

Public Accounts and Estimates Committee (PAEC) Inquiry into Gender Responsive Budgeting

Submission by the Department of Families, Fairness and Housing, Victorian Government

August 2021

Background

In 2019, the Department of Premier and Cabinet (DPC) provided a submission to the Public Accounts and Estimates Committee (PAEC) Inquiry into Gender Responsive Budgeting (the Inquiry).¹

Following machinery of government changes that came into effect on 1 February 2021, Fairer Victoria, including the Office for Women, is now part of the newly established Department of Families, Fairness and Housing (DFFH).

DFFH thanks the Committee for the opportunity to provide an update on developments in gender responsive policymaking and budgeting in Victoria since DPC's previous submission in 2019.

Introduction

DFFH supports the development of gender responsive policies, programs and services

Evidence shows that gender-neutral approaches to policies, programs and services do not always result in equal outcomes, as gender inequalities interact with systems, events and social conditions to affect an individual's experiences in different ways.²

As such, it is important to strengthen gender responsive policymaking, leveraging tools such as gender responsive budgeting (GRB), to ensure that public funds better contribute to outcomes for women, men and gender diverse people, and gender equality more broadly. Implementing GRB creates opportunities to address the impacts of and challenge gender stereotypes – with benefits to wider society.

International experience shows that GRB has the capacity to increase government accountability and achieve both economic and social objectives

GRB tools have been trialled or adopted by nearly half of all OECD countries, including five of the seven largest economies in the world: Canada, France, Germany, Japan and the United Kingdom.³

In various jurisdictions, GRB has been used to analyse the impacts of government investments on women and gender equality more broadly, and can therefore shape budgetary decision-making processes.⁴ In this

¹ [20_Department_of_Premier_and_Cabinet_Redacted.pdf \(parliament.vic.gov.au\)](#)

² Meads, M. (2001) Gender Matters – Funding Effective programs for Women and Girls, Tufts University, United States.

³ <https://www.genvic.org.au/wp-content/uploads/2019/12/GEN-VIC-Per-Capita-Gender-Responsive-Budgeting-Submission-2019.pdf>

⁴ Council of Europe, Gender budgeting: practical implementation, Handbook: Directorate General of Human Rights and Legal Affairs, 2009, p.2.

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sense, they support improved systems of accountability for public spending, as they enable governments to scrutinise, better understand and respond to the costs and benefits of their expenditure for different members of the public. For example, Canada's Gender Budgeting Act, passed in 2018, enabled federal government departments to identify and develop strategies to offset the negative impacts on women of 15 per cent of budget measures, and will likely yield increasing benefits as practices are refined and improved.⁵

Significantly, GRB can also enable governments to achieve social objectives concurrently with economic objectives through their budgets, leading to more efficient allocation of resources. By understanding the differences in a budget's impact on men, women and gender diverse persons, GRB has been demonstrated to promote change in economic and social policies in a range of areas, including education, health and infrastructure.

Internationally, GRB has led to tax system reform to provide greater incentives for women to participate in the workforce (Austria) and investment in programs for health conditions more likely to affect women, resulting in increased women's life expectancy (Mexico), and funding to support education, leading to more gender-equal rates of enrolment in primary schools (India).

Between 2013 and 2020, the Swedish government assisted Ukraine to implement GRB. A number of discriminatory measures were identified through implementation of GRB, including that:

- Until recently, only boys were allowed to be educated in institutions related to naval and military education.
- Women made up only 30 per cent of participants of government-funded sports programmes. Further research demonstrated that most of the school sports options provided in the capital city of Ukraine, Kyiv, were preferred by boys compared to girls. Through the provision of additional sports options, participation amongst girls increased by 9 per cent in two years.⁶

Following this scoping work, GRB has now become embedded in Ukraine's budgetary decision-making processes.

Outcomes from GRB depend on effective implementation

GRB must be implemented effectively to be a sustainable and robust approach to policymaking, and to achieve positive impacts on government accountability, efficiency of resource allocation, and progress towards gender equality. Effective implementation may depend on leadership and buy-in from policymakers across all areas of government, the ability to understand medium to long-term budgetary costs and benefits, monitoring and evaluation of outcomes, and adaptation and improvements in policies, services and programs over time.⁷

Noting that other forms of inequality or disadvantage can exacerbate or shape a person's experiences of gender inequalities, effective implementation of GRB also requires consideration of intersectionality. This requires accounting for the ways in which different aspects of a person's identity can expose them to multiple, intersecting forms of privilege or discrimination – such that not all women, for example, will be equally affected by events or government policies.

⁵ Canadian Centre for Policy Alternatives (1 November 2019) 'The promise and reality of gender budgeting', <https://www.policyalternatives.ca/publications/monitor/promise-and-reality-gender-budgeting>

⁶ Gender Responsive Budgeting Project in Ukraine: Results and Reflections: <https://www.niras.com/media/p1qocqbj/grb-book-final.pdf>

⁷ Janet G. Stotsky, International Monetary Fund (July 2016) 'Gender Budgeting: Fiscal Context and Current Outcomes', <https://www.imf.org/external/pubs/ft/wp/2016/wp16149.pdf>

Impacts of COVID-19 on women

The COVID-19 pandemic has exacerbated pre-existing gender inequalities

Gender inequalities and gender norms have adverse impacts on all people, including men and gender diverse people, by limiting people's choices in the roles they can undertake in the home and at work, creating restrictive expectations or standards of behaviour, and reinforcing barriers to accessing services.

For example, gender stereotypes have underpinned barriers for men in accessing flexible working policies and parental leave, with men twice as likely as women to have flexible work requests denied.⁸ Conversely, women are more likely than men to face economic disadvantage. The gender pay gap between men and women's full-time average earnings in Australia has persistently been between 9.1 per cent and 13.8 per cent since 2015,⁹ whilst the labour force participation gap between Victorian men and women was 9.1 percentage points even in January 2020, prior to the onset of the pandemic in Australia.¹⁰

Women have also long reported higher rates of psychological distress and mental illness: over a third of Victorian women reported diagnoses of anxiety or depression in 2018, compared to less than a quarter of men.¹¹ However, men are less likely to seek treatment for health concerns, in part due to dominant masculine norms that represent men as stoic, brave and strong.¹² These norms also lead to men's greater likelihood of engaging in risk-taking and violent behaviour, as well as attitudes that have underpinned women's greater likelihood of experiencing sexual harassment (including in the workplace) and family violence.¹³

Gender inequalities and restrictive gender stereotypes have also contributed to prejudice and discrimination against gender diverse and non-binary people.

The effects of COVID-19 have further entrenched these inequalities, and have also undermined the efficacy and timeliness of responses – such as through disruptions to service delivery.

Women have been disproportionately impacted in the labour market

Women are at the frontline of Victoria's response to the COVID-19 pandemic, where nearly four in five workers in health care and social assistance are women across Australia.¹⁴ This includes nurses, midwives, doctors, pharmacists, allied health, aged care, social workers, and community welfare workers – playing an essential role in keeping the community safe while experiencing significant exposure and risk to the virus.

In 2020, women also lost more jobs and hours of work than men, due to being overrepresented in casualised employment, as well as in sectors disproportionately impacted by public health restrictions. Women make up 55 per cent of Australia's casual workers, as well as 92.9 per cent of workers in hairdressing and personal

⁸ Chief Executive Women and Bain & Co, https://cew.org.au/wp-content/uploads/2016/07/BAIN_CEW_REPORT_The_power_of_flexibility_Boosting_gender_parity-vF.pdf

⁹ Calculated from ABS Average Weekly Earnings – Table 12b, Seasonally adjusted data for full time adult ordinary time earnings, <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download>

¹⁰ ABS Labour Force, Australia – Table 5, Seasonally adjusted data for 'Participation rate', <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

¹¹ Victorian Population Health Survey 2018, Time series data for 'Ever diagnosed with anxiety or depression', <https://www.bettersafecare.vic.gov.au/reports-and-publications/vphs2018>

¹² Australian Medical Association, <https://www.ama.com.au/position-statement/mens-health-2018>

¹³ Jesuit Social Services, <https://jss.org.au/wp-content/uploads/2019/12/SUB-191024-Submission-for-Inquiry-into-Gender-Responsive-Budgeting-FINAL6.pdf>

¹⁴ Workplace Gender Equality Agency, Gendered impacts of COVID-19, May 2020

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care services, 57.4 per cent in retail and 52.5 per cent in hospitality.¹⁵ In July 2020, research by McKell Institute showed that the rate of job loss for Victorian women was almost five times the rate for men and the number of Victorian women out of work had reached the highest on record.¹⁶

While there were some indications of recovery in women's jobs and hours of work in early 2021, disproportionate risks to women's employment still remain due to the ongoing necessity of lockdowns and public health restrictions, as well as the cessation of the Commonwealth's JobKeeper payments at the end of March 2021. In June 2021 (noting a circuit breaker restriction was in place in Victoria from 27 May to 10 June), women's labour force participation was still 1.3 percentage points lower than it was in January 2020, prior to the onset of the pandemic in Australia. Women's underemployment rate in June 2021 was also 1.7 percentage points higher than it was pre-pandemic, at a six-month high of 11.7 per cent.¹⁷

Women-dominated industries have also continued to be hard hit by lockdowns, with 12.3 per cent fewer jobs in the Victorian arts and recreation services sector in mid-June 2021 than in March 2020, and 10.5 per cent fewer jobs in accommodation and food services in the same period.¹⁸

Women have taken on more hours of unpaid caregiving than men

As a result of traditional gender norms and roles in the home, women typically undertake a larger share of parenting, household and other caregiving duties than men. During the pandemic, this has been exacerbated by factors such as remote learning arrangements, the closure of childcare services, or the inability to afford care services following the loss of paid work.¹⁹ Australian women spent over 4.5 hours more a day on unpaid care and work during lockdowns in May 2020, while men spent an average of 3.5 hours more.²⁰

Both pre-existing gender inequalities and the disproportionate impacts of COVID-19 on women demonstrate the need for gender responsive policymaking

The pandemic has heightened the urgency to apply gender responsive budgeting and policymaking, to ensure outcomes for women, men and gender diverse persons are measured as part of all Victorian government decision-making processes. Failing to account for the disproportionate and unique impacts of COVID-19 on people of different genders risks allowing new or worsening forms of disadvantage for women to become entrenched, and restrictive gender stereotypes that harm people of all genders to perpetuate. Gender responsive policymaking creates opportunities to prevent and respond to these effects, and to break down the cultural norms that lead to gendered barriers to workforce participation, safety and success in the workplace, access to health care and other services, patterns of harassment and violence, and other gender inequalities.

¹⁵ Workplace Gender Equality Agency, 2020

¹⁶ The McKell Institute, The Impact of COVID-19 on Women and Work in Victoria, August 2020

¹⁷ Australian Bureau of Statistics, Labour Force Australia: *Table 5 Labour force status by Sex, Victoria – Trend, Seasonally adjusted and Original*, June 2021

¹⁸ Australian Bureau of Statistics, Weekly Payroll Jobs and Wages Australia: State and Territory Spotlight for Week ending 19 June 2021.

¹⁹ Victorian Equal Opportunity & Human Rights Commission, *Gendered impacts and the COVID-19 recovery*, 2020

²⁰ Craig & Churchill, 'Dual - earner parent couples' work and care during COVID - 19', 2020, <https://onlinelibrary.wiley.com/doi/10.1111/gwap.12497>.

Initiatives to strengthen gender responsive policymaking

Establishment of a Gender Responsive Budgeting Unit

As part of the 2021-22 State Budget, the Victorian Government announced funding of \$1 million over two years to establish a Gender Responsive Budgeting Unit (the Unit) within the Department of Treasury and Finance (DTF). The Unit is set to work across government to ensure outcomes for women are measured and considered as part of budget decision-making processes, and to promote gender equality as a focus of strategic policy development – not only as a factor to consider after policies have already been established.²¹ This investment builds upon the commitment through *Safe and Strong: A Victorian Gender Equality Strategy* to progressively embed gender impact analysis into policy, budget and service delivery.

As of July 2021, recruitment is underway to staff the Unit. The Unit will work closely with the Office for Women, the Commission for Gender Equality in the Public Sector (CGEPS) and other government stakeholders to consider methodologies and tools that can be applied at different stages of the budget decision-making process to assess the impact of State Budgets on people of different genders over time. It will also lead the development and implementation of capacity building programs across the Victorian Public Sector, to support departments to prepare business cases using gender responsive approaches.

As a part of the State Budget, Gender Equality Budget Statements have also been published annually since 2017/18, outlining budget initiatives that support women and advance gender equality more broadly.

Implementation of the Gender Equality Act 2020 and establishment of the Commission for Gender Equality in the Public Sector

The *Gender Equality Act 2020* (the Act) came into effect on 31 March 2021 and requires over 300 Victorian public sector organisations, universities and local councils with 50 or more employees ('defined entities') to improve their gender equality outcomes. The Act also establishes the Commissioner for Gender Equality in the Public Sector, to oversee its implementation, monitor and enforce compliance, and educate and support defined entities to comply with their obligations. In September 2020, Dr Niki Vincent, former Commissioner for Equality Opportunity in South Australia, was appointed for a four-year term in this role.

As part of their obligations under the Act, and in line with the principles of gender responsive budgeting, defined entities are required to conduct gender impact assessments of all new policies, programs and services that directly and significantly impact the public, as well as those up for review. They must also report on these assessments every two years as part of progress reports, following the submission of their Gender Equality Action Plans.

Under the Act, gender impact assessments must:

- assess the effects that the policy, program or service may have on people of different genders
- explain how the policy, program or service will be changed to better support Victorians of all genders and promote gender equality
- where practical, apply an intersectional approach to consider how gender inequality can be compounded by disadvantage or discrimination that a person may experience on the basis of other factors such as Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation or other attributes.

²¹ Victorian Budget 2021/22, <https://s3-ap-southeast-2.amazonaws.com/budgetfiles202122.budget.vic.gov.au/2021-22+State+Budget+-+Service+Delivery.pdf>

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The Commission for Gender Equality in the Public Sector (CGEPS), which supports the Commissioner, has developed guidance materials and templates to facilitate best-practice gender impact assessment processes.²² CGEPS will also work closely with the Gender Responsive Budgeting Unit in DTF to ensure the gender impact assessments will align with any gender responsive budgeting tools or processes that are rolled out across departments, and that all relevant activities or obligations will be mutually reinforcing and clearly communicated.

Inquiry into Economic Equity for Victorian Women

On 10 July 2021, the Victorian Government announced the establishment of an independent Inquiry into Economic Equity for Victorian Women.²³ The Inquiry will consider the extent and nature of workplace and economic inequity for women in Victoria and ways to address it, as well as ways to address the economic impacts of the ongoing COVID-19 pandemic on women.

The Inquiry is being led by Ms Carol Schwartz AO, Ms Liberty Sanger AOM and Mr James Fazzino, with each member selected with relevant skills and experience in gender equity, law and economics. The Panel is set to deliver their final report to the Treasurer and the Minister for Women in January 2022. To support gender responsive budgeting, it is expected the findings will then be considered for the 2022/23 State Budget.

Conclusion

The COVID-19 pandemic has disproportionately and uniquely affected women, exacerbating pre-existing gender inequalities. The Victorian Government's nation-leading initiatives to support gender responsive policymaking, including through the Gender Equality Act 2020 and the Inquiry into Economic Equity for Victorian Women, are expected to play a significant role in meeting women's needs following these impacts. Importantly, the newly established GRB unit within DTF, supported by Office for Women, will ensure that progress on gender equality will continue throughout COVID-19 recovery and beyond, by embedding a gender lens into all budget decision-making processes.

DFFH is committed to building upon these initiatives to support gender responsive policymaking, noting its potential benefits to government accountability, achievement of both economic and social objectives from every investment, women's economic and social recovery from COVID-19, and broader gender equality. DFFH thanks the PAEC Committee for its focus on GRB, which has elevated awareness of the better outcomes GRB will likely achieve for women, men and gender diverse Victorians.

²² Commission for Gender Equality in the Public Sector, 2021, https://www.genderequalitycommission.vic.gov.au/sites/default/files/2021-02/DPC%202011%20CGEPS_GIA-Toolkit_FA-Web_0%20%284%29.pdf, accessed at <https://www.genderequalitycommission.vic.gov.au/gender-impact-assessments>

²³ Department of Treasury and Finance, 2021, <https://www.dtf.vic.gov.au/genderinquiry>