

Submission to the Inquiry into Gender Responsive Budgeting

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With this submission we appraise the Committee of the Centre of Policy Studies (CoPS) approach to Gender Responsive Budgeting, addressing Point 1 of the Terms of Reference of the Inquiry.

The Centre of Policy Studies has a long tradition of detailed policy analysis, dating back to the 1970s, when the ORANI model was first developed at the Industries Assistance Commission for analysis of tariff policy. The use of CoPS models, including ORANI, MONASH, MMRF and MMRF-Green, TERM and VURM, for policy analysis in Australia is now into its fifth decade. Over this time, CoPS models have been used to evaluate, in a macroeconomic framework, detailed impacts of policy changes on industries, regions and employment.

In 2019, a prototype for CoPS-style detailed analysis of employment by gender and occupation was presented to the second annual Australian Gender Economics Workshop in Melbourne, the Economic Society of Australia (Victorian Branch) and to the 22nd Conference on Global Economic Analysis in Warsaw, Poland.¹ This prototype demonstrated that analysis of employment by gender was not only possible, but that it was also important. Furthermore, the capacity to undertake this analysis is available at a relatively low marginal cost, as it can be added to an existing Computable General Equilibrium (CGE) model.

Two aspects of the Victorian (and Australian) labour market create the case for gender impacts to become a mainstay of any economic policy analysis. These are

- i. the prevalence of male-dominated and female-dominated employment in Australian and Victorian industry; and
- ii. the difference in male and female time use, which impacts participation responses to policy changes.

Male and female dominated employment

Table 1 below gives the ratio of male to female employment by industry. Male employment is double that of female in many industries, seven times female employment in construction, and five times female in mining. On the other hand, female employment is more than double male in Education, and more than three times male in Health Care and Social Assistance. In only a few industries is the ratio close to one.

Interestingly, many of the trade-exposed industries in Australia (including Mining, Manufacturing and Agriculture) are male dominated, along with the Construction sector which is closely linked to capital formation (investment). The female-dominated sectors, education and health, are linked to domestic demand and government expenditure. Many policies and external shocks have an impact on the exchange rate, which will favour trade-exposed sectors at the expense of domestic facing

¹ available at https://www.gtap.agecon.purdue.edu/resources/res_display.asp?RecordID=5903

