

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into Gender Responsive Budgeting**

Melbourne—Monday, 11 October 2021

### **MEMBERS**

Ms Lizzie Blandthorn—Chair

Mr Danny O'Brien—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mrs Beverley McArthur

Mr James Newbury

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor



**WITNESSES** (*via videoconference*)

Ms Tanja Kovac, Chief Executive Officer, and

Ms Jacinta Masters, Manager, Advocacy and Sector Development, Gender Equity Victoria.

**The CHAIR:** Welcome to the Public Accounts and Estimates Committee Inquiry into Gender Responsive Budgeting.

We begin by acknowledging the traditional custodians of the land on which we meet, and I pay my respects to their elders past present and emerging.

We note that members may remove their masks when speaking to the committee but must replace them afterwards. We ask that mobile phones be turned to silent.

We advise the committee and participants that all evidence taken by this committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege.

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We welcome Gender Equity Victoria. We invite you to make a brief 8-minute opening statement, and this will be followed by questions from the committee. Thank you.

**Visual presentation.**

**Ms KOVAC:** Thank you. If I could also begin by acknowledging the traditional owners of lands on which we meet and pay my respects to elders past, present and emerging and acknowledge that these lands were never ceded in battle or bargain and that they always were and always will be Aboriginal lands.

Welcome today. My name is Tanja Kovac. I am the CEO of Gender Equity Victoria, and I am joined by my colleague Jacinta Masters, who is our head of Advocacy and Sector Development. We are pleased to finally see this gathering back on the agenda after disappearing for a little bit during COVID-19. We are very pleased to see the discussion about gender responsive budgeting continuing.

Just a little bit about us: we are the peak organisation for gender equality organisations, practitioners and advocates across the state of Victoria. We have a broad and diverse membership which is made up of organisations from many different sectors—from tertiary institutions to health to economic security, the arts, sports, private sector, community sector and the public sector. We are all joined together by our common interest in gender equality. We have been talking considerably about our shared interest in why the state of Victoria needs a gender responsive budgeting system.

It is not terribly clear today, but I will just share this with you anyway. Why we focused on this—this is the report card for Australia from the World Economic Forum, and it clearly shows that while Australia enjoys educational attainment perfectly equal—number one, boys and girls, women and men, perfectly gender-equal at primary, secondary and tertiary education levels—as soon as we go into the workforce, that is not the case. In Victoria, despite the investments in the Royal Commission into Family Violence and all of the responses to Luke Batty's death and Rosie Batty's advocacy, we have seen increases in family violence, sexual offences and sexual harassment. However, they may be good reasons to engage in gender equality reform and why you might want gender responsive budgeting.

But probably some of the really leading voices that are starting to talk about the importance of GRB are coming away from traditional sorts of gender equality advocacy spaces. So we now have the International Monetary Fund advising governments about the lift in GDP that they can get from closing the gender gap and we have large investment banking organisations and businesses talking about the way in which gender equality ensures

that corporations outperform others on the share market. Wherever there is gender equality, we see research after research proving that it increases profitability.

And of course we now have the *Gender Equality Act*, which is shaping and changing why we should be focused on gender responsive budgeting, putting increasing pressures and requirements and mandatory performance on our Treasury.

Gender responsive budgeting—just a couple of definitions there, which you will have seen in our submission. It is a process of gender mainstreaming across the budget, incorporating a gender perspective and also restructuring revenues and expenditure in order to promote gender equality. We have been working really closely with Rhonda Sharp, who is one of the early architects of GRB in Australia.

The key elements—gender-informed resource allocation; analysis of the impact of decisions on gender equality in different services and industries; an overall assessment of the budget as a whole, about whether or not it is negative or positive; and then that restructuring of revenues and expenditures in order to promote gender equality.

The practices of GRB really do differ from country to country, but it is now seen as a fundamental tool of responsible financial management. A sort of embarrassing thing is Australia used to lead the way, and Victoria was one of the organisations that led the way in delivering GRB, but we have allowed our expertise in this space to be significantly eroded. Now a number of nations, particularly in the Asia-Pacific, have far more robust GRB practices and policy frameworks to ensure that they are operating effectively and that they are protected from the flotsam and jetsam of changing governments. GRB is increasingly connected to thriving economies.

These are just some of the companies that are introducing it, and many of the countries that do are outperforming us on the Global Gender Gap index, so GRB is creating more gender-equal economic prosperity.

What happens when we do not have gender responsive budgeting? Many things happen, but I want to talk about some things in the Victorian context. We have not had GRB really effectively for over 20 years now, and the consequence of that is we have really historic low gender equity investment. This is an analysis of the output budgetary investments in what would be considered to be special measures investment in the gender equality and women's portfolio, and you can see that the 20-year average is around \$4 million. That would result in less than \$80 000 each for my members alone. It would contribute very, very little to tweaking substantive gender equality problems that we have in a range of different policy areas.

Down the bottom—this is an extract from a budget paper in the last five years. I did not cut and paste this; this was presented in the budget papers as you see it there. It is possible for us to invest more in the Victorian home of golf and national high performance than it is for us to invest in a statewide gender equality strategy. A gender responsive budgeting unit would not have allowed that to be printed in that way.

COVID-19—the road to recovery must be gender equal. It is raising a number of issues within the context of why GRB is so important. It is probably shining a light more on the economic impacts of gender inequality in a way maybe we have not been able to see quite as clearly. The need for a care economy, gender-equal job creation, equal investments in women's and men's health care, and the building of a gender and disaster workforce—they are only possible when you have effective treasury investments.

In 2020–21 we actually made an impact by doing campaigning, and there was a significant lift in investment. But by 2021–22 we are back to the 20-year average envelope. This investment is the special measures investment to change and redirect resources to address gender inequalities in Victoria; it is way too low.

What happens when you do not have gender responsive budgeting? You get poor outcomes for Victorian women. This is the lifetime anxiety and depression diagnosis for Victorian women pre COVID. I am frightened to think what it looks like now. Every single LGA bar a handful has got women over the statewide average of 30 per cent, and we have a number of regional areas where the lifetime anxiety and depression diagnosis for Victorian women is over 50 per cent. We should be really alarmed by this statistic. This is pre COVID. Post COVID I expect this to be much worse. We all know that there is a mental health crisis in the state. We know that the government is addressing it. Without a gender responsive budget and budgeting you would not prioritise women and girls receiving significant investment in a way that you should.

We made a number of recommendations. Before I go into talking about all of them I did want to talk primarily about our call for the last couple of years for there to be gender responsive budgeting, our delight to see the last budget cycle establish one and for Treasury to now be underway doing this work. It is incredibly important. But I do want to note that we know that the investment to establish that unit came from funding from within the Minister for Women and Minister for Family Violence Prevention's portfolio. It did not come from Treasury. And we have spoken in this paper and in numerous different forums about why it needs to be Treasury that believes that GRB is essential to Victoria's economic performance. It is not really doing a good job as a treasury if it is not doing GRB effectively. I am hoping that this investment from Minister Williams's portfolio is a temporary boost to get the discussion going and that Treasury itself will start to recognise its public service obligations to maintain a gender lens on investment and its budget cycle—and pay for it as well.

To that end we have a number of different recommendations about areas where we would hope that the machinery of government would strengthen its accountability for GRB and the role that the office of women can play in supporting that process. But in addition, because we know and we have seen and lived the history of this policy area oscillating in and out of favour, one of the safeguards that we would like to recommend to PAEC is that it make recommendations about a system that happens in the United Kingdom where, in order to support the maintenance of public sector obligations for GRB, you have a non-government sector partnership with economists, with civil society organisations and with the academy to support GRB within government. So it is like having an external group supporting and driving performance and driving accountability. And again, we would be encouraging that, like other departments have partnerships of accountability and participation with stakeholders, DTF would also build support for GRB and have a funded partnership with community sector organisations. In the UK there is an organisation called the UK Women's Budget Group, and they engage in a lot of really helpful exercises of capacity building, research and analysis that support strengthening of a gender lens in UK budgets, and we would really commend that to PAEC. Thank you.

**The CHAIR:** Thank you very much. We will open it up for questions. Would someone like to indicate if they would like to go first? Ms Richards.

**Ms RICHARDS:** Thanks so much for your time this afternoon and for the evidence that you have provided. I am interested in perhaps exploring a little bit more the economic recovery and your insights into what role gender responsive budgeting can play in ensuring that the recovery is fair and equitable.

**Ms KOVAC:** Thanks, Pauline. I think we have been very focused on the need for there to be a gender-equal recovery. We were very concerned at the start of the pandemic to see so much of the job loss in Victoria taking place within women's sectors and for women workers, and while there was some recovery once we were sort of in lockdown 5 and at the start of lockdown 6, I can see that the job numbers are reflecting that women are again losing out from their employment in a number of public-facing sectors.

A GRB program would encourage us to look at the nature of the investments that we are making in a number of portfolios, and one of them that we are focused on at the moment is around looking at how DJPR and how the government create a gender-equal job creation strategy. In the past some of these things would probably be seen to be purely economic with no need for examining social determinant issues, but there is no such thing as being purely economic without a gender lens on it, and I go back again to the statements that the IMF and that now Credit Suisse and others are making. If you want to deliver productivity gains in the state of Victoria, you have to do gender responsive budgeting and apply a gender lens to COVID-19 recovery, because if you do not do that, you are not going to create jobs in the industries where women are seeking to be employed. You know, some of our sector had the benefit of Working for Victoria jobs, and the amount of women who have lost employment in the arts sector and the amount of women who have lost employment in retail and in a number of other public-facing positions is enormous. We had 300 applicants for one position.

**Ms RICHARDS:** Thank you. Thanks, Chair.

**The CHAIR:** Thank you. Bev McArthur.

**Mrs McARTHUR:** Thank you, Chair. Can you just clarify for me: your organisation's website states that you are committed to intersectional gender equity and that our society is patriarchal and built on colonisation. It states that due to this, gender inequality is affected by gender identity as well. So for how many genders does your organisation believe that gender responsive budgeting be conducted in the Victorian public sector? In

other words, are there more than two genders, and if there are, should we seek equal outcomes proportionally for all budget policies for those non-binary genders as well?

**Ms KOVAC:** So we are a non-binary gender equality organisation, and I think the facts of the world speak for themselves. There really are not just two genders. Our organisation is committed to gender equality being delivered in a way that sees men, women and gender-diverse people. In a perfect world we would look at our budgets and we would see everybody in their whole self and our budgets would be proportionally allocated to recognise the contributions and the make-up of our society. Our budgets have never looked like that. They have always had an element of elite bias—white, elite, abled, heterosexual, bias. So my answer is that our organisation is committed to intersexual and gender equality, as the law of the land is now committed to intersexual and gender equality. The state of Victoria's *Gender Equality Act*, which was passed unanimously—with very little dissent, is my recollection, being in the upper house at the time—requires there to be commitment across the whole of the public sector to delivering intersectional gender equality. And that would mean over time—and I am not suggesting that it happens overnight; it would mean over time—using gender as a mechanism for addressing inequalities in the way in which public funds have been spent.

**Mrs McARTHUR:** I have got a follow-up question.

**The CHAIR:** Sure.

**Mrs McARTHUR:** Thank you, Chair. Thank you for that. Now, I am from a rural electorate. I have 24 municipalities in my electorate, two of which are regional cities but the rest are largely small municipalities. They struggle to find applicants for jobs of any gender or orientation, let alone have the ability to implement equality in the workforce. How do you suggest small rural communities go about implementing gender, and all the various forms of gender, equality into their workforce when workers are very short on the ground per se, let alone a choice?

**Ms KOVAC:** Well, we have a number of rural and regional members of our organisation. We are very fortunate to have a fully rural and regionalised women's health service sector in this state. It is a stunning and unique sector that does not exist anywhere else in the country, really. And those organisations are deeply connected into community, working with local government, working with the private sector, community sector, on partnerships for gender equality and partnerships for the prevention of family violence. And many of them, many of those organisations, have no problem in addressing the importance of gender equality as part of their core business to prevent violence but also to promote the kinds of economic performance that they want at a local level. So I acknowledge that there are challenges not just in rural and regional settings at the moment for finding and retaining staff, we have a challenge across Victoria that COVID-19 will be exacerbating, but there is no reason why gender equality is inconsistent with recruitment or why it is inconsistent with healthy economic productivity or gains in rural and regional areas. I can assure you that my rural and regional health service members, my rural and regional Gender Equality organisation members, would not see there being an inhibition in promoting gender equality at the same time as providing excellent service provision in their local areas.

**The CHAIR:** Thank you very much. Mr Maas.

**Mr MAAS:** Thank you, Chair. And thank you very much for your appearance today and for your presentation and indeed your answers as well. I would just like to make the point that intersecting attributes not only include gender but disability, for instance, age and cultural identity. All of these sorts of things, together with sexual orientation, can compound a woman's discrimination and disadvantage in terms of gender inequality. How can the newly established gender responsive budgeting unit ensure an intersectional gender lens is applied to the analysis of economic policy and budgetary decisions?

**Ms KOVAC:** Thanks, Gary. First of all, I am going to use a statement that I talk about a lot. We are engaged in supporting the conditions for gender equality in the public sector in the process of helping defined entities transform for gender equality. I am formally on the panel of providers for the commission, and one of the things that we talk about is: the strength of that piece of legislation, which is a huge transformational piece, is that it supports the notion of the beauty of persistent incrementalism. My first answer is: there is a lot of work to do to get gender budgeting right within Treasury right now; there is a lot of work to do. There is guidance from across the world about the key aspects of gender equality budget analysis and how that should be done. The

requirement under the *Gender Equality Act* to ensure that public sector entities, including Treasury, deliver an intersectional gender lens will require the Office for Women, which has traditionally had the expertise in intersectional gender equity, supporting Treasury in the manner of its analysis.

It will not be enough for the commissioner for gender equality in the public sector to see a GRB system emerge whose only beneficiary ends up being, you know, white Anglo-Saxon women. That will not be enough according to the Act, and that is what we are talking to defined entities about. So Treasury itself should be going through this process as well. What features will there be? I think that there will be aspects of needing to rely on people with lived experience to provide the answers to that. There will be a need to assess all of the investments and all of the budgetary expenditure for an intersectional gender lens, to look at all of the intersecting and compounding attributes and consider that when making decisions about budgetary investment. I think the earlier in the cycle that that takes place—up to recently we have only been doing hindsight assessment of budgets. I am really pleased to see the women's budget statements and gender equality budget statements—they are fantastic. But all we are doing is analysing this process at the end. What a true GRB system does is that it takes something like the *Gender Equality Act* and interprets a procedure and process that will take place in unique ways at each departmental level. But there would be some core principles about how you would apply an intersectional gender lens over the top of investment decisions, and this would shape different outcomes.

**Mr MAAS:** Thank you.

**The CHAIR:** Thank you, Mr Maas. Ms Taylor.

**Ms TAYLOR:** It is great to have you here today. Thank you for being here for the committee. Just noting that in your paper you note gender responsive budgeting is an accepted norm of good economic management in advanced economies across the globe. I think there is some really useful stuff that could be shared for the committee, so could you outline some examples of international best practice that could be applied in the implementation of GRB in Victoria, including the kinds of inequalities this analysis will address?

**Ms KOVAC:** So a nation that is doing a really good job of it now is the Philippines, and they do it at a national level. So one of the things that I again do a shout-out to the state of Victoria about is that it is leading the way of the country on this work. We have gone massively backwards at a national level. The Philippines has a very robust GRB process. It starts early in their budgetary cycle. They have a significant unit for this work in treasury, so it is not a small thing. It is massive. There are lots of staff doing detailed gender economic analysis. The Philippines is not just looking at their budget. They are trying to use the levers of the treasury to tweak outcomes to improve economic performance and to improve the number of people who are beneficiaries of good economic outcomes.

What have been some of the successes that they have had? They have assisted in addressing the underperformance of women taking up workforce opportunities. They have relatively strong participation of women in their public and private sectors. It is not to say that they do not still have issues, but they have embraced this work enormously.

I can tell you a very embarrassing story of being at the Commission on the Status of Women in the UN, in the days before, when we could travel, and bumping into people from the Philippines and saying to them, 'This is fantastic', and them looking at me and saying, 'We learned from you', and me having to say, 'What do you mean?' and then realising that because of people like Rhonda Sharp and others Australia had been the best in the world at this. We taught everyone how to do it, but somehow our public sector independence and robustness did not hold onto this technique. We allowed it to become a political football, and I do not know why it is a political football. It should not be. Wanting to do sex and gender disaggregation of your budget is just another form of fiscal analysis that your Treasury should want to do. Why wouldn't you want to do that analysis every time and understand whether your investments are serving what is basically a—like, this is not a minority. We are not talking about a minority population here when we are talking about the gender binary. We are talking about wanting to understand if the core amount of money, which is huge dollars we are talking about, is benefiting people more or less equally.

Other nations that have done great jobs—Canada is doing a good job, the UK is increasingly doing a good job, and I look at the creation of that UK gender budget group as being one of the reasons for that.

**The CHAIR:** Thank you. Mr O'Brien.

**Mr D O'BRIEN:** Thank you, Chair. One of the issues with gender responsive budgeting—and we saw the Treasurer talk about this in one of the COVID budgets; I am not sure if it was this year or last year—is the issue of, for example, major investment in infrastructure as an advantage for men more so than women, given the construction sector. I just wonder if you could give an idea of how we manage that issue where, for example, at a given time, the state needs more investment in infrastructure or, conversely, the state needs more investment in child care or education, which may favour women from an employment perspective. Do you see that GRB needs to be done over a term or over a cycle rather than on an annual basis? Is there a way that you can manage what needs might be that may or may not have equal gender outcomes?

**Ms KOVAC:** Thank you for your question. GRB should be sustained for a long period of time and it should be done annually, but it should be done across various different cycles. Treasury is a cyclical beast. It has predictable outputs across its cycle, perhaps more predictable than other departments, and so gender responsiveness should be being applied across all of those periods and cycles.

In relation to your substantive question about, you know, what happens when need is going to result in gender disadvantage for one or the other, I had reason to look recently at the enormous amounts of public investment that have gone into construction, and one of the things that really alarmed me—and, you know, that has traditionally been a very male-dominated industry—in that analysis is the extent to which so many of the businesses that are receiving public sector investment are thriving businesses with huge shareholder dividends. So public sector funds are not just going into construction and infrastructure projects; public sector funds go into making profits for corporate construction companies. And then I think about that and compare that to the struggling care and community sector, which is dominated by women workers, where the salaries and the pay and conditions are undervalued and often insecure—like, massively insecure—and for sure there is no profit, there is no fat, in these industries.

So I am hoping that GRB will also uncover and help test: where is public investment going, and is it really going to public investment or are lots of public funds going into industries and sectors where there are significant profits being made, because we have decided that it is more important to build and profits can come from building but they cannot come from delivering the care sector?

**Mr D O'BRIEN:** But I guess what my point is though, whether that money goes to private companies that are making big profits or whether it goes to VicRoads that might do the work itself as a government agency, everyone—man, woman or otherwise—needs a new bridge or a freeway or a new hospital built or whatever it might be. So I guess what I am getting at is: are you suggesting that the state does not make those investments if it would be in an overall sense not equitable across genders?

**Ms KOVAC:** Of course not, no. The decisions are the decisions of the day based on the need and the demands of the population of the state. The point is that up until you have a robust GRB system there is no requirement to consider gender as a factor in any of those decisions, and as we are learning through the operation and application of the *Gender Equality Act*, even in the building of roads and footpaths there are gender considerations that local governments and VicRoads and other corporations have never considered before—how women experience and are disadvantaged or advantaged by different choices. We have never been asked. It is like the crash test dummy scenario. Crash test dummies are designed to move and be shaped and look like men, so injury analysis is based on the way in which men's bodies and shapes react in a vehicle. You do not know what you do not know until you start asking the question, and GRB starts to allow you to peel back the onion and ask the questions: 'Really? Have we really been delivering public sector investment? Or have we been delivering really narrow, elite sector investment?'. It does not mean that you would not do the things that you need to do for the public, but you ask questions and interrogate who is benefiting and why.

**The CHAIR:** Sorry to cut you off there. Thank you, Ms Kovac, but our time for consideration with you this afternoon has concluded. We thank you very much for your evidence here today. You will receive copies of the transcripts to verify your evidence. The committee will now take a short 5-minute break before moving to consideration with its next witness. I declare this hearing adjourned. Thank you very much.

**Witnesses withdrew.**