

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Gender Responsive Budgeting

Melbourne—Monday, 25 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*)

Professor Helen Hodgson, Chair, Social Policy Committee, and

Dr Kathy MacDermott, Social Policy Committee, National Foundation for Australian Women.

The CHAIR: I declare back open this hearing of the Public Accounts and Estimates Committee, and on this occasion we welcome the National Foundation for Australian Women.

I again acknowledge the traditional custodians of the land on which we meet and pay our respects to their elders past, present and emerging.

Welcome to the public hearings for the Public Accounts and Estimates Committee Inquiry into Gender Responsive Budgeting. We note that members may remove their masks when speaking to the committee but must replace them afterwards. All mobile telephones should now be turned to silent.

All evidence that is 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. You will be provided with a proof version of the transcript for you to check. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

We welcome you and invite you to make an 8-minute opening statement to the committee, and this will be followed by questions from the committee. Thank you for joining us today.

Prof. HODGSON: Good morning. I am Helen Hodgson. I am a professor at the Curtin Law School as well as the Chair of the Social Policy Committee for the National Foundation for Australian Women. I would like to acknowledge that I am joining from the lands of the Whadjuk Noongar people in Western Australia.

It seems a very long time since we made our original submission to this committee, and I am very much aware that things have changed since December 2019 when we put in our submission, so our opening statement will go to some of the things that may have occurred in the meantime.

We appreciate having the opportunity to appear before the committee. Our evidence draws on the experience of many women who have technical expertise in the area of gender responsive budgeting and many with direct experience of how the Women's Budget Statement operated and was progressively compromised at the commonwealth level. It also draws on our experience in preparing and publishing an annual gender lens on the budget since the Abbott government ceased reporting in the area in 2014.

Gender budgeting can be applied at a number of levels. The first level of analysis is to examine programs that target people of one gender to ensure that they are meeting their required goals. This is currently being done at both the commonwealth level and the state level here in Victoria. The second level of gender-budgeting analysis is an examination of expenditure by government as an employer to ensure that principles of equal opportunity are being implemented. This practice has been put in place in Victoria by the *Gender Equality Act*, which provides for measures to entrench and to monitor substantive equality in the state employment sector. The commonwealth has also flagged some action in this area with its commitment to bring the commonwealth public sector under the obligations of the *Workplace Gender Equality Act*.

The third and the most challenging level of gender responsive budgeting is preparing and assessing all mainstream budget initiatives to establish whether the outcome has a gendered effect, whether the target be women or not, whether intentional or not. This analysis should be applied to both the revenue and the expenditure sides of the budget. This level of gender responsive budgeting has not been attempted by the commonwealth, whose recent Women's Budget Statement applied to 0.14 per cent of total commonwealth outlays over a four-year period. The third level of mainstream gender budgeting in Victoria is the focus of the committee's work and our comments today.

Putting a gender lens to mainstream budget initiatives: in our experience the resources made available for applying a gender lens to mainstream budget initiatives have been matters of political will. Whatever operational resources might be available in the public service to do the work are simply reprioritised if

government is apathetic or even antipathetic. At the commonwealth level, early women's budget statements prepared within the government provided a comprehensive statement from each portfolio agency. Over time the Women's Budget Statement was removed from the formal budget papers, radically shortened from over 300 pages in the mid-1980s to 34 pages in 2011, and progressively transformed into a public relations document for the government of the day. Although the commonwealth published a women's budget statement with the 2021–22 budget papers, as we have already noted, this is essentially a reporting of targeted measures already in place. Where the Treasurer or head of government argues that you do not fill out pink forms and blue forms on your tax return, little by way of constructive gender responsive budgeting is likely to emerge.

Reflecting on the history of the Women's Budget Statement in the commonwealth, our view is that it is critical that both budget inputs and budget outcomes should be placed as far as possible outside the political reach of a given government. In respect of budget inputs, it is not easy for any government to put reviews of its own performance out of its own hands. We strongly congratulate the Victorian government on the amendments to its Gender Equality Bill, which strengthened the scope for ongoing objective gender analysis of budget inputs. The *Gender Equality Act* provides that agencies must assess the effects that any of their policies, programs or services may have on people of different genders. NFAW recommended that, rather than requiring this report every four years as originally specified, agencies should report annually. We made this recommendation so that gender disaggregated data and gender-specific analysis from the assessments could be used for annual budget inputs and post-budget analysis. We note that the four-year reporting cycle proposed in the Bill has been cut down to two years in the Act, and agencies are also on notice that their annual data will be considered relevant.

We also argued in our submission that rather than having agency actions mandated by the Bill overseen by a mainstream department, oversight of the *Gender Equality Act* should be given to an independent statutory authority. This has been done with the establishment of the Commission for Gender Equality in the Public Sector. This change is also very welcome and means that the quality of data inputs and of policy analysis will be guided and evaluated outside direct political reach. These two measures in the *Gender Equality Act* mean that the new Treasury unit to advise on gender responsive budget decision-making should have annual access to critical decision-making data and policy advice and that the quality and comprehensiveness of this data should increase over time. It also means that, insofar as it is ever possible, gender-specific data and analysis will be driven from outside the direct political will of government. This appears to be a very promising model for securing reliable and meaningful gender responsive budget inputs over time. However, we strongly recommend that it be supplemented by annual pre-budget consultations with women early in the pre-budget cycle. If the budget inputs are reasonably secured by current arrangements, it is time now to look at how budget initiatives are assessed across the whole of government and against previous budget measures.

In respect of budget impacts, we strongly recommend that reviewing budget impacts too should be placed as far as possible outside the political reach of a given government. In our view, the Victorian Parliamentary Budget Office is the best place for the analysis of the state budget's impact on women. Its mandate is to provide ongoing, authoritative, independent and credible policy costing and advisory services and to inform policy development and public debate in both Parliament and the Victorian community. The legislated involvement of the PBO would signal a serious government commitment to examining and improving the impact of its budget on women. We recognise that this remit would create resourcing issues for the PBO, though access to agency gender data and impact assessments prepared under the *Gender Equality Act* would make analysis considerably more straightforward. Remaining resource needs might best be managed through temporary secondment or other advisory relationship with the Commission for Gender Equality in the Public Sector.

Giving responsibility for post-budget gender analysis to the PBO would also ensure ongoing political commitment to and interest in the women's budget process. Because the PBO is independent of government, there would be no whitewash stigma. At the same time, the existence of a properly informed and resourced and independent gender budget analysis would not pre-empt government's preparing and presenting its own document setting out its own view of budget highlights for women. If gender-responsive budgeting proceeded along these lines at the commonwealth level, NFAW would be able to use its time and expertise in pre-budget submission and consultation with government about budget priorities in a way that we currently cannot.

This completes our opening statement. I recognise that I did not introduce my colleague, who is also on this Zoom call, Dr Kathy MacDermott, who is also a member of our social policy committee. We are available to answer questions for the time that is available in this hearing.

The CHAIR: Thank you very much to both of you. We appreciate your contribution and time here today. Deputy Chair, do you have questions. Mr O'Brien?

Mr D O'BRIEN: Just one perhaps to start, based partly on your opening comments. It seems your concern is that with changes of government, political imperatives change the structure of how women's statements and gender responsive budgeting are delivered. Do you have a view on how that can be sort of embedded to survive a change in government over time?

Prof. HODGSON: Kathy?

Dr MacDERMOTT: Yes. That is indeed our view, and the model that we have put forward has budget inputs coming through mainstream agencies, through individual agencies working with the Treasury, and budget outputs being monitored by independent statutory agencies—that is, the PBO assisted by the Commission for Gender Equality in the Public Sector. The idea is that if you could have sufficient independent reading of the impact of the budget, that itself should provide some sort of incentive to governments to maintain an interest in the inputs that they have.

We have looked at other options here and overseas. Overseas they use people in the community sector who do that kind of work, but there are issues about funding those community sector organisations and whether they require funding from government, which compromises their independence. So in our final view, we thought the best way to go was to keep it in government, which is funding itself, but to put it in the hands of a statutory agency.

Mr D O'BRIEN: Okay. Thank you.

The CHAIR: Thank you. Mr Maas.

Mr MAAS: Thank you, Chair, and thank you both for your time and expertise before this committee this morning. Many of us on the committee have varying views on the role that targets play in terms of achieving gender equality and improving women's workforce participation rates, for example. I was wondering if you could provide the committee with your views on that, and also what role you think targets might play in achieving a more gender-equal outcome through the gender responsive budgeting process.

Prof. HODGSON: I think it is almost axiomatic, isn't it, that if you cannot measure it, it does not happen? And for that reason I think that it is important to have some level of targets that progress can be measured against and benchmarked against. What those targets are going to be will vary depending on the type of policy it is that you are looking at and where people stand at the moment in terms of the gender balance. It is not something that we have addressed specifically in our submission, but I do think that it is important to be able to measure progress, and to be able to measure progress, targets are often the best way to approach it. I am not sure if Kathy has anything to add to that.

Dr MacDERMOTT: The only thing, or two things, I would add: one is that in the history of the Workplace Gender Equality Agency, which is the only organisation we have at the commonwealth that has got that kind of targets apart from agency output targets, there was a great ideological push when the agency was established to confuse targets and quotas. I am just hoping that all of us here are past all that and that a target is a target and a quota is a quota and those differences are understood. Assuming they are understood, the other point about the agency is that because they get quite a lot of data in they are able to issue benchmark documents to organisations, which give an industry benchmark, and they give each organisation its own data and they can actually see themselves how they are going against a broader goal, so that the benchmark data they are getting becomes in itself an incentive—not a rule, but an incentive—to raise the level of their action.

Mr MAAS: Thank you very much.

The CHAIR: Mr Hibbins, do you have a question?

Mr HIBBINS: Yes. Thank you, Chair, and thank you, both, for the presentation today. You have mentioned the importance of independence and being at arms length from government, and I am just wondering if you could just distil a bit further. We have mentioned the commissioner for gender equality, who we just spoke with

earlier, but also the PBO. Could you distil just in terms of their separate roles, how you see it working in the ideal case—their separate roles and whether there is any relationship between the two?

Dr MacDERMOTT: Okay. There are input roles and output roles, so we will look first at budget inputs. In my view, that is an activity that occurs at individual agency level, but agencies are advised by the commission. The commission has obviously put out all sorts of template documentation and provides advice to people on how they break it down and probably on how they gather data, much of this data being difficult to gather at the moment. So that is at the input level, but we also see in terms of the measuring of outputs an independent role for the Parliamentary Budget Office. We have put this same policy to the commonwealth government, and we have and can table a response to a question on notice put by Senator Waters to the commonwealth parliamentary budget office about the cost to them of taking such a role on. They estimate, I think, they would need about a dozen people to do it.

So part two is that we would see scope for the Parliamentary Budget Office possibly to second advice at this critical time of the year from the commission in order to enable it to complete its project in a timely fashion after the budget comes out. So the commission itself—and this is the problem—would have two roles: it would advise agencies about their individual budget submissions and their individual budget bids, but it would also have a separate role in sitting with the PBO after the budget comes out and providing expertise on gendered budget analysis and extra pairs of hands to get the work done quickly.

Mr HIBBINS: Thank you. You have also mentioned in your submission the Office for Women. Is that staying the same, or has that changed now with the creation of the commission?

Dr MacDERMOTT: It has changed.

Mr HIBBINS: Yes. Okay. Thank you.

The CHAIR: Thank you, Mr Hibbins. Ms Richards.

Ms RICHARDS: Thank you, both for your submission and your evidence this morning, Professor Hodgson and Dr MacDermott. But I am interested in perhaps exploring a little bit more. The submission outlines the importance of evidence-based analysis and evaluation through the gender responsive budgeting process. Can you explain to the panel the role that evaluation can play in the GRB process, and how this can assist in identifying both positive and negative impacts of government budgeting decisions?

Prof. HODGSON: Well, evaluation essentially is the only way that you will know whether the policy measures that are being undertaken are having the effect that you actually expect. Now, my subject expertise is in respect of tax and superannuation. I can give an example from the federal level where there was a measure that was introduced several years ago in terms of allowing people to bring forward contribution caps, which was designed—intended—to help women because they take career breaks, but in fact the people who are most likely to access that are mid-career men who suddenly get a promotion and have extra cash and are able to put more money aside. So evaluation is the only way that you are actually going to be able to pick up on whether the policies that you have implemented and the design of those policies are in fact achieving the outcomes that you hoped that they would achieve. To do that you need people who can not only look at the numbers—basically you need the data. You need the data about what the effects are on the ground of these particular policies, you need policy analysts and you need Treasury input as well to work out whether or not it is having the effects that it should. In Victoria you do have the gender equality agency and the commissioner. You have all those steps in place, but you also need the evaluation step, and I am not sure that that is adequately covered off as yet. Kathy, do you have anything to add?

Dr MacDERMOTT: No. I think that is fine. I would go with that.

Ms RICHARDS: Great. Thank you so much. Thanks, Chair.

The CHAIR: Thank you. Ms Taylor.

Ms TAYLOR: Thank you for your presentation this morning—very, very interesting. I was just wondering: what are the essential elements of successful gender budgets, and how can these be implemented through budgetary processes?

Prof. HODGSON: Okay.

Ms TAYLOR: It is very broad, isn't it?

Prof. HODGSON: About this wide, yes.

Ms TAYLOR: A big one.

Prof. HODGSON: There is quite a lot of academic work in this space in terms of the steps that you need to go through, but to distil it down to its essence, we have already mentioned the key thing: data. You need to know what is actually happening, and then you need to have people with the policy foresight to be able to identify areas where mainstream policies are having a gendered effect that may not be immediately apparent and where you have these perverse outcomes. So you need to have the data, you need to develop the policies and you need to evaluate the policies, and from that you can then adjust those policies in order to get the gender outcomes you need. But at all of those stages you must be informed by the data and by what is actually happening. And I think that is where a lot of gender initiatives fall over, because they come from an idea. People say, 'This is a great idea. This will help', and then what you actually do the evaluation, well, first of all, you cannot get the data to see if it has helped or not, and if you can get the data, you find that there is a perverse outcome. Kathy, did you have anything to add?

Dr MacDERMOTT: Just at a more operational level, as I understand it the commission has a mandate to oversight agencies, and agencies are required to produce gender impact assessments for new policies and for policies that are being formally reviewed, so it is a kind of cumulative process. These assessments should build up over time; there should be more and more material available as your review program kicks in. So the only operational thing I would argue is that those assessments should become, in a practical way, part of the budget bidding process and in whatever submissions go to ERC so that they get approved operationally as part of that process. Because they are for new policy and policy undergoing review, they would be critical to the development of the next budget so that cabinet would have to have before it an evaluation of the proposed impact or the contemplated impact on women of its policies.

Ms TAYLOR: How are we going for time? I did not want to chop into someone else's, but I am happy to keep going.

The CHAIR: You can go for another one if you would like, Ms Taylor.

Ms TAYLOR: Yes. I was just looking at another issue, and that is women and girls from migrant backgrounds, noting how they can experience poorer employment and health outcomes due to intersecting and compounding forms of discrimination, and with 50 per cent of Victorians born overseas or having a parent born overseas obviously it is very important that our government policy really responds to the diversity of our population. So how can the Victorian government embed an intersectional lens in the implementation of gender responsive budgeting, and what benefits will this deliver, with that lens of a high proportion of people born overseas—or parents born overseas, I should say?

Dr MacDERMOTT: Do you want me to start?

Prof. HODGSON: Yes, you can start, Kathy.

Dr MacDERMOTT: I do not think we need to argue about the value of doing that. It is incredibly important, and your numbers suggest that there are massive numbers of people being impacted. The problem is going to be getting your hands on the data that you need. I just had a quick look. The best data in terms of distributional analysis that the commonwealth has comes from census data, and their data does not collect what you would need. They do gender, marital status, age and Indigenous—sorry, that is their operational, their policy stuff. DSS—the department of social security—asks the people who manage their program to provide data on demographic distribution of all the DSS payouts, and that demographic data is provided to the department. What DSS get in terms of the data they make available publicly on their website is gender, marital status, age and Indigenous background. So they do not even have either migrant status or cultural and linguistic diversity or any proxy for that. You get some proxies for that from the census, yes, but the census, as you probably know very well—it was a deliberate decision—will not pick up sexual orientation or gender identity, which are also factors on your distributional analysis for your gender equality assessments. So you are going to

have to get your hands on that data, and I do not know—I presume specialists in that area should be able to advise you. But it is going to be very difficult for agencies who are looking to analyse impacts to match their data, if they have got data on ethnicity, with your data if you have got data on migration status. It is going to be almost impossible for them to deal with sexual orientation and gender identity, because it is not around, as far as I know. The ABS has identified it as very difficult to find. So you are going to have some operational issues. No-one disputes the value of doing it, and there are some really good examples on the commission's own website of how the analysis of the gender identity of certain programs will enable them to re-target those programs in ways that are more effective for that group of people, but getting the data and matching it to your programs is going to be very tricky. I do not know how the commission is planning to do it. I presume they are trying to implement that, but it is going to be hard.

Prof. HODGSON: The only thing I would add to that is that this shows the value of early consultation in development of policies as well as the evaluation of policies. There are groups out there who are working with Indigenous women specifically or migrant women specifically, and they would have a better sense of how particular policies are viewed and accessed by people in their community, but the data is very, very challenging to get hold of, as Kathy has just explained.

Ms TAYLOR: Thank you. Wow.

The CHAIR: Thank you. Mr Richardson.

Mr RICHARDSON: Yes, thank you, Chair, and thank you, Helen and Kathy, for your presentation today. I do not know if you had the opportunity to see the Victorian gender equity commissioner's submission earlier on. One thing that I picked up on, which was I think of good comfort for the committee, was the measuring of implementation of policy and then reporting on improvements that happen over I think it was a two-year time frame. I note your comments around their role as well as the Parliamentary Budget Office, but how does that I guess from a policy standpoint fit with your organisation in terms of that compliance, and how does that drive better culture change across the Victorian public sector? Obviously there will be over 300 organisations that are required to report directly to the commissioner.

Dr MacDERMOTT: Do you want to do that? Shall I?

Prof. HODGSON: Yes.

Dr MacDERMOTT: I will go ahead. Well, the problem with the two-year reporting—that is terrific from the point of view of broad accountability. It would be easier in terms of the proposed role of the Parliamentary Budget Office in looking at broad impacts if that data were annual or were at least available annually. Having the data going in from individual programs being reviewed or new programs each year through the budget bid process is terrific, but if you want to look at the broad impact of gender strategies, you have got a look at it against the full range of what is out there, and you need distributional analyses as well. To get that data it would be terrific to have it put in annually. It is great to see a model which gives people an incentive to progress—that is great—and that is what those larger time frames permit: you can see change over the time frames. But from our point of view, for the purposes both of intelligent inputs and of intelligent analysis after the fact, it would be really useful to get the annual data coming out from agencies.

Prof. HODGSON: The only thing I would add to that is a bit more big picture, and it is about capacity building across the whole public sector. Once you get people to understand the significance of the gender-budgeting process and the effects that thinking about it in advance can have on policy development, then hopefully that will build into a—I was going to use the word 'better', which is a bit subjective, but it will build into a budget process that in fact incorporates gender in this instance and, moving forward, other areas of cross-sectionality as well, which were raised by Ms Taylor. Hopefully it will build this awareness. People who do not understand the effects that their decisions can have on a particular group of people are not going to take them into account, so the capacity building will open their thinking to other ways of thinking about policy development.

Mr RICHARDSON: And just quickly, for our committee's benefit, are there any organisations or agencies that you draw inspiration from or guidance from that are really setting the standard or that other agencies or organisations could look towards?

Dr MacDERMOTT: In terms of what you are doing now, I think you are fabulous. You are right up there at the front. Again, the Workplace Gender Equality Agency has a niche in which it performs very well. It collects a lot of data, and it uses that data very efficiently. And they also have at the foot of their website a data explorer which allows the public to go in and use their data as well, and I would suggest you have a look at them. But their niche is not your niche. As far as we know, in terms of Australia you are way ahead.

Mr RICHARDSON: Fantastic. Thanks, Chair.

The CHAIR: Thank you, Mr Richardson. Are there any further questions? No. Okay.

Thank you very much for your time this morning. We appreciate you coming along and providing this evidence to our inquiry. As I said, you will be provided with a proof version of the transcript for you to check.

We will now take a short break before moving to consideration of our next witness, so we thank you for your time and declare this hearing adjourned. Thank you.

Dr MacDERMOTT: Thank you.

Prof. HODGSON: Thank you for the opportunity.

Witnesses withdrew.