

**Submission
No 5**

INQUIRY INTO GENDER RESPONSIVE BUDGETING

Organisation: Women in Social and Economic Research (WiSER), Curtin University

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Lizzie Blandthorn MP
Chair, Public Accounts and Estimates Committee
Parliament of Victoria

Inquiry into gender responsive budgeting

Dear Ms Blandthorn

This submission is made on behalf of Women in Social and Economic Research (WiSER) at Curtin University. WiSER is a research cluster in the Faculty of Business and Law committed to producing high quality quantitative and qualitative research relevant to the goals of equity and autonomy for women. The lead authors of this submission are Emeritus Professor Rhonda Sharp AM, internationally recognised as a pioneer of gender-responsive budgeting and Dr Monica Costa, who has ten years of experience of gender-responsive budgeting research and practice in Australia and the in the Asia-Pacific region. The team also includes Professor Siobhan Austen (Curtin University) and Emeritus Professor Marian Sawer AO (Australian National University).

Our submission provides historical context on gender-responsive budgeting, the lessons learned from international experience and how they might be applied in Victoria, including ten recommendations.

1. The concept of gender-responsive budgeting and Australia's pioneering role

Australia pioneered gender-responsive budgeting. The idea that government spending and revenue raising impacts differently on men compared to women and that it affects the equity and efficiency of policy and budgetary outcomes was first operationalised in the Hawke Government's women's budget initiative in 1984, with Australia's state and territory governments following soon after.

Gender-responsive budgeting initiatives represented a conceptual shift in their recognition that the gender impact of budgets went well beyond gender-specific allocations, which have been estimated to be less than one percent of budgetary expenditures. The other 99 percent – general or mainstream government allocations – also needed to be scrutinised for gender impacts, thereby challenging the prevailing myth that budgets were gender neutral.¹

Over time, conceptual refinements of gender-responsive budgeting have taken place. An important one has been to recognise the political effects of gender-responsive budgeting as a means of bringing about changes in policies, priorities and budgetary processes. These gender-responsive budgeting actions need to occur across the different stages of the budget cycle (ie, formulation, execution, implementation, evaluation/audit) and often involve different groups of actors and strategies at the different stages.

Recognition of the intersectionality of gender with other categories (socio-economic class, race, ethnicity, age, disability, sexuality, urban-rural location) is also central to the idea of gender-responsive budgeting. While Australia has taken an intersectionality approach on various issues in its women's budgets, the results has been patchy. Since 2016 Canada has sought to be more systematic by introducing its Gender Based Analysis Plus (GBA+), an analytical process used to assess how diverse groups of women, men and non-binary people experience policies, programs and initiatives.

However, globally gender-responsive budgeting is very much an evolutionary concept and there is no blueprint for it. Initiatives take different forms distinguished by different normative frameworks and actors, tools of analysis, strategies for change, budget cycle entry points, political commitment, gender equality institutional arrangements, the level of development of the country and the structure of its public financial management system.²

¹ Rhonda Sharp calculated the relative size of targeted expenditures to women and girls and general or non-gender targeted expenditures for the first *South Australian 1985-86 Budget and its Impact on Women*. Also see UNIFEM (2000) *Progress of the World's Women 2000*, UNIFEM, NY, <https://www.unwomen.org/en/digital-library/publications/2000/1/progress-of-the-world-s-women-2000>.

² Debbie Budlender, in collaboration with the Commonwealth Secretariat (2007) *Gender-Responsive Budgets in the Commonwealth Progress Report 2005–2007 Commonwealth Finance Minister's Meeting (Georgetown Guyana 15th–17th October 2007)*, Commonwealth Secretariat, London, <http://www.gender-budgets.org/content/view/472/153/>.

2. Gender-responsive budgeting goes global

The idea of gender-responsive budgeting gained international momentum with its inscription in the 1995 Beijing Platform for Action. The number of gender-responsive budgeting initiatives has mushroomed over the past two decades with over 100 countries having undertaken an initiative coordinated either inside or outside government. gender-responsive budgeting work is now being advocated by international organisations such as the G7, Organisation for Economic Co-operation and Development (OECD) and United Nations (UN) bodies. Christine Lagarde, the head of the International Monetary Fund (IMF), has said she wants the Fund to incorporate gender budgeting in the advice it gives and the IMF has surveyed successful gender-budgeting practice in Europe.³ The 2016 OECD survey, *Gender Budgeting in OECD countries*,⁴ indicates growing interest with almost half of these countries having introduced, planning to introduce or actively considering introduction of these initiatives. To inform the design of these initiatives a growing body of research has emerged focusing on the conditions for its successful implementation, tools of gender analysis, gender impact assessment, and the institutions and politics of budget decision making.

Meanwhile, Australia had essentially ceded leadership on gender-responsive budgeting by 2000. By then the state and territory governments had either ceased or become tired exercises. A women's budget continued in some form at the federal level for 30 years until it was terminated by the Abbott Government in 2013, but all Australian initiatives increasingly suffered from becoming focussed on political rhetoric along with inadequate gender analyses and informed actions for change by governments. The Victorian initiative shared similar limitations with that the other women's budgets including a lack of political commitment, uneven coverage of policies by departments, limited gender analyses and a lack of routine availability and use of gender disaggregated data, non-comparability of the analysis across budget years, lack of support from Treasury, a failure to assess and report on the negative

³ Sheila Quinn (2016) *Europe: A survey of Gender budgeting efforts*, IMF Working Paper, <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Europe-A-Survey-of-Gender-Budgeting-Efforts-44148>.

⁴ Ronnie Downes, Lisa von Trapp and Scherie Nicol (2017) Gender budgeting in OECD countries, *Journal on Budgeting* 2016/3, <http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf>.

gender equity impacts arising from neoliberal economic policies and lack of external oversight and parliamentary and civil society pressure for accountability.⁵

Renewed interest in gender-responsive budgeting has occurred with the re-launching of government initiatives in Victoria and the Australian Capital Territory. In parallel, there has been a resurgence of interest in training and research at the federal level with the Australian National University developing a series of well-attended one-day courses on gender impact analysis and gender-responsive budgeting. Other reasons to be positive about the future of gender budgeting in Australia include, since 2014, the production by the National Foundation of Australian Women of a powerful analysis of the impact of budget measures highlighting their positive and negative effects on gender equality. In addition, the Australian Labor Party has committed to reinstate women's budget statements, and in Opposition, continue to publish a Women's Budget Reply Statement each year.

3. Why is gender-responsive budgeting important?

*Finance ministries have traditionally treated gender as irrelevant to their work. But they are eager to target gender gaps when they understand the economic losses they carry (The Economist).*⁶

IMF economist, Janet Stotsky, in a global review of gender-responsive budgeting published in 2016, has described it as 'good budgeting'.⁷ The review concluded that the adjustment of fiscal policy helps to fight biases against women that are costly to economic growth, the quality of life and women's economic and political empowerment. These claims reflect the central role of gender-responsive budgeting in improving the results of budgets generally, and gender equality and women's empowerment, in particular.⁸

⁵ See Rhonda Sharp and Ray Broomhill (2013) *A Case Study of Gender Responsive Budgeting in Australia*, The Commonwealth Secretariat, https://www.unisa.edu.au/siteassets/episerver-6-files/global/eass/hri/grb_papers_australia_comm-sec-updf_final-copy-.pdf.

⁶ The Economist (2017) *The Economist Explains what is gender budgeting*, <https://www.economist.com/the-economist-explains/2017/03/03/what-is-gender-budgeting>.

⁷ Janet Stotsky (2016) Gender Budgeting: Fiscal Context and Current Outcomes, *IMF Working Group 16/149: 12*, <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Gender-Budgeting-Fiscal-Context-and-Current-Outcomes-44132>.

⁸ Susan Himmelweit (2002) Making visible the hidden economy: The case of gender-impact analysis of economic policy, *Feminist Economics* 8(1): 49–70, <http://www.bridge.ids.ac.uk/sites/bridge.ids.ac.uk/files/Docs/himmelweit.pdf>.

A major way in which gender-responsive budgeting contributes to good budgeting is by giving a focus to issues that are frequently overlooked or obscured in conventional budget analysis and decision-making. This includes the role of unpaid work, disproportionately done by women, in economic and social outcomes, the distribution of resources within as well as between families; and the extent to which women and men participate in budget decision-making. As a result, mainstream policies and budget allocations, while superficially may not appear to be about gender, often really are. For example, gender analysis demonstrates that policies of highly targeted benefits such as child care and rental assistance can produce very high effective marginal tax rates for women as secondary income earners and single parents through the interaction of the tapering of benefits and the income tax system. The negative impacts on women's paid work incentives adversely affects labour force participation, productivity and economic growth.

The invisibility of women's time doing unpaid domestic and care work in economic indicators contributes to policies that have a range of negative consequences for gender equality. For example, reductions in social services can increase women's unpaid care time burdens and opportunities to participate in paid work. The importance of gender-responsive budgeting here is that it draws on a wider perspective of the economy involving a consideration of all the processes of provisioning that fulfil people's needs (market, public sector, non-government organisations [NGOs], households, environment). Placing people at the centre of economic analysis, policy and resource allocations makes gender-responsive budgeting important as one strategy that can contribute to human well-being. As a result, gender-responsive budgeting is a relevant and complementary strategy for governments such as New Zealand that are exploring a well-being budget.

Other ways in which gender-responsive budgeting promotes good budgeting is by promoting good governance through increasing transparency and accountability and participation. Transparency in policy development and resource allocation was identified by the 2016 OECD survey as an important reason for gender-responsive budgeting. Features of gender-responsive budgeting such as gender analysis, participation of both women and men in budgetary decision-making processes and the recognition of women's rights and needs by government institutions are key elements of this good governance agenda.

Gender-responsive budgeting can further attempts to bring a performance focus to budgeting given that it placed the attention on outputs and outcomes, instead of inputs, as a more powerful means to assess policy. The emphasis on outputs and outcomes that is typical of performance-focused budgeting is consistent with the focus of gender-responsive budgeting.⁹

4. Is there evidence of the positive impacts of gender-responsive budgeting?

There is a small but growing body of case-study evidence that government gender-responsive budgeting initiatives have contributed to a range of positive impacts. Reflecting on the experience of 80 countries around the world, the 2016 IMF study of gender-budgeting work shows that this work has shaped fiscal policies to address the needs of women and girls in areas such as education, health, and infrastructure. In addition, this gender-budgeting work has led to improvements in administration and accountability of government spending.¹⁰

It is important to note the complexity in assessing and interpreting impacts of gender-responsive budgeting. Government budgets and gender responsive budgets are multi-faceted processes located in the broader economy and society making it difficult to isolate a single factor responsible for gender-responsive budgeting success.¹¹ Accordingly, the literature on impacts focuses on ways in which it can work to promote greater gender equality and women's empowerment. These positive impacts include: (1) better gender disaggregated data and analysis for policy and budgetary decision making; (2) improved budgetary decision-making processes and service delivery and; (3) increased resource allocations in areas that matter for closing economic and social gaps between men and women.

An example of gender-responsive budgeting contributing to better data and analysis for policy and budgetary decision making is Sweden's Budget Bill. In 2005 its gender analysis

⁹ Rhonda Sharp (2003) *Budgeting for Equity: Gender Budget Initiatives within a Framework of Performance Oriented Budgeting*, UNIFEM, <https://www.unwomen.org/en/digital-library/publications/2003/1/budgeting-for-equity-gender-budget-initiatives-within-a-framework-of-performance-oriented-budgeting>

¹⁰ Stotsky (2016).

¹¹ Diane Elson and Rhonda Sharp (2010) 'Gender-responsive budgeting and women's poverty' in Sylvia Chant (ed) *The International Handbook on Gender and Poverty: Concepts, Research and Policy*, Edward Elgar, London: 522–527, <https://www.unisa.edu.au/archived/pages/research/Hawke-Research-Institute/Biennial-research-theme/Research-projects/Gender-responsive-budgeting-in-the-Asia-Pacific-region/Publications/>. Rhonda Sharp and Diane Elson (2008) Improving budgets: a framework for assessing gender-responsive budget initiatives in Sri Mastuti et al, *Audit Gender Terhadap Anggaran*, CiBa, Jakarta, <https://www.unisa.edu.au/siteassets/episerver-6-files/documents/eass/hri/gender-budgets/sharp-elson-improving-budgets.pdf>.

accounted for the role of unpaid care work on women's economic security compared to men's over a life cycle. The Bill showed how parental leave and part-time work associated with small children contributed to a loss of income over ten years of SEK 304,000 for the mother compared to SEK 10,000 for the father which it noted would also be reflected in their future retirement income.¹² Similarly, the 2011–12 Australian federal government's *Women's Budget Statement* identified the impact of caring responsibilities on lifetime incomes of different groups of women. The analysis estimated that a female carer aged 30 years with two or more children and caring for a child with a disability, with an education of secondary school completion or less, would have expected earnings of less than \$100,000 over her working life. In contrast, a woman with comparable characteristics, without primary caring responsibilities, will earn four times that amount over her lifetime. This analysis contributed to providing a rationale for additional funding of early intervention services for young children with disabilities.¹³

Gender-responsive budgeting introduces a variety of new budgetary ideas such as passing a legislative requirement for gender-responsive budgeting (France, Spain and Vietnam); making the budget call gender sensitive (South Korea, Morocco, Indonesia); developing gender disaggregated performance indicators; and monitoring their progress against the budget (Austria, National Agenda for Women under the Hawke Government); increasing the representation of women in decision making within and outside government on budgetary matters (Scotland, Timor-Leste); and publishing a budget accountability document (eg gender budget statement – Australia, Canada). However, there is limited research assessing the extent to which many of these tools have contributed to better gender equality outcomes.

A 2015 review of the role of 'engendered' Budget Call Circulars and Gender Budget Statements argues that their primary contribution has been to promote 'greater awareness of gender equality and how that may be reflected in policies, budget and implementation mechanisms'.¹⁴ Also, in some countries these tools have contributed towards substantial

¹²Ministry of Industry, Employment and Communications (2006) *Moving Ahead: Gender budgeting in Sweden*, Stockholm: 15, http://store1.digitalcity.eu.com/store/clients/release/AAAAGNJH/doc/gender-budgeting-in-sweden_2007.09.29-12.22.48.pdf.

¹³ Minister for the Status of Women, Hon Kate Ellis (2011) *Women's Budget Statement 2011-12*, Australian Government, Canberra: 20, <https://www.dss.gov.au/about-the-department/publications-articles/corporate-publications/budget-and-additional-estimates-statements/2011-12-budget/2011-12-womens-budget-statement>.

¹⁴ Debbie Budlender (2016) *Budget call circulars and gender budget statements in the Asia Pacific: A review*, UN Women, <https://asiapacific.unwomen.org/en/digital-library/publications/2016/05/budget-call-circulars-and-gender-budget-statements-in-the-asia-pacific>

improvements in the availability of information. The report concludes that there exists a significant potential role for these tools in improving gender equality and women's empowerment by addressing transparency and accountability gaps in the public financial management systems.

An example of improving women's participation in budgetary decision-making is a 2012 local government Gender-Responsive and Participatory Budgeting initiative in the Malaysian state of Penang. Women residents of a housing apartment block were encouraged to participate over the budget cycle in identifying their priorities for improving the cleanliness of their government housing estate. As a result, the residents secured a reallocation of the estate's cleaning expenses that generated jobs and income for some of the women residents. In Scotland, since 2014, the government has undertaken a transformational change in childcare policy and increased its budget allocations by positioning childcare as a form of investment in social infrastructure. Various examples of Australian women's budget statements over the years record budget allocations for a range of new policies that have contributed positively to gender equality and women's empowerment. They include the introduction of paid parental leave, support for domestic violence victims, parenting payments including payment to the primary care giver as well as anti-discrimination legislative change. More recently, the National Foundation of Australian Women (NFAW) *Gender Lens on the Budget* analysis of the 2017 welfare cuts showed that the effective marginal tax rate for some women would be 100 per cent over certain income ranges. Media coverage and advocacy by NFAW helped to achieve some modest policy and budget changes that reversed these negative impacts.

5. Lessons for Victoria's gender-responsive budgeting commitments from international experiences

The conditions that inhibit or support the institutionalisation of gender-responsive budgeting manifest in different ways during (1) advocacy and agenda setting; (2) formal adoption; and (3) implementation of a gender-aware budget.¹⁵ The 2016 UN Women report on gender responsive budgeting in the Asia Pacific region, covering 26 countries in the region,

¹⁵ Sharp (2003); Angela O'Hagan (2015) Favourable conditions for the adoption and implementation of gender budgeting: insights from comparative analysis, *Journal of Economic Policy* (2): 233–252.

demonstrated that some initiatives remain in an initial phase of advocacy and agenda setting; others have reached a degree of formal adoption but only a few can claim to have implemented gender-responsive budgeting with strong leadership and a strategy for its sustainability.¹⁶

It is arguable that currently Victoria has reached some elements of phases 1 and 2 with its formal adoption set out in its 2016 Gender Equality Strategy and the forthcoming Victorian Gender Equality. A further positive institutional condition for the advancement of gender-responsive budgeting in Victoria is the role of Women Victoria, a branch of the Department of Health and Human Services, working to the Minister for Women. In addition, the Ministerial Council on Women's Equality, a group of influential women who provide expert advice to the Minister for Women, can potentially play a significant role in maintaining gender-responsibility on the agenda. A centrepiece of Victoria's initial gender-responsive budgeting work is a short gender equality budget statement re-launched in 2017. In parallel, actors outside government have shown engagement, with this Inquiry illustrating interest within the Parliament and with an emerging awareness among NGOs. However, improvements to the currently uneven efforts to achieve a gender-aware budget in Victoria depend upon a number of institutional, context specific and normative factors coming together.

Early experience in Australia points to political will and political leadership particularly from co-ordinating departments such as Premier and Cabinet and Treasury, as being of the highest importance in advancing and consolidating gender-responsive budgeting. Budgetary context and discourse is also important to the way gender-responsive budgeting is framed and who is engaged in its implementation.

Recommendation 1: That a Victorian Government Taskforce (chaired by the Department of Premier and Cabinet and with representatives of the Department of Treasury and Finance, Women Victoria and other key agencies) provide sustained high-level political leadership.

Most gender-responsive budgeting initiatives have been underpinned by an equality/equity approach with an emphasis on men and women's different needs and circumstances and a

¹⁶ Sheena Kanwar (2016) *Gender-responsive budgeting in the Asia-Pacific Region: A status report*, UN Women, <https://asiapacific.unwomen.org/en/digital-library/publications/2016/12/gender-responsive-budgeting-in-the-asia-pacific>.

clear aim to eliminate discrimination in opportunities and ensure equal allocation of resources, benefits and access to services. By the end of 2010s two additional normative frameworks began to shape the conceptual and practical underpinnings of gender-responsive budgeting work, namely human rights and well-being approaches.

The human rights approach offers links between the budget and the government's human rights commitments under international instruments (such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the 1995 UN Beijing Platform for Action). Such instruments seek to ensure equality of enjoyment of human rights between men and women.¹⁷ In the late 1990s, San Francisco adopted a municipal ordinance relating the principles of CEDAW to the local context. This was a bold step given that USA had yet to ratify CEDAW or other human rights treaties. The San Francisco Ordinance requires departments to analyse their service delivery, employment practices and budget allocations against the principles laid out in CEDAW.¹⁸ These human rights instruments place an emphasis on adequacy of funding to ensure compliance.

The well-being approach places an emphasis on the impact of the budget on individual opportunities to achieve well-being, such as making room for agency; recognising unpaid care work and social reproduction; and highlighting complementarity between services. The capabilities approach to well-being has been applied in several local government contexts in Italy. This framework has changed the way expenditure is construed with spending on training now posited as an investment and greater emphasis being placed on coordination across departments to realise individual capabilities.¹⁹ In addition, gender-responsive budgeting frameworks have at times been merged with participatory budgeting such as in the case of the state of Penang.²⁰

¹⁷ Diane Elson (2006) *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, UNIFEM, <https://www.unwomen.org/en/digital-library/publications/2008/1/budgeting-for-women-s-rights-monitoring-government-budgets-for-compliance-with-cedaw-a-summary-guide-for-policy-makers-gender-equality-and-human-rights-advocates>.

¹⁸ Anu Menon (2010) *Human Rights in Action: San Francisco's Local Implementation of The United Nations' Women's Treaty (CEDAW)*, City and County of San Francisco, Department on the Status of Women, http://citiesforcedaw.org/wp-content/uploads/2017/01/CEDAW_report_SAN-FRANCISCO-101810-1.pdf.

¹⁹ Tindara Addabbo, Giovanna Badalassi, Francesca Corrado and Antonella Picchio (2008) *Well-being gender budgets: Italian Local governments case*, Centro di Analisi delle Politiche Pubbliche n. 41.

²⁰ See <https://participedia.net/case/5285>.

Recommendation 2: That the Victorian Government develop a clear conceptual framing of its gender-responsive budgeting and consider the appropriate normative framing (equity/equality, human rights or well-being) in alignment with Victoria's gender equality policy and commitments.

Australian experience has highlighted the important role played by the gender budget statement as an accountability document, showing how programmes and budgets respond to gender inequality.²¹ Currently the gender equality budget statement in Victoria is primarily a political document, rather than detailed analysis of the impact of the budget on equality using gender-disaggregated indicators and statistics. Its role and the process to develop it should be reviewed.

Recommendation 3: That the Victorian Government review the process of developing the Statement to provide a detailed analysis of the impact of the budget on women and women, and other groups, and equal opportunities in the public service. Ultimately, the Statement should act as an accountability tool linking the government's interventions with its commitments and recognition of women's needs and rights.

Early experiences of developing the gender equality budget statements highlighted that a well-resourced and high capacity women's machinery in government is an enabling factor to coordinate the gender-responsive budgeting exercise. An additional enabling factor was the institutional position of this women's machinery at the heart of the policy process in the Department of Prime-Minister and Cabinet linked to a network of departmental women's units with responsibility for monitoring policy and with support from the high-level co-ordination of federal government departmental heads – the Secretaries' Taskforce on the Status of Women.²²

²¹ Rhonda Sharp and Ray Broomhill (2013) *A Case Study of Gender Responsive Budgeting in Australia*, The Commonwealth Secretariat, https://www.unisa.edu.au/siteassets/episerver-6-files/global/eass/hri/grb_papers_australia_comm-sec-updf_final-copy-.pdf.

²² Marian Sawyer (2002) Australia: The mandarin approach to gender budgets, in Debbie Budlender and Guy Hewitt (ed.) *Gender Budgets Make More Cents*, Commonwealth Secretariat, United Kingdom: 43-64, https://www.thecommonwealth-ilibrary.org/commonwealth/social-issues-migration-health/gender-budgets-make-more-cents/australia-the-mandarin-approach-to-gender-budgets_9781848597983-5-en.

Recommendation 4: That the Victorian Government bolster the position and resourcing of Women Victoria to enable it to provide expert advice to Treasury and Finance on the role of coordinating gender-responsive budgeting work.

A key lesson drawn from research on gender-responsive budgeting experiences is that many initiatives do not become institutionalised and wax and wane in their potential achievements. To address this some countries have adopted strong institutional mechanisms. Austria for example, has introduced constitutional and legislative provisions, whereby gender equality is an integral part of the budgetary principle of performance-orientated budgeting. A similar path was taken by Morocco where a 2014 organic finance law was designed to strengthen gender budgeting, including a requirement that gender equality be considered when defining performance objectives, results, and indicators in all line budgets. The same Act institutionalised gender reporting as a key part of the annual finance bill.²³ While statutory commitments have proven critical in many contexts, experience in the UK shows that legal obligations require adequate enforcement mechanisms. The Fawcett Society, a leading advocacy organisation sought to challenge the validity of the budget, arguing that the government had failed to meet its obligation under the 2010 Equality Act to conduct meaningful analysis of gender impact. This challenge was ultimately unsuccessful, illustrating the limits of the statutory provisions without adequate enforcement mechanisms.

Recommendation 5: That strong institutional mechanisms (such as constitutional, legal or policy requirements) are introduced, requiring that gender analysis is integrated in planning processes.

In both Austria and Morocco, the Ministry of Finance played a critical role, guiding the process and ensuring key spending ministries were prepared and engaged. The contribution of the Ministry of Finance in Morocco was recognized by the international community with the Ministry of Economy and Finance receiving the United Nations Public Service Award in 2014. In these contexts, Finance played a role in building technical capacity to implement new processes and guide changes to match its ambitions. An additional likely contribution of Treasury and Finance include the use of micro-simulation models to examine the

²³ Lisa Kolovich and Sakina Shibuy (2016) *Middle East and Central Asia: A Survey of Gender Budgeting Efforts*, IMF Working Paper.

distributional effects of policy changes including on the incomes of households and distribution between and within households, and impact in reducing income inequalities.

Recommendation 6: That the Department of Finance and Treasury provide high-level commitment to gender-responsive budgeting with: 1) internal mechanisms (ie, a gender-responsive budgeting working group) to ensure that gender-responsive budgeting is and remains a priority, 2) the capacity to guide and support the process and budget decision-making including ensuring that other ministries are informed, capable and engaged, 3) clear instruction for its implementation and follow up.

The rigorous analysis that is required for gender-responsive budgeting places a particular premium on reliable, credible and systematic data disaggregated by sex (and other factors such as income, ethnicity or disability), including administrative data, surveys and national statistics. Such data is needed to highlight how inequalities add to vulnerability and to tease out the impact of policy changes. Our own work in developing contexts such as Timor-Leste has highlighted the critical role that analysis can play in providing a headline indicator of gender inequality in service delivery to challenge assumptions of the neutrality of the budget and, potentially activate actions for policy change.²⁴ Another critical source of data for gender analysis is time use survey. This data is important to understand how men and women allocate time in paid work, unpaid care work, leisure and self-care. With this data it possible to best understand how men and women make decisions about time and improve our comprehension of well-being. Such time-use data is needed to establish evidence-based gender equality targets and objectives, as well as to monitor progress over time.

Recommendation 7: That the Victorian Government has a strategy to collect and publish data disaggregated by sex (and other factors such as income, ethnicity or disability) in a way that shows differences, inequality and gaps between groups of people. The Victorian Government should press for the re-instatement of Australia's time-use survey.

Research elsewhere has highlighted the role of parliamentarians, and specialised Parliamentary bodies in particular, in ensuring oversight of gender policy implementation,

²⁴ Siobhan Austen, Monica Costa, Rhonda Sharp and Diane Elson (2013) Expenditure Incidence Analysis: A Gender-Responsive Budgeting Tool for Educational Expenditure in Timor-Leste?, *Feminist Economics* 19 (4): 1-24.

including resource-allocation.²⁵ Our own research in Timor-Leste shows that such bodies played a crucial role in establishing the practice of scrutiny of the budget from a gender perspective. One of the important outcomes of these efforts was the increase of allocations to address violence against women.²⁶ A similar pattern has emerged in South Korea where a specialised parliamentary committee on gender equality together with women in non-governmental organisations introduced a legal requirement that a gender perspective be integrated into budgetary processes in its the 2006 Financial Act. With this requirement underpinning it, South Korea gender budget statements have moved to cover a growing amount and percentage of total allocations.²⁷

Recommendation 8: That the Victorian Parliament establishes a committee to oversight implementation of gender equality policy, including through the budget cycle.

Past experience in Australia has shown that the role of inside government initiatives is not sufficient for its success Without the surveillance and encouragement of those outside government gender-responsive budgeting has fallen short of its intended aims.²⁸ Government-led gender-responsive budgeting, such as that initiated by the Victorian Government, should be seen as a component of a broader and interconnected strategy of developing budgetary decision-making processes and priorities in order to reduce persistent gender inequalities. Other strategies include active advocacy by civil society organisations. Links between government and non-government gender-responsive budgeting work enhance the potential of these initiatives to address gender inequality and produce more equitable outcomes. Recent experience in the United Kingdom (UK) highlights the role of an NGO, the Women's Budget Group, in nurturing capacity and building political momentum for gender-responsive budgeting including providing advisory support to the government.

²⁵ Marian Sawer (2015) Beyond Numbers: The Role of Specialised Parliamentary Bodies in Promoting Gender Equality, *Australasian Parliamentary Review*, 30 (1): 105-122.

²⁶ Monica Costa, Marian Sawer and Rhonda Sharp (2012) Women acting for women: Gender-responsive budgeting in Timor-Leste, *International Feminist Journal of Politics* 15 (3): 333-352. Monica Costa (2018) *Gender responsive budgeting in fragile states: The case of Timor-Leste*, Routledge Publishing, Oxford.

²⁷ Reina Icii and Rhonda Sharp (2013) Government budgets and the promotion of gender equality in Japan and South Korea, *Proceedings of the IAFFE sessions of the 12th Conference of the Australian Society of Heterodox Economists*, University of New South Wales, Sydney, December 2-3.

²⁸ Rhonda Sharp and Ray Broomhill (1990) Women and Government Budgets, *Australian Journal of Social Issues* 25 (1).

Recommendation 9: That the Victorian Government establishes mechanisms to enable the participation of civil society organisations in its gender-responsive budgeting model, thus recognising the potential policy contribution of their skills and experience and the independent research and analysis they can provide.

The theory and practice of gender-responsive budgeting is broadening the frontiers of economics. Australian governments have been slow to include gender analysis of taxation and user pay policies and have avoided gender assessments of macroeconomic policy. The work of the UK Women's Budget Group illustrates the way researchers and activists on gender-responsive budgeting have challenged the failure to take into account the impact of policies and budgets on existing distribution of paid and unpaid work or the impact on intra-household issues such as domestic violence or the allocation of social security payments. This work is also broadening the concept of investment to include the care economy. There are, however, some reasons to be positive about the role of inside-government efforts to test the frontiers of economics – not least the way local governments in Italy have developed well-being budgeting with an emphasis on unpaid work, and gender inequalities in well-being and social reproduction.

Recommendation 10: That the Victorian Government embark upon an innovative program of gender-responsive budgeting based on international best practice.

For Victoria to move its gender-responsive budgeting work into fuller implementation it needs to demonstrate that decisions are taken in alignment with its chosen conceptual framework, that sound gender analysis is included in budget documents and informs decisions about resource allocation and processes. Critical to this is the political support lent by political actors as well as a strategy for sustainability, including improvements in availability and accessibility of data; training for policy makers across government departments, transparency in the budget process and the sustained engagement of civil society in examining the direct and indirect impacts of the budget. In simple terms, institutionalising gender-responsive budgeting is a long-term enterprise which requires interrelatedness between public policy process and the actual allocation of public monies. In such a context it will provide an important complement to other gender-equality strategies.

While there is much work ahead, this Inquiry is an important way to start a new chapter for Victoria's gender-responsive budgeting work.

We trust the Public Accounts and Estimates Committee will give due consideration to our recommendations and we are happy to provide any further evidence that the Committee might find useful.

Monica Costa, WiSER, Curtin University
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Siobhan Austen, WiSER, Curtin University
Marian Sawyer, Australian National University

Appendix: Research publications of authors of this submission

This submission is based on a wealth of publications from the authors of this submission.

- Costa, Monica (2018) *Gender responsive budgeting in fragile states: The case of Timor-Leste*, Routledge Publishing, Oxford.
- Costa, Monica, Sawyer, Marian and Rhonda Sharp (2012) Women acting for women: Gender-responsive budgeting in Timor-Leste, *International Feminist Journal of Politics* 15 (3): 333-352.
- Ichii, Reina and Rhonda Sharp (2013) Government budgets and the promotion of gender equality in Japan and South Korea, Proceedings of the IAFFE sessions of the 12th Conference of the Australian Society of Heterodox Economists, University of New South Wales, Sydney, December 2-3.
- Sawyer, Marian (2015) Beyond Numbers: The Role of Specialised Parliamentary Bodies in Promoting Gender Equality, *Australasian Parliamentary Review*, 30 (1): 105-122.
- Sawyer, Marian (2002) Australia: The mandarin approach to gender budgets, in Debbie Budlender and Guy Hewitt (ed.) *Gender Budgets Make More Cents*, Commonwealth Secretariat, United Kingdom: 43-64..
- Sharp, Rhonda (2003) *Budgeting for Equity: Gender Budget Initiatives within a Framework of Performance Oriented Budgeting*, UNIFEM.
- Sharp, Rhonda (2002) Moving forward: Multiple strategies and guiding goals, in Judd, K (Ed.) *Gender budget initiatives: Strategies, concepts and experiences*, United Nations Development Fund for Women, New York, pp.86-98.
- Sharp, Rhonda and Ray Broomhill (2013) *A Case Study of Gender Responsive Budgeting in Australia*, The Commonwealth Secretariat.
- Sharp, Rhonda and Ray Broomhill (1990) Women and government budgets, *Australian Journal of Social Issues*, 25(1), pp. 1-14.
- Sharp, Rhonda and Diane Elson (2008) Improving budgets: a framework for assessing gender-responsive budget initiatives in Sri Mastuti et al, *Audit Gender Terhadap Anggaran*, CiBa, Jakarta.
- Elson, Diane and Rhonda Sharp (2010) 'Gender-responsive budgeting and women's poverty' in Sylvia Chant (ed) *The International Handbook on Gender and Poverty: Concepts, Research and Policy*, Edward Elgar, London: 522–527.

Other relevant gender-responsive budgeting publications by authors (not referenced in the text):

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- Austen, Siobhan and Rhonda Sharp (2018) Budgeting for women's rights in retirement, in Stewart, M. (ed) *Tax, Social Policy and Gender: Rethinking Equality and Efficiency*, ANU Press, Australia.
- Austen, Siobhan, Sharp, Rhonda and Hodgson, Helen (2015) Gender impact analysis and the taxation of retirement savings in Australia, *Australian Tax Forum* 30 (4): 763-781.
- Budlender, Debbie and Rhonda Sharp with Kerrie Allen (1998) *How to do a gender-sensitive budget analysis: Contemporary research and practice*, Commonwealth Secretariat and AusAID, London.
- Costa, Monica (2016) Gender-Focused Institutions in International Parliamentary Bodies: The Case of the Women's Caucus of the Parliamentary Assembly of the Portuguese-Speaking Countries, *Parliamentary Affairs* 69(4), pp. 748–762.
- Costa, Monica and Rhonda Sharp (2017) Budgetary policy, gender equality and the politics of change in Niner, S. (ed) *Women and the politics of gender in post-conflict Timor-Leste*, Women in Asia Series, Routledge Publishing, Oxford.
- Sawer, Marian (1996) Femocrats and ecorats: Women's policy machinery in Australia, Canada and New Zealand, *Occasional Paper 6*, United Nations Research Institute for Social Development, United Nations Development Programme.
- Sawer, Marian and Miranda Stewart (2020) Gender Budgeting. In Marian Sawer, Fiona Jenkins and Karen Downing (eds) *How gender can transform the social sciences: Innovation and impact*, Palgrave, London.
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- Sharp, Rhonda (2000) *The economics and politics of auditing government budgets for their impacts*, Hawke Institute, University of South Australia, Adelaide.
- Sharp, Rhonda and Ray Broomhill (1999) Australia's role in the development of gender-sensitive budgets, paper presented at the *UNDP and UNIFEM Workshop on Pro-Poor, Gender and Environment-Sensitive Budgets*, New York, 28-30 June.