

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Gender Responsive Budgeting

Committee Room G7 & G8, East Melbourne—Monday, 3 February 2020

Members

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

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WITNESS

Professor Miranda Stewart, Director, Tax Group, Melbourne Law School, University of Melbourne.

The CHAIR: We welcome Professor Stewart to the hearing. I will just remind you, Professor, that evidence taken by the Committee is protected by parliamentary privilege, and therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, including on social media, those comments may not be protected by this privilege. You will be provided with a proof of the transcript for you to check, and verified transcripts, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible. Thank you for your time, and we invite you to make a 15-minute presentation.

Prof. STEWART: Thank you. I just wanted to check, first of all, to see if people do have a hard copy of the submission, which was under the name of the Australian National University's Gender Institute.

My name is Miranda Stewart. I am a professor at the law school at the University of Melbourne, so I am legally trained, but my area of specialisation is tax and welfare law and policy and budgeting processes in institutions. The ANU connection: I have a fractional appointment at ANU. I was the first director of the Tax and Transfer Policy Institute, which is at the Crawford School of Public Policy at the ANU. I still have that affiliation, so we put in the submission under the umbrella of another research institute there at the ANU, the Gender Institute.

I have done a lot of work over the years on gender equality-effective tax policy, and in particular the way tax laws interact with social security and welfare laws, childcare policies, other social policy—a lot of what we think of, generally looking, as gender-neutral tax law. Most tax laws do not say these days 'one rate for men, one rate for women'. Most welfare laws do not do that either. Most of our policies at the state level—childcare policies and so on—are gender-neutral of course. The research I have done, and one of the goals of gender budgeting, is to interrogate that, to go behind that formal neutrality and to look at the unequal impact of policy, and especially at the way that policy that intersects with other policies can have unequal impacts.

So on the modelling that Dr Dixon does—I am familiar with her work, that work of CGE macro-economic modelling and looking at economic national wellbeing impacts—I totally support her suggestion that if you take seriously the gender-disaggregated effect of economic policy, trade policy, tax policy, social security, you can identify that gendered impact and then the economic wellbeing effects of policy better.

I heard your question about what is gender budgeting, so I thought I would give you a small definition of it. There is a definition in the submission that I have here. It is actually in the attachment to the submission, so page 17. It comes from the Council of Europe. We could come up with a number of definitions, and perhaps this is something that your report, if you are doing it, may do. One definition would be: a 'gender-based assessment of budgets'—that is, that central government policy document and process—'incorporating a gender perspective at all levels of the budgetary process', so pre-budget, into the public engagement of the budget and then a post-budget impact and evaluation and analysis, and then with the policy goal of restructuring revenues and expenditures to promote gender equality. So there is an underlying goal of gender equality, but then we look at the impact of taxes and expenditures across the economy or in particular sectors to identify changes to support that equality goal.

In the Australian context, because we are a federation, as of course you know, we have that combination of national laws and economic frameworks, national policy goals and then state activities and state policy goals. Of course the state governments are leaders in many areas of policy. They are actually setting policy, leading the direction in education, health, caring facilities, law and order. I mean, these are centrally state government activities, and you are in that role, leading policy design and development.

Perhaps our goal there would be to properly integrate that into a national framework for coherent policy nationally. Most of my work has been on the Federal tax and transfer system, so these are clearly Commonwealth responsibilities and Commonwealth policies. I am starting to do some work especially about how, for example, tax and welfare policy and child care subsidy policy intersects with state-controlled design aspects.

So just in the short time that we have here I am very happy to answer questions. I just wanted to give you a couple of examples, I suppose, of where I see a State Parliament and in particular Victoria's Government and Parliament actually doing work that would be strategic and targeted and useful in terms of gender budget analysis. For example, if we take the goal that Dr Dixon referred to of increasing women's workforce participation as a national goal—it is a nationally stated goal of the Office for Women in the Federal Government—I think it is acknowledged in various ways across policy areas. What are the triggers or the activities that you have in your control here that are core State Government policy? I would suggest that things like the design of and the hours and the location of schooling and child care, for example—these are centrally State Government activities.

The State Government has initiated, for example, a fantastic policy: funded kindergarten child care. The question about what the impact of that policy is on women's workforce participation requires further interrogation. It might achieve early childhood goals—you are always balancing policy goals—but we might want to say, 'What are the hours of that kindergarten? What are the locations of those kindergartens? Are they accessible at the beginning drop-off stage and at the end pick-up stage in terms of women who are managing work and care responsibilities and their male partners and families that are managing the beginning and the end of the working day?'. Perhaps, but this would require some policy investigation, enhancing and supporting outside school hours care, which obviously is an existing policy of the government and is very, very good in many areas but probably in some areas not so available. That policy might actually support women's workforce participation more strongly than your kindergarten policy, if only because of the hours in which it is delivered and the location at which it is delivered.

So my point here is that there are critical transitions in women's working lives—getting to work, leaving work, age transitions when children are at ages nought to five and then ages six to 10 and so on. State policies can be designed to enhance the child's wellbeing and the family's wellbeing, which of course is your policy goal, and there are educational outcomes, but also to support women's workforce participation—that overarching gender equality goal. And so the purpose of a gender impact analysis and then a gender budget process and the expenditures that you use for that policy would be to ask exactly what are the effects on women's workforce participation of this existing policy, which we already support because we have done the educational analysis and we think it is the right policy for early childhood. So do you understand my point—that is, it is the intersection of that early childhood policy with the goal of women's workforce participation? That is what calls for analysis. You have the statistics available for you to do such an analysis, and it might then affect the location, the timing, the future strategic direction of design of that policy to support the gender equality goal.

In addition, what I would like to see is enhancement of the Federal Government policy of childcare subsidy to make that much more widely available to the population of men and women. You cannot do it alone; my point is that these are intersecting policies.

I will just give you one other very brief example, and this is the issue of prisons. In fact I was impressed to see that the Victorian Government, the bureaucracy, has produced the guide to gender impact analysis already, and it does talk about prisons as one example where gender is really very significant. So one of the things that the State Government has done—it is not my area of expertise; this is just me observing as a citizen of the state—is take steps to try to improve law and order and to try to address problematic male releases. Worrying about violent offenders is something we all worry about. I think that those bail changes are potentially having problematic effects on female prisoners, female offenders, who are more likely to be victims of violence than perpetrators of violence. And so here again you have probably a gender-neutral policy with a very particular and important policy goal, but that gender analysis is really significant in terms of the life course outcomes of those women and also the fiscal cost to the state of getting those women out of offending and into other activity. I will not say any more about that. It is not my area of expertise.

In the submission I try to highlight some of the points which you might input in a gender analysis of the budget. My suggestion would be that you need to be quite strategic, that there needs to be a policy goal established upfront and piloting done in departments and processes to work out what the best approach would be. I am happy to answer questions.

The CHAIR: Thank you. That is very useful. I might just kick off with one. You obviously heard my question earlier in reference to being asked when we are undertaking this Inquiry what does gender-responsive

budgeting look like. I note your comments about the equality goal. One of the frustrations I think we have had here in Victoria at times has been that the answer has been to set up an office for women for something. And one of our own departments appeared at this Inquiry with the Office for Women in Sport, for example, which is an absolutely worthwhile thing in and of itself but in my view does not really go to the heart of what this Inquiry is meant to be looking at. How do you respond to that, I guess, and what advice would you have for the Government in terms of how you achieve the equality goal without necessarily the setting up of an office for women's something, as opposed to that overall more holistic look at how gender is impacting?

Prof. STEWART: Yes, that is the challenge. I think, to be fair, the fact that you are at this point of having this Inquiry and that the Government has come to this point is partly because those things have already been done. So it is a process. When you think about what government does in terms of its fiscal revenue raising but then its expenditure, there are really three ways you could insert gender, if you like, or do a gender lens. One is on inside government itself, and I do notice that many of the Government departmental submissions you have received talk about their staffing, the number of hours, the leadership and the number and level of women in management. These are not unimportant—obviously these are important things—but it is just one small piece, isn't it, of what government does.

The second would be what I would say are targeted expenditures towards something specific: more women in science, more women in sport, women's change rooms in sporting facilities—again, it is not unimportant—mother and child health or male prostate cancer health. Obviously you need targeted expenditure and targeted analysis, but the biggest—the lion's share—of government expenditure is what you might think of as mass population expenditure right across the whole population: primary school for every child from the ages of five to 12, high school for every child et cetera. So it is these very big expenditures that seem very opaque that are the hardest to analyse but that probably repay analysis the best because they are the most costly things that government does.

So I would urge that it actually is worthwhile interrogating. You raised the issue of the cost of child care. Absolutely child care costs money. The economic benefit of skilled female labour, the life course benefit of preventing women from being in poverty at the age of 75, the fact of building superannuation through Federal policy—meaning that they are not reliant on homelessness services at the State level—these are the economic and fiscal gains of changing those policy settings. But you need to interrogate what those gains might be in order to understand if the policy is worthwhile changing or implementing or not. So, yes, I would say it is working out—you still would need to prioritise. I am not suggesting you have to look at the entire tax system or the whole primary school budget or the whole hospital budget, but in those big areas it is still worth interrogating the non-gender-specific policies there.

Mr RIORDAN: Yes, interesting conversation. You touched on Danny's comments about the cost of child care. The question I have is: when we are talking about trying to get a gender equality, because as I understand it that is one of the prime goals of what we are trying to do, so much of the rationale for why an inequality has arisen or why it is perpetuated or continues on seems to be from the way families—people, individuals, couples, whatever family way we describe it—have obligations, and in this discussion the obligations in life seem to be not taken as a given. You cannot avoid them all the time. So for example, taking the budgeting: yes, if we could provide more work, that may be not what the person wants because some people have fixed views on perhaps how much time they want to spend with their elderly parent or their young child or whatever. So if we had a concept of family budgeting and if we were to accept that the world is—the example I used earlier, that people are probably changing, but certainly my experience would be a lot of people end up going, 'Well, who's job is closest?', or 'Who has the capacity to do more?'

So if we had a view, taking the school example, where schools were more accessible for people to have a job and pick children up—so it does not matter whether it is husband or wife or whatever, or nursing home care, or all these things that seem to be the main drivers of what sometimes compromises people getting the most out of their life or maximising their opportunities. I mean we saw Richard Di Natale today use the family reason, and certainly as a busy politician you understand what he is talking about. You know, you cannot just be there all the time, and the lifestyle of a Parliament is very difficult to do that. So family budgeting is a context to gender budgeting.

Prof. STEWART: You are absolutely right that that is a central context. We live in different kinds of families but most of us live in a family, and we all live in a social context of one sort or another. So I agree: that is absolutely critical. The way that I like to think about gender equality—and there are lots of ways one could do that—is to adopt the capabilities approach, which is used in broader development literature. What that does is it looks at an individual's life and dignity—a bit like individual rights, the human rights-type approaches do—but also at their economic capability and contribution and benefit over their lives. It values the individual. So the way I would suggest is most useful to think about gender budgeting is to think about each person as an individual situated in their context.

We need to look at the individual and not at the family as a unit for a number of reasons. One is if we look at the unit, we cannot see where the work or economic control or decision-making is located. Individuals work. Families live together and care for children and so on, but individuals work.

Mr RIORDAN: Sorry, the difference there is not being able, because you are quite right: the power balances could distort the way that happens. I am just talking about that in a lot of this discussion we do not talk about that most people—the overwhelming majority of people—have that obligation. It could be a single person with an elderly parent. It could be a single parent with one child. We have these obligations, which for most people will often take a higher order and a higher priority than their career or their earning capacity or all sorts of things that society on the one hand might judge us by. People are prepared to take a second step because of these other less quantifiable obligations. What I am getting at is we all have them to different levels and different contexts, but they are still important things that drive what our—

Prof. STEWART: They are critical. Our emotional lives, our family lives, our caring obligations to our family members—of course these are central, although I am not sure, without evidence, that each individual responds differently. I think probably many individuals would acknowledge those caring responsibilities but would seek to finance them, for example, by paying a carer, and that is not uncommon at the elderly level or at the younger level. What is interesting about society actually at the moment is, as we have an ageing population with higher longevity, that care responsibility has become much more visible to us all because we are looking at the care of older people, people with different levels of ability and health, as well as children. So for the first time I think as a society this issue of care responsibility and, 'How do we share and fund that care?' is critical.

In terms of individual female capability though, we still see gender inequality in the economics of that in particular, and really the main way still to address that is through economic matters. My research shows that although we all have these emotional and family connections, actually we are also quite rational as individuals, men and women, and we currently respond rationally to policy settings, and those policy settings—of taxes, the childcare benefit, the availability of care, the location of care—are pushing women out of the workforce. Women are responding rationally to the opportunities and value available to them in their family context. So if we change those policy settings, I would predict that women will behave differently. But that is a modelling question.

Ms RICHARDS: I am always interested in hearing about other jurisdictions, especially with our focus on gender-responsive budgeting and the work that we are doing in Victoria. I am interested in not just comparing how the work we are doing stacks up as compared to others but where we should be looking to see really effective responses to this particular consciousness we have about reducing gender inequality.

Prof. STEWART: So there is a lot going on in the world actually—

Ms RICHARDS: Yes, your report has some interesting examples.

Prof. STEWART: in different countries and in international institutions. I cannot share the report with you unfortunately because it is confidential, but in September I was on a consultancy with the International Monetary Fund in Ethiopia on a gender budgeting analysis there—obviously in a development context in a poor country, a very different country in many ways from Australia and Victoria. But that was the first IMF fiscal affairs department consultancy on gender technical assistance, on gender budgeting. That was the first in-country exercise they had ever done, so there will be more, I think—that is what is interesting.

One of the things that we were giving advice on there as part of a team—I was part of a broader team—was the specific issue of how to track expenditure. So you need to have set priorities. Let us say we are increasing workforce participation or increasing women in agriculture or dealing with the loss of jobs in manufacturing or automation for men. Once you have identified that, then what you want to do is track that through your budget process, almost marking the policies and the expenditures that you think will impact or not impact on that policy goal. Of course not every policy will impact, right? So there are a number of examples of these marking tools, where you use kind of a zero and a '1' or a capital letter 'G' or a small letter 'g', that are actually built into the systems you use to manage your expenditure inside government. One of the things I say—we say—in the submission is that really this is a role for Treasury and Finance. This is why we say gender budgeting should be grounded in Treasury and Finance—because they have the technical tools to actually trial such an expenditure marking process.

We give a couple of examples. If there was more appetite, we could obviously provide more information. You could categorise targeted expenditure, mass expenditure that you predict will have a beneficial effect on gender equality, and then expenditure that you cannot predict or you think will have negligible effect. Obviously what you are trying to enhance is the pool of expenditure that may have a positive effect, and then you try to track that through and evaluate, obviously, after. So my recommendation would be to identify maybe two or three departments or policy areas and to pilot a tracking process of some kind.

Mr HIBBINS: You have touched on this a bit in the submission, but I just wanted to know a bit more of your thoughts on budget performance measures—tracking outcomes—because obviously we get the budget each year and it has got performance measures in it, some of them quantitative, qualitative, what have you. What sort of performance measures would we have in the budget to actually track this effectively?

Prof. STEWART: I confess I am not particularly expert on the Victorian budget process and performance measures. I did do a small amount of research into that—I think very superficial—in advance of this submission. There are some very obvious targeting things. If you are identifying who is receiving money under a program under which people receive money—is it male or female?—sometimes that is useful information and sometimes it is either misleading or not very informative, so you do need to go further than just who receives money.

You could identify—we do this commonly—the number of participants in, for example, trades training. Obviously we can do that sort of counting, and we do that in the education sector all the time. You can see that a fundamental element of all of this is gender-disaggregated data, so that is the baseline. It does not tell you very much but without it you really do not learn anything at all, so you have to have that disaggregated data. And that would be something where you have to have every department collecting gender-disaggregated data if it is not already. And I hope most of them are, but you would be surprised actually.

You might then want to say, 'Well, it's all very well to find how many women and men are in trade schools or doing agriculture training or whatever'. You then look at the workforce. So you want to track the impact into the workforce. Are women actually working in the sector? And then you want to identify: what are the income levels of women and men in the sector? And then you might want to identify: who are more productive workers? Have they got add-on training? Do they have access to capital? Do they have access to resources to actually make that difference in environmental or economic policy on their farm or whatever? So I think it is a layered process, and it will depend on the policy field. It would be very good to have some of that coming through to the Parliament. Obviously you cannot absorb that level of detail in every sector every time, so inevitably you are going to get a partial view, but perhaps enough information that you could interrogate in a committee if you wanted to know more.

The CHAIR: Unfortunately we are at the end of our time.

Prof. STEWART: Yes, I realise we are. Yes.

The CHAIR: Are there any further questions that anyone would like to ask? No? Thank you so much.

Prof. STEWART: Thanks for the opportunity.

The CHAIR: Again, we could talk about it all day, but it was a great submission, and thank you for taking the time to meet with us today. You will be provided with a copy of the transcript to verify.

Prof. STEWART: Thank you.

The CHAIR: Thank you for your time, and we will declare this public hearing closed. Thank you.

Committee adjourned.