reduction in overall allocations to this sector in line with the Federal Government's strategy to return VET responsibility to the states and continue with its privatisation. The publicly-funded TAFE system which has served individuals and businesses for over a century is in some states closing campuses and teaching sections while private providers are growing in number and in profitability. A report prepared by the Workplace Research Centre at University of Sydney's Business School: *The Capture of Wealth by the For-Profit VET Sector*, 2015, points to a sharp reduction in government spending per hour of VET delivery and a transfer of public funds to the for profit VET sector.

[28] Australian Vocational Education and Training Statistics, NCVER, 2014

The government is allocating $1.8 billion to the states and territories to support their skills training systems. It anticipates 1.5 million students will benefit from VET in 2015. This is far fewer than the 1.87 million who accessed training in 2013.[29]

NFAW recommends that the new VET Advisory Board commission an independent review of a range of VET programs to assess their impact on women wishing to complete a VET course. In particular, we are concerned that some programs may have the unintended outcome of excluding women from accessing vital support or a training place because it has been marked for male-dominated industries.

NFAW recommends that Trade Support Loans be made available to eligible trainees and be renamed the Training Support Loans Scheme.

SPECIFIC PROGRAMS

Trade Support Loans

This income contingent loan scheme replaced the grants program: **Tools for Your Trade.** The loans are paid in instalments up to $20,000 over the life of an Australian Apprenticeship. Only apprenticeships in certain occupations and qualifications are eligible for a loan. There is a Trade Support Loans Priority List. [30]

The latest figures on apprentice and trainee commencements[31] indicate that 84.9 per cent of students in trades are male with 15.1 per cent female. Total numbers of commencing apprentices are some 90,000 -- a small proportion of total VET enrolments even if continuing students are included in the count.

Criticism of loans programs generally applies to this one. The rationale for the abolition of the grants program which it has replaced, has never been fully explained. If a grants program failed to lift the number of apprentices, how will a loans program succeed? The government should be condemned also for its complete failure to address the entrenched systemic discrimination inherent in its support for apprenticeships without addressing the needs of trainees or those in non-trade courses. Why is the Loans Scheme not available to trainees, of whom 54.2 per cent are women? There are over 146,000 trainees. Are they not deserving of support? Should they not be able to access these loans when the cost of training becomes prohibitive?

Industry Skills Fund

This Fund is intended to support 250,000 training places and support services over a four year period. It commenced in January, 2015. The government is allocating $664 million to this Fund over four years, but has only spent an estimated $28.6 million in the first few months of its operation. It is also focussed on apprentices undertaking a qualification in an occupation on the **National Skill Needs List.** The current list contains 65 occupations, only a handful of which have any female apprentices. The allocation for 2015/2016 is $164.2 million with a projected small decrease in the forward estimates. The activities supported by the Fund are obviously not expected to grow.

From the available Budget information, the majority of women seeking training will not benefit from these training places and their support services.

[29] Students and Courses, NCVER, 2013
[30] See : www.australianapprenticeships.gov.au/national-skills-needs-list)
[31] Australian Vocational Education and Training Statistics**,** NCVER, 2014

Australian Apprenticeship Support Network

This network appears to be a re-packaging of apprenticeship initiatives like AA Access and AA Centres. The allocation for 2015/2016 is $200 million dropping down to $189 million in the three years following. The network was put out to tender recently and a range of national providers, some of them consortia, have been announced including: MEGT (Aust) Ltd, Chambers Apprenticeship Support Aust Pty Ltd, Sarina Russo Job Access (Aust) Pty Ltd, VERTO Ltd, The Busy Group Ltd, among some others. They commence operations from 1st July, 2015. These are contracted by the government to run AA Centres and provide free service to all employers, apprentices and trainees to assist in recruitment, facilitating access to funding support and advising on relevant training packages. There is no gender breakdown available on relevant websites of the 350,000 apprentices and trainees the centres are obliged to support, and so no capacity to assess their effectiveness in supporting women trainees and apprentices.

The Centres operate under a Code of Conduct which has no reference to discrimination laws though the Trade Practices Act and other legislation are acknowledged.

Workplace English Language and Literacy

This program was to cease, but has been retained according to the Portfolio Budget Papers for Education and Training for 2015/2016 with an allocation of $4.7 million, a little more than half of its estimated actual expenditure of $8.2 million in 2014/2015. The program's cessation in forward years will disproportionately impact on women VET trainees given the number of overseas born students undertaking VET courses who are female and do not speak English well.

VET Fee HELP Loan Scheme

This is an income contingent loan scheme for students undertaking VET courses of study at diploma, advanced diploma, graduate diploma and graduate certificate level. This Scheme does not assist students undertaking a traineeship or VET courses at Certificate IV and below. The number of students accessing this Loan Scheme increased by more than 80 per cent between 2012 and 2013 to more than 100,000 students. In 2013 two-thirds of students accessing loans were female and nearly half were aged under 25 years.

This growth is expected to continue as TAFE fees rise further in response to government funding reductions. Some of the factors contributing to this increase, however, are aggressive marketing and recruitment practices of some unscrupulous private providers. Students are encouraged to enrol in expensive courses and advised that these will really cost them nothing because the government loan scheme will pay their fees.

The top VET Fee HELP earners as at 28 July, 2014 were two private providers. Their total earnings from funds supplied by students through the Loans Scheme were over $230 million. TAFE NSW received $78 million, but it was followed by two more private providers with another $81 million.[32]

As a result of the exposure of the unethical and predatory practices of some private providers, the government has budgeted for the introduction of a compliance regime to ensure that the abuse of the Scheme by some operators is addressed and that further damage is not done to the integrity of the Scheme and the sector in general. The compliance regime will be designed to strengthen administration and improve the quality of outcomes for students including giving them more information and stamping out undesirable marketing and recruitment practices.

[32] John Ross and Kylar Loussikian *Payments under vocational equivalent of HECS leap 50-fold in five years. The Australian*. 1st October, 2014. Retrieved from: http://theaustralian.newspaperdirect.com/epaper/viewer.aspx

Conclusion

Education continues to remain underfunded across all sectors. The failure to maintain the Gonski funding in schools places severe constraints on the teaching and learning of Australia's youth at a time when the role of education and innovation is key to the future not only of individuals, but of the nation itself. Growth in GDP and economic activity is dependent on knowledge and the skills that emanate from it. This remains true for all sectors of Education and places Australia's youth at risk of poverty and isolation from the world, as other economies support and develop the knowledge economy and the skills that are essential to survival in the 21st century.

There is also further evidence in this Budget that the government is continuing to outsource all levels of Education to the private sector. The long term consequences of this mean that governments will no longer control either the curriculum or the spending in Education. Such action further reinforces the view that this government does not value Education, nor does it see education as part of the national fabric of a modern Australia where teaching and learning are integral to economic activity and progress, and to a safe and secure society.

NFAW recommends that the government reconsider the central and pivotal role Education plays in the creation of a strong, safe and secure nation and needs to be funded accordingly.

11. HOUSING

The absence of affordable housing as an area of focus in the Federal Budget is a significant gap for women. For a Budget that uses the language of families and participation, the lack of attention to affordable housing is a missed opportunity to comprehensively address one of the critical barriers to safety, security and stability for women.

In the days leading up to the Budget, a Senate Inquiry Report into Affordable Housing was released. There was consensus across the political divide that the Federal Government cannot vacate the affordable housing space. While the Federation and Tax White Paper Processes will continue to examine the roles and responsibilities of each level of Government in relation to housing and homelessness policy, the Budget is the latest example of inaction in this area.

There have long been calls from advocates for the Federal government to reinvigorate focus on affordable housing through a comprehensive national strategy which utilises the tax and policy levers available to the Commonwealth and shepherds institutional investment in affordable housing supply.

While the housing affordability crisis deepens, the response from the Federal Government is that of *business as usual.*

AFFORDABLE HOUSING

Women face the biggest challenges in an environment of poor housing affordability. Earning 18.8% less than male counterparts,[33] retiring with one third of the superannuation payout received by men[34] and over-represented in key poverty indicators,[35] women's access to affordable housing is

[33] Workplace Gender Equality Agency, 'About pay equity', *Workplace Gender Equality Agency*], February 2015. Retrieved from: https://www.wgea.gov.au/addressing-pay-equity/about-pay-equity

[34] Australian Human Rights Commission, 'Accumulating poverty? Women's experiences of inequality over the lifecycle', *Australian Human Rights Commission*, 2009. Retrieved from: https://www.humanrights.gov.au/our-work/sex-discrimination/publications/accumulating-poverty-women-s-experiences-inequality-over

[35] 13.5 per cent of women live under the 50 per cent of median income poverty line and 22.2 per cent of women live under the 60 per cent of median income poverty line, for men the figures are 12.1 per cent and 19.5 per cent respectively from Australian Council of Social Service, 'Poverty in Australia: The first in a series of

further hindered by a structural undersupply of affordable housing. Women make up the majority of those in low income households in rental stress[36] and are more likely to rely on housing assistance such as public housing[37] and Commonwealth Rent Assistance.[38] Affordable housing is also a pathway to safety for women escaping violence.

National Affordable Housing Agreement

There is ongoing funding of approximately $1.3 billion annually until 2018-19 for the National Affordable Housing Agreement. The Agreement commenced in 2009 and will continue in its current form. NAHA is indexed at wage cost index 1, the lowest of the six indices used by Treasury.

National Partnership Agreement on Remote Indigenous Housing (NPARIH)

The NPARIH will be replaced with *A New Remote Indigenous Housing Strategy*, which has guaranteed funding of $1.1 billion until 2017-18. $95 million of the NPARIH has been diverted from housing to the *Remote Jobs and Communities Programme*.

HOMELESSNESS

Women make up 59% of people accessing specialist homelessness services. Every day, 423 people are turned away from homelessness services with women accounting for 61% of the total unmet requests for service.[39]

National Partnership Agreement on Homelessness (NPAH)

As announced in March, NPAH funding was extended for the next two years. The funding will be maintained at $115 million annually. There is no indexation for this funding, which Homelessness Australia estimates constitutes a real loss of $12.58 million over the next two years.

Services focussing on women and children experiencing domestic and family violence and homelessness youth under 18 will be the priority for the funding. With no increase in funding, it remains to be seen what gaps will emerge within an already constrained funding envelope. We are particularly concerned that the (entirely necessary) focus on women and children escaping violence combining with static and unindexed funding levels means that there will be no capacity to address important emerging issues, such as increasing homelessness and housing stress among older women.

We recommend that in funding for the National Partnership Agreement on Homelessness be indexed.

Poverty and Inequality in Australia reports from the Australian Council of Social Service', Australian Council of Social Service 2012, p.10. Retrieved from: http://www.acoss.org.au/policy/poverty/

[36] Australian Bureau of Statistics 2014, *Gender Indicators, Australia, August 2014,* 'Table 1: Economic Security tab 32.' Data cube: Excel spread sheet, cat no. 4125.0. Retrieved from: http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4125.0August%202014?OpenDocument

[37] Australian Institute of Health and Welfare, 'National social housing survey: Detailed results 2012', Australian Institute of Health and Welfare, 2012, p. 107. Retrieved from http://www.aihw.gov.au/publication-detail/?id=60129545522. And Australian Bureau of Statistics, Australian Social Trends, cat. 4102.0, September 2011, accessed 20 May 2015.

[38] Australian Government Department of Social Services, 'Income Support Customers: A Statistical Overview 2012 Statistical Paper No.11', 2013. Retrieved from: https://www.dss.gov.au/about-the-department/publications-articles/research-publications/statistical-paper-series

[39] Australian Institute of Health and Welfare (AIHW), *Specialist Homelessness Services 2013-14*, Australian Government, Canberra, 2014

ADVOCACY AND RESEARCH

The three housing and homelessness national peak bodies - Homelessness Australia, Community Housing Federation of Australia and National Shelter were not refunded. These organisations have lost the main source of their funding and, as a result, their futures are uncertain. These peak bodies currently offer significant advice, expertise and experience on housing affordability and homelessness to the Federal Government.

Funding for Community Housing Federation of Australia, National Shelter and Homelessness Australia should be reinstated to ensure Government has access to independent national-level information about housing and homelessness in Australia.

The Australian Housing and Urban Research Institute (AHURI) has guaranteed funding only until 2017-18. AHURI's work is an important source of national-level data and research on housing affordability. AHURI has been instrumental in producing innovative models for affordable housing in Australia.

Funding for AHURI and the peak bodies is critical for national level research and advocacy on housing affordability.

12. VIOLENCE AGAINST WOMEN

There is a growing consensus in Australia that domestic violence and sexual against women is at unacceptable levels and has been called an 'epidemic', a 'terrible curse, a 'scourge' and an 'unfolding tragedy'. Yet the 2015-16 Budget barely recognises this.

While there are less than a handful of specific measures in the Budget (all released before the Budget) we were told after the release of the Budget that:

> *[Domestic violence] is a huge issue, we are very aware of it. I know it, the Prime Minister knows it and we'll have more to say in the not-too-distant future,' (Treasurer Joe Hockey); and*
>
> *additional money had been set aside in the budget. (Senator Cash).*

This makes it challenging, to say the least, for interested parties and stakeholders to make sense of the Budget on this crucial issue for women. Is it in the Budget or is it not? And if not, why not?

Given the attention violence against women has received of late, including the horrific and tragic numbers of women who have been killed in Australia this year alone, this lack of transparency came as somewhat of a surprise to the family violence and sexual assault sectors, stakeholders and the media. Instead, we have to rummage through previous budget papers, media releases and statements to try and piece together what is being funded, what may not be funded, if the funding is new or where the funding comes from.

That said, NFAW acknowledges a considerable amount of activity over the last 12 months which the Government should be applauded. For example, the launch of the (the Second Action Plan)[40], and the Launch of ANROWS and Our Watch.

[40] Department of Social Security, *Second Action Plan 2013-2016: Moving Ahead.* Retrieved from: https://www.dss.gov.au/our-responsibilities/women/programs-services/reducing-violence/the-national-plan-to-reduce-violence-against-women-and-their-children/second-action-plan-media-hub

However, the interim report from the Senate Inquiry into Domestic Violence in Australia highlights several areas of ongoing concern particularly around funding cuts to essential supports for victims of domestic violence and their families, and long-term funding certainty for front-line services.[41]

More recently, Fair Agenda's report *What it will take* showed all too graphically the investment actually required to fund critical frontline services, and the Budget falls very short of this benchmark.[42]

FAIR AGENDA: WHAT IT WILL TAKE

- Community Legal Centres - where a third of the work is family violence related - need an additional $200 million funding per year to meet demand.
- Family Violence Prevention and Legal Services - need an additional $28 million to be able to meet demand.
- Family & Relationship Services Australia are calling for an additional $5 million for supported family dispute resolution in family violence cases, and $12.2 million for Indigenous parenting and safety programs.
- Homelessness services are turning away 423 people every night, yet the most recent funding announcement included an effective cut of $12.58 million to services.
- Men's behaviour change groups are calling for an additional $8.5 million to strengthen their work.
- Primary prevention efforts need to be expanded - including expanding Respectful Relationships education nationally.

In a media release five days after the Budget Ministers Morrison and Cash appeared to be in damage control mode and announced a much needed extra $4m for the 1800RESPECT hotline which has been struggling under the strain of increased contacts. This *appears* to be in addition to more than $1m to expand 1800RESPECT announced in June 2014.[43]

According the Ministers' joint media release, in 2013-14 over 43,600 contacts were made to 1800RESPECT compared with about 20,000 in 2010-11. In 2014-15, about 35,000 contacts have been recorded to March 2015.[44]

However, we are none the wiser if this is new funding or is to be funded from existing resources found mostly in the DSS *National Initiatives*, the main funding line for implementing the National Plan to Reduce Violence against Women and their Children (the national Plan) and *Second Action Plan 2013-2016: Moving Ahead* (the Second Action Plan), announced first in June 2014.

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[41] Senate Finance and Public Administration Committee, Domestic Violence in Australia. Retrieved from: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Domestic_Violence

[42] Fair Agenda *What Will it Take.* Retrieved from: http://www.fairagenda.org/whatwillittake

[43] *Addressing Violence Against Women and Children* Media Release, Prime Minister 27 June 2014. Retrieved from: https://www.pm.gov.au/media/2014-06-27/addressing-violence-against-women-and-their-children

[44] *Abbott Government delivers funding boost for 1800RESPECT*. Joint Media Release with Senator the Hon. Michaelia Cash Minister Assisting the Prime Minister for Women. 17 May 2015. Retrieved from: http://scottmorrison.dss.gov.au/media-releases/abbott-government-delivers-funding-boost-for-node8entityentityrespect

DSS Families and Communities – National Initiatives

Expenses ($m)					
	2014-15 Estimates Actual	2015-16 Budget	2016-17 Forward Estimate	2017-18 Forward Estimate	2018-19 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
National Initiatives[45]	28,704	29,081	29,596	30,121	30,654

Source: Table 2.2.1 DSS Budge Statements 2015-2016, page 92.

From this funding we also assume that the following previously announced initiatives are included (this is not an exhaustive list):

- Crimtrac information sharing system for domestic violence orders (DVO) at the national level to be called the National Domestic Violence Order Information Sharing System (NDVOISS) - $3.3m over three years
- NT Domestic and Family Violence Reduction Strategy - $6m of Commonwealth.[46]
- White Ribbon - $1m over four years (election commitment)
- The Line $6.6 million over four years – re-launched on 8 May 2015 and managed by Our Watch.[47]
- ANROWS - jointly funded by the Commonwealth and all state and territory governments
- Our Watch.
- Sports Grants Bank - $1m available for sporting codes to prevent violence against women and their children from March 2015, to be managed by Our Watch.[48]
- $120,000 over two years to support women from culturally and linguistically diverse (CALD) backgrounds through our court system.[49]

SPECIFIC MEASURES

In the 2014 Gender Lens, NFAW called for the government to

> *Reassess cuts to community legal aid and to housing noting that these will undermine state and federal level measures to address violence against women under the National Plan to Reduce Violence against Women and their Children 2010-2022.*[50]

[45] The National Initiatives aim to achieve positive outcomes for families, women and their children by working across sectors to improve the safety and wellbeing of children, advancing gender equality and reducing violence against women and their children.

[46] Media Release Minister Cash 19 September 2014. Retrieved from: https://minister.women.gov.au/media/2014-09-19/18-million-reduce-domestic-and-family-violence

[47] Media Release Minister Cash The Line – empowering our youth to build respectful relationships. Retrieved from: https://minister.women.gov.au/media/2015-05-08/line-empowering-our-youth-build-respectful-relationships

[48] Media Release Or Watch. *Grants for sporting community to prevent violence against women and their children available in 2015.* Retrieved from: http://www.Our Watch.org.au/News-media-(1)/News-Media/Grants-for-sporting-community-to-prevent-violence and Media Release Ministers Morrison and Cash *Funding for national sporting codes to help prevent violence*. Retrieved from: https://minister.women.gov.au/media/2015-04-02/funding-national-sporting-codes-help-prevent-violence

[49] Media Release 03 March 2015, Prime Minister and the Minister Cash. *Support For Culturally And Linguistically Diverse Women.* Retrieved from: https://www.pm.gov.au/media/2015-03-03/support-culturally-and-linguistically-diverse-women-0

In this regard, NFAW and a host of stakeholders in the sector can claim at least some modest success with funding being 'restored' to certain legal services and an 'extension' of the national Partnership Agreement on Homelessness (NPAH) for two years to 2017 (see Section 11 – Housing for details). Apart from those two measures, the only other measure specific to violence against women is for the National Awareness Campaign announced at COAG in April.

LEGAL SERVICES

Access to free legal service for those experiencing or fleeing from family violence is crucial, providing them with information and assistance, including during Domestic Violence Order (DVO) processes, rights to property, and debt related issues to name but a few.

Following considerable lobbying from state and territory Attorneys-General, community legal services and stakeholders, the Government announced (prior to the Budget) 'restoring' funding of $25.5 million over two years for certain legal assistance programmes.[51] The measure is comprised of:

- $12.0 million over two years to continue the supplementary funding allocated to various community legal centres;
- $11.5 million over two years to continue funding for the Indigenous Legal Assistance Programme; and
- $2.0 million over two years to restore funding to the Expensive Commonwealth Criminal Cases Fund.[52]

We are told that the funding for this measure will be offset to the tune of $11.5m from within the Indigenous Affairs and Attorney-General's Portfolios but are given no details of where these off-sets will fall.

While this retreat is to be welcomed, the longer-term futures of these services remain uncertain and demand for the services continues to outstrip capacity with community legal services turning away thousands of vulnerable people in need. Community legal services will also be constrained from undertaking advocacy and systemic work – as the Attorney General put it 'case work rather than causes'.[53] This in spite of support for such work by the Productivity Commission in its 2014 Report *Access to Justice Arrangements:*

> *Frontline service delivery should be prioritised, along with advocacy work where it efficiently and effectively solves systemic issues which would otherwise necessitate more extensive individualised service provision. Some changes are required in order to bring this about.*[54]

In addition, a revised National Partnership Agreement on Legal Assistance Services was detailed in the Budget, signalling significant cuts from 2017-18 onwards.

As a matter of urgency, the Government should reverse cuts to legal aid and community legal services. These cuts fly in the face of Government rhetoric on supporting victims of domestic violence and sexual assault and the COAG endorsed National Awareness Campaign is only likely to increase demand for such services going forward.

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[50] NFAW Budget 2014-2015: A Gender Lens. http://www.nfaw.org/?s=gender+lens
[51] *Budget Paper No. 2 2015-16, Budget Measures* p. 60.
[52] *Budget Paper No. 2 2015-16, Budget Measures* pp. 60-61.
[53] Matthew Doran and Louise Yaxley. Updated 26 Mar 2015 *Federal Government backs down on planned cuts to community and Indigenous legal aid centres. Retrieved from: http://www.abc.net.au/news/2015-03-26/government-reverses-community-and-indigenous-legal-aid-cuts/6350550*
[54] Productivity Commission 2014, Access to Justice Arrangements, p.31. Retrieved from: http://www.pc.gov.au/inquiries/completed/access-justice/report

National Partnership on Legal Assistance Services

Expenses ($m)					
	2014-15 Estimates Actual	2015-16 Budget	2016-17 Forward Estimate	2017-18 Forward Estimate	2018-19 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Department of the Treasury	-	40.0	42.2	30.1	30.6

Source: Budget Paper No.2, 2015-16 Budget Measures, p.61

NATIONAL AWARENESS CAMPAIGN

The National Awareness Campaign was announced in March 2015 in the COAG communiqué. COAG agreed to jointly fund a $30 million awareness campaign, with the Commonwealth contributing $15 million over two years toward campaign funding, as well as providing $1.7 million for the development and administration of the campaign.[55]

National Awareness Campaign to Reduce Violence Against W omen and their Children

Expenses ($m)					
	2014-15 Estimates Actual	2015-16 Budget	2016-17 Forward Estimate	2017-18 Forward Estimate	2018-19 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Department of Social Services		10,525	5,621	561	

Source: Social Services Portfolio Budgets Statements 2015-16, p.25

While this is to be welcomed, NFAW and 61 other organisations raised questions on whether this is the most effective use of government funding, suggesting reallocation of the $30m towards primary violence prevention education in primary and secondary schools.[56] Without transparency it remains unclear where the Government's priorities actually lie.

NFAW calls for more clarity around the cross-portfolio expenditure on reducing violence against women and their children and in future Budgets recommends a separate official Budget document on all measures (ongoing and new) to address violence against women.

The Government should reconsider the allocation of the Australian Government's $30 million awareness-raising campaign to ensure that primary violence prevention programming is embedded in the national curriculum.

The Government should ensure COAG provides robust, long-term and adequate resourcing of women's specialist violence and related services (including health, counselling, housing and legal services) to enable better outcomes for women who present in crisis and with complex needs.

[55] Media Release *4 March 2015 Prime Minister and Minister Cash 4 March 2015. National awareness campaign to reduce violence against women and children.* Retrieved from: https://minister.women.gov.au/media/2015-03-04/national-awareness-campaign-reduce-violence-against-women-and-children

[56] *Women's sector calls on Nations leaders at COAG: Violence is Preventable*. YWCA 16 April 2014. http://www.ywca.org.au/news/women's-sector-calls-nations-leaders-coag-violence-preventable

13. HEALTH

OVERVIEW

Women are more likely than men to use and to be employed in the health system.

In 2013, there were 591,503 people registered as health practitioners. Over half of these (344,190) were nurses or midwives-more than 3 times the size of the next largest group, medical practitioners.[57]

In its 2014-15 Budget, the Commonwealth announced that, from July 2017, it would dramatically reduce its future contribution to public hospital costs, through a new formula based on indexation and population growth rather than hospital activity. This will fall well short of the funding needed to position public hospitals to meet the increasing demand for services such as those projected to be required by an ageing population.

In the shorter term, the Commonwealth reduced hospital funding to the States and Territories by $1.8 billion up to 2017-18 by withdrawing the funding guarantees made in the National Health Reform Agreement.

- These two measures are estimated to result in a loss in funding for health for the state governments of $57 billion in 10 years.

There are also a number of measures that will see an increased burden on health care consumers in relation to out of pocket expenses, including through an increased threshold for the PBS safety net and changes in indexation around the child dental programs. These compound the continuing impact of the Government's freezing of GP rebates under the Medicare Benefits Schedule in last year's Budget, thus putting additional pressure on bulk-billing.

A number of other cuts from the 2014-15 Budget are still on the table. The combined impact of 2014-15 and 2015-16 Budget will see a severe negative impact on health services, especially for poorer or sicker people.

BUDGET ANALYSIS

The Government proposes savings of $962.8 million over five years from 2014-15 by rationalising and streamlining funding across a range of Health programmes (Budget Paper 2, p. 110 – Health). An issue of key concern is the significant reduction in funding for the Health Portfolio Flexible Funds, which the Departmental Secretary has advised stakeholders made up around half this saving measures.[58] This savings measure is likely to undermine core capacity of community-based health work, including policy advice, representation of consumer and community interests, and services particularly in the area of primary health. According the Chief Executive Officer of Public Health Association of Australia:

> *The Flexible Funds are how we fund specific services for women, shelters, services that act to prevent violence against women. "That money goes to the most vulnerable in our community, single mothers who rely on the front line services which will be affected.*[59]

[57] http://www.aihw.gov.au/workforce/

[58] ACOSS Budget Analysis 2016-16 http://www.acoss.org.au/images/uploads/ACOSS_Budget_Analysis_2015-16.pdf

[59] Jenna Price, 'Federal Budget 2015: 10 ways Australian women have been let down by the budget' Daily Life, 13 May 2015 http://www.dailylife.com.au/news-and-views/dl-opinion/federal-budget-2015-10-ways-australian-women-have-been-let-down-by-the-budget-20150512-gh0b0e.html

$155.0 m in funding for the Adult Dental Benefits Scheme, delayed in 2014-15, is has been returned (Budget Paper 2, p. 107 – Health). However, the funding represents a reduction of $45 million on previous Budget forecasts and comes with no commitment beyond 2015-16. Meanwhile savings measures through the indexation arrangements of the Child Dental Benefits Scheme (Budget Paper 2, p. 100 – Health) and the incentives for attracting dental workforce to regional centres will significantly undermine the provision of affordable, timely and preventative oral health.

The Government will achieve savings of $5.1 million in 2018-19 by extending the increases to the Pharmaceutical Benefits Scheme (PBS) safety net thresholds by one additional year in 2019 (Budget Paper 2, p. 107 – Health). This announcement builds on last year's Budget which saw increases in the thresholds each year for four years (with a revised start date of 1 January 2016 from 1 January 2015 announced last year). These remain government policy dependent on legislation.

The Medical Research Future Fund has become a catch all for the direction of savings from many areas important to people experiencing poverty and inequality (egg increases in cost of PBS medication). Like the proposed child care/FTBB trade-offs, proposals to strip funding to pa for medical research represent a wedge strategy rather than a commitment to research, and undermine the support the Fund could otherwise attract.

OTHER MEASURES

Two 2015-16 Budget measures are welcome:

Improving Immunisation Coverage Rates

The Government will provide $26.4 million over four years for a range of activities designed to improve immunisation coverage and further reduce the incidence of vaccine preventable diseases in the Australian community (Budget Paper 2, p. 101 – Health), and a further $161.8 million over five years from 2014-15 for new and amended listings under the National Immunisation Programme (NIP), which include vaccine for the prevention of Diphtheria, Tetanus and whooping cough for children aged 18 months from 1 January 2016; and vaccine for the prevention of shingles for 70 year olds, including a five year programme to provide 71-79 year olds with an opportunity for a catch-up vaccination, from 1 November 2016.

Immunisation coverage rates will also be increased by broadening immunisation data collection to record all school-based adolescent vaccinations; introducing better targeted performance benchmarks for states and territories; providing incentives to health providers, including to General Practitioners, to provide catch up vaccinations to children who are overdue for immunisation; and providing a community awareness campaign to increase awareness of the National Immunisation Programme and dispel myths about immunisation (Budget Paper 2, p. 106 – Health).

National Cervical Screening Programme — reform

The Government will reform the National Cervical Screening Programme (NCSP), in line with recommendations from the Medical Services Advisory Committee, at a net cost of $13,000 over four years from 2015-16 (Budget Paper 2, p. 105 – Health). From 1 May 2017, the current two-yearly Pap test will be replaced by a five-yearly primary Human Papilloma Virus test for women aged from 25 to 74 years. This reform will reduce the number of screening tests over a woman's lifetime and is expected to decrease the mortality and morbidity from cervical cancer by at least 15 per cent. The Government is also committed to developing a National Cancer Screening Register to replace the current state and territory registers for the NCSP and the National Bowel Cancer Screening Register.

The Government needs to reassure women that the combined impact of its 2014 and 2015 Budget measures will not be to undermine Medicare and other health sectors. Doing this will require the Government to:

- **reconsider or abandon draconian measures from the last Budget;**
- **take account of issues raised by the community health sector, medical practitioners and representatives of disadvantaged groups, including many women, about the fragility of current health funding levels and the inevitability that many service delivery organisations will have to close their doors if funding support from governments deteriorates further;**
- **conduct an independent study of the impact of the Budget and related policy decisions on the ability of Australia to meet current health needs and to ensure the long term sustainability of Medicare and the broader Australian health system.**

14. OVERSEAS AID

Commitments in the 2015-16 Budget confirm the shocking reality that aid really has been cut by $11.3 billion over four successive years since 2013. The overall national contribution to international aid and development drop to only 22 cents in every $100 by 2016-17.

While this year's budget shows the total funding allocated to particular countries, details are profoundly lacking. The Government that committed to increased transparency and accountability continues to perform poorly on the information front, making it very difficult for everyone to assess the practical implications of the cuts. It will take some weeks more before the sector and IWDA know exactly how the cuts may hurt.

For the International Women's Development Agency (IWDA) the present picture is as follows:

- The narrative about prioritising women's empowerment remains.
- Overall funding to the Pacific seems steady in dollar terms (though of course that represents a small cut in real terms).
- The Pacific Women Shaping Pacific Development Initiative remains firmly in place. IWDA will continue to track the so-called 'new' $50m Gender Equality Fund as it is understood that it may represent the above initiative, and therefore an existing commitment, under a new banner.[60]
- Funding for Burma has been slashed by 40 per cent[61] leaving our partnerships with displaced and ethnic women's organisations addressing long term reconciliation, peace and security programs at severe risk.
- The longstanding and super-effective Australian NGO Cooperation Program (ANCP) has been cut by 5 per cent, dropping from $134 million to $127.3 million[62]. It remains unclear, though, whether the 5 per cent cut will be spread evenly across all recipient NGOs. This will be determined in consultation with government in the coming week or two.
- It is concerning to also see Community Engagement and International Research cut by 40 per cent, down from $10 million to $6 million[63]. Effective targeting of Australia's development investments requires evidence and this only becomes more important when overall funding has been so sharply reduced.

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[60] http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Pages/budget-highlights-2015-16.aspx
[61] http://dfat.gov.au/geo/burma/development-assistance/pages/development-assistance-in-burma.aspx
[62] ACFID budget analysis. Retrieved from: http://www.acfid.asn.au/resources-publications/files/acfid-budget-analysis-2015-16-1
[63] http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Pages/budget-highlights-2015-16.aspx#footnote-1

IWDA notes that the Foreign Affairs and Trade Operations Programme at the Department of Foreign Affairs and Trade (DFAT) will be seeking to 'enhance engagement with Pacific Island countries, including deepening our partnership with Papua New Guinea, supporting normalisation of relations with Fiji and supporting capacity building in the Solomon Islands'.[64] The Budget documents provide no hint of what this will mean in practice, however.

We note the statement in the DFAT Portfolio Budget Statement that

> *It is in Australia's interest to have secure, stable and prosperous neighbours, including in the Pacific. The department will drive Australia's comprehensive engagement with Papua New Guinea to strengthen the bilateral strategic, economic and business partnership.*[65]

IWDA congratulates DFAT on investment to expand diplomatic ties and promote continued peace and development in Bougainville. It is hoped that The Pacific Leadership and Governance Precinct initiative and the new *innovationXchange*, based in DFAT, will increase women's leadership opportunities across the region.

GENDER AND DEVELOPMENT – WHO IS VISIBLE?

Despite DFAT's continuing to state that 'gender equality and women and girls' empowerment will be addressed across the aid program'[66], it remains almost impossible to see in its Portfolio Budget Statement what ways or against what accountabilities we shall know how investment and funding choices will impact on men's and women's lives.

The deliverables in Australia's Official Development Assistance Program reflect the Australian Government's development policy announced last year, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, which focuses on two development outcomes: supporting private sector development and strengthening human development. Investments will be focused on six priority areas:

1. infrastructure, trade facilitation and international competitiveness;
2. agriculture, fisheries and water;
3. effective governance through policies, institutions and functioning economies;
4. education and health;
5. building resilience through humanitarian assistance, disaster risk reduction and social protection; and last but not least
6. gender equality and empowering women and girls.

COMMENTARY

The Treasurer talks of a budget that is fair and responsible. In a world that grows ever closer, it is neither responsible nor fair for one of the wealthiest countries on earth to turn away from solidarity with women and men, girls and boys who simply happened to be born in countries less well-endowed than Australia. In a world where profound gender inequalities persist, denying millions of women and girls their rights and holding back prosperity and security, particularly in our region, is neither responsible nor fair. Yet Australia continues to allocate millions of dollars each year without the information required to target it effectively to address these inequalities.

Of course we welcome specific investment in targeted initiatives like safe houses for women fleeing violence, or programs to support more women into parliament in our region, addressing an appalling democratic deficit. It's morally right and in the interests of a fairer, more prosperous and secure

[64] DFAT PBS 2015-16 p.35
[65] DFAT PBS 2015-16 p.15
[66] DFAT PBS 2015-16 p.18

region. **But this investment pales into insignificance compared to what could be achieved if the whole of the aid program was helping to address gender inequalities, as it progresses the Government's other policy priorities**.

Budgets tell us about priorities. What this budget shows is Defence's share of GDP increasing and on its way to 2 per cent, while aid spending is falling to 0.22 per cent. The government has missed the opportunity to improve revenue by reducing superannuation concessions, preferring instead to rely on the world's poorest people to fund expenditure in one of the world's wealthiest countries.

The Foreign Minister has committed to 80 per cent of the aid program effectively addressing gender equality. [67] That is important. But there was no evidence of this commitment in the Budget. The Government should be judged by its actions, not just its words. Change requires more than rhetorical commitment. It needs commitment expressed and visible in action and resources. And if the Government is to be trusted, and to meet its commitment to increased transparency and accountability, it needs to provide the numbers that enable all of us to see how they doing.

The Department of Foreign Affairs and Trade has made it clear that this year's Budget will 'help to ensure trade and investment reform is tied to the broader domestic economic policy agenda'[68] and that 'Australia's aid program will acknowledge the different development trajectories across the region, maintaining a strong commitment to development in the Pacific and focus on building economic partnerships in growing Asia.'[69] DFAT maintains it will 'strengthen the aid program's engagement with the private sector and its promotion of the empowerment of women and girls.'[70]

In wider aid budget analysis, IWDA notes with concern that:

- DFAT's administered cash used in 2015-16 is estimated to decrease by $985.4 million compared to 2014-15.[71] This is due primarily to the reduction in expenditure on the Australian Aid Program. This is not something to be proud of as a nation
- Expenditure on aid for trade will be increased to 20 per cent of official development assistance (ODA) by 2020[72] and will include investments in economic infrastructure, agriculture, fisheries and other productive capacity.
- Funding reference to resources for the new Sustainable Development Goals was absent from the Budget Portfolio Statement.
- It could be argued that the New Colombo Plan has significantly displaced the Australian Volunteers Program which lost 30 per cent of its funding.
- It remains a vital concern that the Trans Pacific Partnership (involving twelve Pacific-rim members), and the Pacific Island countries and New Zealand through the Pacific Agreement on Closer Economic Relations – PACER Plus – continue to apply sound gender analysis to all future trade agreements and negotiations.
- DFAT's intention to contribute to whole of government efforts bilaterally and regionally to counter people smuggling and human trafficking, including through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, presently remains gender blind in terms of resourcing priorities. However this work is pertinent to IWDA's

[67] DFAT, *Making Performance Count: enhancing the accountability and effectiveness of Australian Aid,* June 2014 p.8. Retrieved from: http://dfat.gov.au/about-us/publications/Documents/framework-making-performance-count.pdf
[68] DFAT PBS 2015-16 p.3
[69] DFAT PBS 2015-16 p.18
[70] DFAT PBS 2015-16 p.4
[71] DFAT PBS 2015-16 p.63
[72] DFAT PBS 2015-16 p.18

partnerships with women's organisations along Burma's borders where forced migration, displacement, trafficking and commercial sexual exploitation persist.

- If the Government indeed believes that 'there can be no shortcuts'[73] for our safety and security, then it is crucial that the present regional work on women, peace and security is incorporated into the emergent Department of Defence White Paper and subsequent resourcing and investment. The human security dimensions in the Budget are exceedingly narrow, articulating only expenditure on counter terrorism, military personnel, intelligence capabilities and military operations.
- The cuts to the Africa budget (70 per cent) will have a devastating impact on future Australia-Africa relations and development cooperation.
- IWDA supports the position of the Australian Council for International Development that aid money should not be used to fund either offshore or onshore processing of asylum seekers and any aid budget diverted to fund refugee processing costs is in contravention of Australia's international obligations. IWDA also notes that Cambodia was spared the 40 per cent cut that occurred in other countries in East Asia. Similarly, aid to Manus Island more than doubled to $38 million in 2015-16, despite a 3 per cent decrease in aid to PNG overall.

15. CONCLUSION

Is the 2015-16 Budget a gender responsive Budget? It is almost impossible to know and appears unlikely. For decades now, feminist economists have revealed how fiscal policies produce different impacts on men's and women's lives as well as the power relationships between them. Fiscal policy is not gender neutral but rather is often gender biased.[74]

Unless government expenditure explicitly takes account of the different circumstances of women and men then it will at best continue existing inequalities and potentially make these worse, by assuming women and men have the same needs, priorities, opportunities and outcomes when evidence so clearly demonstrates this is not the case. However, the Government's primary tool for telling citizens and others where they are spending and where they are cutting **currently provides no way of tracking how the Government's commitment to gender equality is being resourced and implemented. It is invisible**. Yet it is very possible to do this differently.

As was noted in the Introduction, past Australian budget practice had the Government publishing a 400-page Budget document showing how gender budgeting can reinforce, reduce or increase gender inequalities. To be confident that inequalities are being tackled we need clear evidence that:

- the budget has been informed by gender analysis;
- in addition to funds earmarked for specific programs supporting women and girls or their organisations, all budgeted expenditure is presented and reviewed against gender disaggregated data; and
- women's organisations have been consulted on budget allocations.

[73] 2015-16 Budget Speech, p. 10 http://budget.gov.au/2015-16/content/speech/download/budget-speech.pdf
[74] Taxing for Gendered Economic Justice. Corina Rodriguez Enriquez &Diane Elson. Development (2012) 55(3).

16. ATTACHMENTS

ATTACHMENT A: STATEMENT OF SUPPORT FOR THE CURRENT PAID PARENTAL LEAVE SCHEME.[75]

MATERNAL ACCESS TO 26 WEEKS PART-GOVERNMENT-FUNDED PAID PARENTAL LEAVE

We, the undersigned organisations and individuals, make this statement of support for the current Paid Parental Leave scheme.

The Scheme enacted by the Parliament has the twin objectives of enhancing child and maternal well being and supporting parental work force participation. The universal Government scheme underpins whatever employees are able to obtain by negotiation with employers, with the aim of extending total paid leave as close as possible to a full 26 weeks recommended by the World Health Organisation.

We are dismayed by the proposal to remove access to the minimum leave entitlements provided by Government scheme for all employees entitled to additional employer-funded paid parental leave.

The proposal flies in the face of universal acknowledgement of the benefits of 26 weeks leave and of the findings of the evaluation of the Government scheme.

For the following reasons, we call on the Government to reverse its stated position and guarantee universal access to Government-funded paid parental leave:

The current scheme provides universal access to paid parental leave

The current scheme is based on the Productivity Commission's recommendation to establish universal access to paid parental leave for up to 18 weeks at the minimum wage for working parents with an additional two weeks leave reserved for partners who share in the primary care of the child. It was anticipated that at some point in the future, Government would extend the scheme to include minimum superannuation contributions.

The minimum entitlements provided by the Government were intended to be complemented by employer schemes which lengthened the period of paid parental leave to achieve the optimal leave period recommended by the World Health Organisation of 26 weeks.

The Productivity Commission estimated that the scheme would ensure more families have capacity to provide exclusive parental care for children for six to nine months and increase workforce participation on average by up to 6 months per woman over her lifetime.[76]

Government funded paid parental leave was introduced as a universal scheme – to be available to all families in Australia. It must stay that way.

Paid parental leave has significant health benefits for both mother and child

There is compelling evidence of health and welfare benefits for mothers and babies from a period of postnatal absence from work for the primary caregiver of around six months.

Australian guidelines and the World Health Organisation recommend that infants are fed nothing but breast milk for their first six months of life and continue to be breastfed into their second year. [77]

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[75] http://www.nfaw.org/maternal-access-to-26-weeks-part-government-funded-paid-parental-leave/

[76] *Paid Parental Leave: Support for Parents with Newborn Children*, Inquiry Report, Productivity Commission, May 2009.

Exclusive breastfeeding ensures that babies receive the full nutritional and development benefits as well as protection against infection and some chronic disease.

Breastfeeding is the biological and social norm for infants. Having a child and taking time out for family reasons is viewed by the community as part of the usual course of work and life for parents in the paid workforce. Paid parental leave helps ensure that working mothers have the capacity to meet their child's needs during the first few months of life whilst remaining in employment.

A reduction in the period of paid parental leave means parents who must return to work once the paid period expires will have to find care for their young infant. We note Budget proposals for expansion of child care beyond 2017. Even so, places for babies in childcare centres are limited and difficult to access. Care for infants is very expensive to provide. Early exposure of infants to group care increases the risk of infectious disease. Where child care is not available these mothers may drop out of the workforce. A reduced period of paid parental leave combined with a lack of supply of childcare for babies may lead to a reduction in women's workforce participation. Good policy design will support a smooth transition between paid parental leave and childcare. This policy extends the gap between the conclusion of paid parental leave and childcare.

Paid parental leave contributes to workforce participation and employee retention rates

Paid parental leave increases lifetime workforce participation, both over the long run following the early infant years of their children, but also prior to the birth.

In the absence of paid leave entitlements, many women resign from their jobs and lose contact with their former employers, making it more difficult for them to re-enter the workforce.

Paid parental leave increases retention rates for business, with reduced training and recruitment costs and counters some of the incentives against working posed by the tax and welfare system.

Australia's employment rate for mothers is the lowest of all the countries in the OECD at 62%. Universal paid parental leave is a critical strategy in encouraging new parents to stay in the workforce and achieving the G20 goal of increasing women's labour force participation by 25% by 2025.

Paid parental leave is a social compact that requires a commitment from Government, Employers and Individuals

Like retirement incomes, paid parental leave requires a co-contribution from Government, employers and individuals.

The Government's refusal to contribute towards the cost of paid parental leave for employees entitled to a co-contribution from their employer will disadvantage up to 47% of families currently receiving paid parental leave.

Limiting access to the Government scheme reduces incentives for employers to contribute to paid parental leave, encourage parties to negotiate ancillary benefits instead and may impose a significant regulatory burden on businesses that are required to report on their existing parental leave arrangements.

Accessing Government Funded Paid Parental Leave is not 'double dipping'

To suggest that women are 'double dipping' completely misrepresents the nature and design of the scheme.

Enterprise agreements top-up the *minimum entitlements* provided by Government to provide access to additional paid leave.

[77] https://www.nhmrc.gov.au/_files_nhmrc/publications/attachments/n56_infant_feeding_guidelines.pdf

Removing access to the Government scheme imposes an unexpected and unwarranted financial burden on families and denies employees access to freely negotiated conditions of employment. Such entitlements are not extraordinarily generous, but do contribute to allowing more time for breast feeding, bonding, and child development.

The Government's proposal severely penalises employees who have negotiated additional paid parental leave benefits by trading off potential wage increases and other conditions to achieve the enhanced benefits related to child bearing and family friendly work.

We call on the Government to abandon the proposed changes to the current paid parental leave scheme announced in the 2015 Budget.

Signed:

Marie Coleman AO PSM for National Foundation for Australian Women

Prof. Graham Vimpani AM Professor of Community Child and Family Health, University of Newcastle

Elizabeth Hill for Work and Family Roundtable

Prof. Marian Baird Professor of Gender and Workplace Relations, University of Sydney

Sue Salthouse for Women with Disabilities ACT

Jo Briskey for The Parenthood

Michael Moore for Public Health Association of Australia

Ged Kearney for Australian Council of Trade Unions

Dr Caroline Lambert for Young Women's Christian Association Australia

Sally Jope for Economic Security for Women

Rhonda Galbally AO

Helen l'Orange AM

Prof. Fiona Stanley AC FAA

Prof. Gillian Whitehouse Professor of Political Science, University of Queensland

Prof. Cathy Owen MD FRANZCP MHE

Rebecca Naylor for The Australian Breastfeeding Association

Mary Crookes AO for The Victorian Women's Trust

Dr Cassandra Goldie for Australian Council of Social Service

Sara Kane for the Employment Law Centre of WA

Kirsty Nowlan for The Benevolent Society

Sabina Leitman for WA Branch Australian Association of Social Workers

Chris Twomey for West Australian Council of Social Service (WACOSS)

Annie Mullan for Australian Association for Infant Mental Health West Australian Branch Incorporated WA

Diana Snooks for Fremantle Women's Health Centre

Mike Dixon for Balga (WA) Detached Youth Work Project

Elizabeth Barnes for MIDLAS Midland Information, Debt and Legal Advocacy Service

Gemma Crawford for Centrecare

Claire Hewat for Dietitians Association of Australia

Meghan Quinn

The following members of the Equality Rights Alliance:

Professor of Psychiatry, ANU Medical School

Dr. Fiona Jenkins Convenor ANU Gender Institute

Professor Kim Rubenstein Convenor of the ANU Gender Institute 2011-13

Louise Johnson for Women's Special Interest Group (PHAA)

Melanie Fernandez for Women's Electoral Lobby Australia

Kelly Bannister for Australian Women's Health Network

Melba Marginson for Victorian Immigrant and Refugee Coalition

Terese Edwards for The National Council of Single Mothers and their Children

Carmen Hannaker-Green for The Union of Australian Women

Pauline van Adrichem for Women's Legal Services Australia

Vivi Germanos-Koutsounadis AO for Immigrant Women's Speakout Association

Lena Sivasailem-Pichler for Project Respect

Ruth Medd for Women on Boards

Margaret Findlater-Smith for National Council of Women of Australia

Janice Crosswhite for Australian Womensport and Recreation Association

Anne Sheehan for Soroptimists International of the South West Pacific

Barbara O'Dwyer for Women's International League for Peace and Freedom Australia

Di Hirsh OAM for National Council of Jewish Women of Australia

Leah Hardiman for Maternity Choices Australia

Rachel Bausor for Women's Information and Referral Exchange

Sharyl Scott for Zonta International District 23

Diann Rodgers-Healey for Australian Centre for Leadership for Women

Anne MacDonald for Australasian Council for Women and Policing

Dr Madeleine Laming for Australian Federation of Graduate Women

ATTACHMENT B: ACOSS BUDGET ANALYSIS

Analysis undertaken by ACOSS[78] shows major savings measures from the 2014-15 Budget to be retained in 2015-16 which disproportionately affect people on low and moderate incomes:

- Limiting Family Tax Benefit Part B to single income families with children under six years which will result in income losses of at least $49 per week for single parent families;
- Freeze family payment rates for two years and reduce supplements, which will result in lower payments over time for low income families;
- Cuts to funding for hospitals and education to state and territory governments;
- Removal of Federal funding for state concession schemes;
- Change to the eligibility age for Newstart, which will require young people who are not employed to rely on the lower Youth Allowance for longer (this measure has been delayed by one year);
- Freezing of the free area for Allowances from 2014-27 which will reduce incomes and work incentives for those working part-time (noting that the Government has abandoned moves to freeze the pension free area, instead increasing it, but is still committed to freezing the Allowances free area);
- Abolition of the Pensioner Education Supplement will result in losses of $40 per week for eligible recipients, including many sole parents;
- Extend the pension eligibility age to 70 years by 2035;
- Cuts of approximately $1 billion (over 4 years) to community services, including approximately $500 million in cuts to Aboriginal and Torres Strait Islander services and programs;
- Cuts to affordable housing and homelessness programs totalling $674 million over four years, and the resulting loss of 12,000 affordable housing dwellings.

The combined impact of the 2014-15 and 2015-16 Budgets includes:

- $126 million cut from child dental programs;
- $1 billion cut in health funding;
- $6 billion cuts to family payments;
- a combined $80 billion over 10 years for hospitals and education;
- $1 billion in cuts to vital community services for the people in greatest need around the country, such as those experiencing financial crisis or family breakdown, children at risk, vulnerable young people, new mothers and babies, people facing eviction and homelessness, carers in need of respite, those struggling with drug and alcohol addictions, and those with mental health problems, including $500 million from Aboriginal and Torres Strait Islander services and programs;
- $674 million from affordable housing and homelessness programs.

[78] http://www.acoss.org.au/media/release/new_acoss_report_confirms_budget_fails_fairness_test