



# National Foundation for Australian Women

## BUDGET 2014-15 – A GENDER LENS

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# 1. INTRODUCTION

It has been the practice for over thirty years for Federal Governments to produce a Women's Budget Statement as one element of the official Budget Papers. In 2014 this practice ceased without explanation from the Government.

The National Foundation for Australian Women, a non-politically aligned feminist organisation, in conjunction with experts from a range of organisations, has taken up the task of analysing the implications of the Budget 2014-15 through a gender lens. This follows an examination of the major political party policies in the lead up to the election (see <http://www.nfaw.org/nfaw-election-2013/>). This work was part of a project to encourage women, when voting, to make informed choices.

## **Why a Gender Lens?**

NFAW, with other women's organisations, is committed to examining the potentially differential impacts of policies and their outcomes for men and for women, and whether the consequences of policies, intended or unintended, may adversely impact on women.

There is an average gap of 17 per cent between the incomes of men and women. This gap is not decreasing. Women take time out of the work force for child bearing, child rearing, and for care responsibilities for extended family members to a much greater extent than do men. As a consequence women have lower rates of savings for retirement, and most women will eventually become wholly or partially dependent on the Age Pension. Women are also underrepresented in the well-paying occupations and over represented in the feminised industries that are lower paid. Their career progression and therefore representation in the senior executive levels is often interrupted by the periods of unpaid care work and consequently women continue to be underrepresented on boards and other senior positions in the workforce. Many older women have not had an extensive history of work-force attachment, and are unlikely to be good prospects for working until age 70. Housing security is markedly worse for mature women than for men.

## **Gender analysis is essential**

This document has been prepared by a volunteer team of analysts. It has been not possible to cover all areas. Most particularly we regret our inability to analyse the implications for indigenous women and children specifically, given the merging of many pre-existing programs into new groups in the Department of Prime Minister and Cabinet. However, we can legitimately assume that any measure adversely affecting the income, housing, health care access or education of low income families will be much worse for indigenous women and children.

Not all detail required for a thorough analysis of government decisions is available or clear in the Budget Papers. More will undoubtedly emerge over the period of Senate Estimates which could result in this analysis requiring revision. As Peter Whiteford of the ANU points out, the usual Budget paper analysing impacts on families has been omitted in 2014-15.<sup>1</sup> This reduced transparency in the federal government's reporting is a concerning development.

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<sup>1</sup> [https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing\\_the\\_budget\\_pain\\_background\\_note.pdf](https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing_the_budget_pain_background_note.pdf)

## 2. THE BUDGET ENVIRONMENT

There is clear difference between the major political parties as to their perceptions of the depth and gravity of problems facing the Australian economy. At the same time there is agreement among informed commentators that there is a need for underpinning structural changes in the sources of Commonwealth revenue and the pattern of Commonwealth spending commitments in order to manage increasing dependence on Government programs caused by the ageing of the population, among other issues. There is also agreement amongst many that the Australian economy is sound, that the Government has an AAA credit rating.

A recent commentary in *The Guardian (Australia)*<sup>2</sup> poses the question, “Australia has it pretty damn good, so why aren’t we cheering?”

We turned to the OECD for recent comparative analysis of Australia’s economy against other OECD countries. The OECD does see some problems, including the impact of the rising cost of pensions to the Budget - and thus the need for some structural changes. The OECD has also highlighted some other social concerns, which we contest should be mitigated, rather than exacerbated, by Government.

But in April 2014, as the Commonwealth Budget was being finalised, the OECD was not reporting on a Budget crisis. Rather, the OECD reported that:

*‘Relative poverty (14 per cent of the population) in Australia is higher than the OECD average (11.3per cent). Even if they still are high, poverty rates for youth and particularly those over the age of 65 declined, while child poverty increased. 10 per cent of Australians report that they cannot afford to buy enough food. This share has increased somewhat over the past years, but remains lower than the OECD average of 13.2per cent.’*<sup>3</sup>

Again in April 2014 the OECD reported that:

*‘The average worker in Australia faced a tax burden on labour income (tax wedge) of 27.4 per cent in 2013 compared with the OECD average of 35.9 per cent. Australia was ranked 27 of the 34 OECD member countries in this respect.’*<sup>4</sup>

**NFAW does not see a Budget crisis; rather it sees the need for continuing prudence in controlling spending and for medium to longer term measures to deal with underlying structural revenue problems. NFAW considers that the distribution of the savings burden should be equitable and fair.**

It should be noted that many of the budget changes related to expenditure measures, as opposed to tax expenditures or revenue. The suggestion has been made that a range of changes to taxation were not included in the budget because they are subject to reviews that are still underway or to be undertaken. The same logic has not applied to transfers and expenditures. Many of the proposed budget changes pre-empt the findings of the McClure review in terms of welfare and the Productivity Commission into Child Care and Early learning.

**Responsible governments should always be looking for ways to keep spending under control. No area should be off limits for regular examination. NFAW calls for a more balanced approach to the federal budget in terms of consideration of expenditure, tax expenditures and revenue measures. Further, analysis and publication of the impact of decisions across income levels is necessary.**

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<sup>2</sup> <http://www.theguardian.com/business/grogonomics/2014/apr/21/australia-has-it-pretty-damn-good-so-why-arent-we-cheering>

<sup>3</sup> <http://www.oecd.org/australia/morenews/>

<sup>4</sup> <http://www.oecd.org/australia/morenews/>

### 3. SUMMARY OF FINDINGS – ARE WOMEN DISPROPORTIONATELY AFFECTED?

The Budget fails on the fairness and equity test.

Moreover, its measures disproportionately adversely affect women: those in caring roles, those in the workforce, students, those in modest and low income households.

This Budget's savings fall disproportionately on women and on low income people in receipt of benefits<sup>5</sup>.

- An unemployed lone parent with one eight-year-old child loses \$54 per week or 12 per cent. Most are women.
- Lone parents earning around two-thirds of the average wage lose between 5.6 per cent and 7 per cent of their disposable income. Most are women.
- A single-income couple with two school-age children and average earnings loses \$82 a week or 6 per cent of their disposable income.
- For employed women using Family Day Care an immediate price rise in the order of \$30+ per week per child is likely. The freezing of the threshold and indexation for Child Care Rebate and Fee relief will quickly impact on all child care fees. The increase in child care costs may discourage workforce participation.
- The increase in child care fees for parents on JET (Jobs, Education, Training) Child Care Fee Assistance and reduction in hours of JET subsidised care available will discourage participation in work and training for low income women.
- Changes to University funding are likely to impact on women disproportionately<sup>6</sup>. Costs for courses with high female enrolments are likely to rise beyond those with higher male enrolment patterns.
- Women's housing security is likely to be adversely impacted, disproportionately.
- Women's employment prospects may be disproportionately impacted if States are forced to reduce health and schooling expenditures in consequence of changes to future Federal funding. Education and Health services are major employers of women.
- Women will pick up more of the cost and stress as we take the role of 'health manager' for our families. We are the ones who take kids and older relatives to the GP, to the chemist for prescriptions and for diagnostic imaging and pathology. So, the co-payments proposed are a considerable barrier to affordable health care and erode the universal health care we all value. The proposed review of Disability Support Pension recipients under 35 will disproportionately affect women, while the Compulsory Participation Requirement will affect women and men with disabilities equally negatively.

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<sup>5</sup> [https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing\\_the\\_budget\\_pain\\_background\\_note.pdf](https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing_the_budget_pain_background_note.pdf)

<sup>6</sup> <http://www.smh.com.au/business/federal-budget/environmental-studies-fees-to-rise-112-per-cent-20140515-38cwf.html>

## 4. RECOMMENDATIONS

The NFAW suggests that in the interests of fairness, and of gender equity, the Government reconsider aspects of its overall savings and revenue strategy. Further, NFAW offers the following specific recommendations to the Government:

- Reconsider the measures impacting on sole parents and the young unemployed, particularly changes to income support that remove the social safety net for the most disadvantaged.
- Reconsider savings measures impacting on the cost of child care, and defer until after consideration of the Report of the Productivity Commission on child care.
- Reassess the implications of the bulk of its savings measures for Indigenous Australians.
- Reconsider the repeal of the Low Income Superannuation Contribution (LISC) and the deferral of increases in the superannuation guarantee rate.
- Review the proposed Medicare co-payment for GPs given the disproportionate burden it places on women and lower income earners and the likely reduction in preventative health which research confirms will add to growing health costs.
- Restore the Gonski funding for schools to enable all young Australian children to achieve their full potential.
- Review education measures to ensure that they do not have the unintended outcome of excluding women from accessing vital support or a training place because support has been marked for male-dominated industries.
- Reinstatement of the National Partnership on Training Places for Single and Teenage Parents, the National Partnership on TAFE fee waivers for childcare qualifications, the Workplace English Language and Literacy program and an expansion of the Trade Support Loans Scheme to include traineeships.
- Reassess the payment threshold for HELP repayments given the rise in the debt from increased fees and raising the interest rate. Both of these are detrimental to women's interaction with study and the workforce.
- Limit the rate of interest charged for HELP as recognition of the role women play in child bearing and child raising.
- Retain NRAS as part of a broader funded National Housing Strategy, focused on addressing all mechanisms available, including tax and policy, to address Australia's housing shortage.
- Reconsider the implications of proposed measures impacting on women with a disability.
- Reassess cuts to community legal aid and to housing noting that these will undermine state and federal level measures to address violence against women under the National Plan to Reduce Violence against Women and their Children 2010-2022.
- Consider tax expenditures, particularly those that are highly inequitable, as alternative sources of savings to replace the abovementioned measures, and still achieve the desired level of savings in a fairer, more equitable way.

NFAW calls on the government to return to a higher standard of budget reporting with the full publication of distributional impact tables for major expenditure and revenue decisions, greater disaggregation and disclosure of expenditure decisions at a level that can be identified in budget papers, and publication of a Women's Budget Statement.

## 5. SPECIFIC BUDGET MEASURES

### 5.1 INCOME SUPPORT

According to Budget Paper No. 1, *“The Budget delivers structural reforms that will facilitate growth in living standards while not placing additional pressure on the economy. The Government’s reforms to the transfer system are aimed at improving individuals’ ability to participate in the economy.”*

In Australia, nearly 60 percent of income support recipients are women. Women are more likely than men, at all ages, to be receiving income support, presumably because they have lower incomes and assets.<sup>7</sup>

For working age women receiving income support, over 50 per cent of payments are for parents, carers, partners or widows. For working age men on income support, over 50 per cent are receiving unemployment benefits.

In light of the proportion of women relying on income support or government expenditure, including to enable their participation in the workforce through support for childcare, changes in this area have significant impacts on the lives and well-being of women.

Many of the budget changes to income support payments are unduly harsh, lack coherence and potentially risk women’s participation in the workforce. Of particular concern are the following changes proposed by the government:

- Increasing the eligibility age from 22 to 25 years of age for new entrants to Newstart and Youth Allowance from 1 January 2015.
- Requiring unemployed people under 20 years of age on Newstart and Youth Allowance to serve a six month waiting period before receiving any financial support, then being required to serve six months on Work for the Dole, and then facing a further six months with no income support at all if they have been unable to find work.
- Applying a one week waiting period for all working age payments, from October 2014, a measure that seems arbitrary and impacts on the least well-off.
- Compulsory participation requirements for DSP recipients under 35 years who are able to work 8 hours with financial sanctions for non-compliance.
- Family Tax Benefit B (FTB B) being restricted to families on less than \$100,000 per annum until the youngest child turns 6 with low income single parents eligible for \$750 per annum for each child aged between 2 and 12. FTB A is also frozen for 2 years and FTB B frozen for 3 years. The large family supplement is also tightened.
- Pensioner Education Supplement axed from 1 January 2015.
- Parenting Payment Single indexed to prices instead of wages from 1 July 2014.
- Career Advice for Single Parents Program axed.
- Freeze on parenting and non-pension payment thresholds from 1 July 2014 and for pension payments from 1 July 2017.
- Increasing Age Pension eligibility age to 70 by 2035.

The impacts of these and other measures on women are discussed throughout this document.

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<sup>7</sup> [http://www.dss.gov.au/sites/default/files/documents/07\\_2012/stps10.pdf](http://www.dss.gov.au/sites/default/files/documents/07_2012/stps10.pdf)

The Government has argued for the changes to working age payments for young people, people with disabilities, FTB and incentives for older workers on the basis of increasing labour force participation and the need to reduce expenditure. However, the changes themselves will not increase the demand for labour nor remove employer discrimination against groups such as people with disabilities. A far more considered approach to incentivising employment is necessary.

For young people, the changes to income support are especially harsh. This is the first time benefits will be time limited. While there are some exemptions listed there are also anomalies. If a 28 year old sole breadwinner, who is a parent, becomes unemployed, he or she may not be exempt because their partner would be considered the carer. There is also no mention of how young women fleeing domestic violence would be treated.

For young people on the DSP, the changes are likely to be costly but ineffective. Systematic medical reviews of DSP recipients were abolished by the Howard government in 2003, saving nearly \$90m. Doing more reviews of the disabled didn't find them any less disabled. It just cost the taxpayers a lot more money. In 2012/13, only 212 recipients were found to be ineligible for DSP on medical grounds after review, less than 1 per cent of recipients.

Less than 10 per cent of people on DSP have earnings. Introducing compulsory activities for some recipients, together with sanctions for non-compliance, to encourage DSP recipients to be in education or work requires a raft of supporting programs that will assist transitions. Prior to the announcement of the NDIS, Australia ranked near the bottom of OECD nations when it comes to total welfare spending on disabilities as a percentage of GDP.

The changes to indexation arrangements contained in the Budget are not justified. Since 1997 pensions have increased in line with the cost of living. The rate of assistance introduced was to be sufficient to meet community standards. The philosophy behind existing arrangements, for example someone who was also receiving family assistance and had dependent children, is that it is considered important that the adult rate provide a standard of living so as to avoid children being forced to live in poverty. Around 220,000 single parents on Parenting Payment face lower payments because of the indexation rule changes. More than 90 per cent of carers on the Carer Payment, the majority of whom are women, have no other income, because of their caring responsibilities. This will seriously affect pensioners who are renting privately, as their payments are unlikely to keep up with rental increases.

Modelling by NATSEM shows that for families in the bottom quintile (bottom 20%) of income earners, there will be an average decrease of 5 per cent in disposable income. Single income families on \$50,000 – \$100,000 per annum could lose \$6,000 per annum once all the changes are taken into account, including the abolition of the school children's bonus. Sole parents working part time or on benefits stand to lose more than \$3,000 per annum. The impact for higher income earners are far smaller raising serious questions about the fairness and targeting of many of the budget measures.

Whiteford and Nethery have attempted to calculate the distributional aspect of changes with the limited information on distributional impact included in the budget papers this year (See table below)<sup>8</sup>. They conclude that the budget pain is not evenly shared but will be heaviest for many working age people at the lowest income levels.

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<sup>8</sup> [https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing\\_the\\_budget\\_pain\\_background\\_note.pdf](https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing_the_budget_pain_background_note.pdf)



**Projected difference in real disposable incomes (2014 \$ pw) of different household types in 2017, as result of 2014-15 Budget changes<sup>9</sup>**

2016-17  Type	Disposable Income 2014 \$pw		Difference	
	Current policy	Budget Change	2014 \$ pw	% change
Single person on Newstart, 23 years	259	211	47	-18.3
Lone parent, one child aged 3, Parenting Payment Single	553	540	13	-2.4
Lone parent, 1 child aged 3, (67% AWOTE)	1,013	999	15	-1.5
Lone parent, one child aged 6, Parenting Payment Single	530	476	54	-10.2
Lone parent, one child aged 6 (67% AWOTE)	990	935	56	-5.6
Lone parent, 1 child aged 8, Newstart	446	392	54	-12.2
Lone parent, one child aged 8, (67% AWOTE)	957	889	67	-7.0
Single income couple with two children, 3 and 6 years (100% AWOTE)	1,310	1,282	28	-2.1
Single income couple with two children, 6 and 9 years (100% AWOTE)	1,287	1,205	82	-6.4
Dual income couple with two children, 3 and 6 years (100% and 33% AWOTE)	1,658	1,590	69	-4.2
Dual income couple with three children, 3, 6 and 9 years (100% and 33% AWOTE)	1,723	1,656	67	-3.9
Single person (300% AWOTE)	2,847	2,823	24	-0.9
Couple, no children (150% and 100% AWOTE)	2,712	2,712	0	0.0

<sup>9</sup> [https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing\\_the\\_budget\\_pain\\_background\\_note.pdf](https://crawford.anu.edu.au/sites/default/files/news/files/2014-05/sharing_the_budget_pain_background_note.pdf)

## 5.2 SUPERANNUATION AND TAXATION

This budget is an attempt to balance the books, but it does so in a very one sided way. It addresses the expenditure side of the budget but pays little attention to repairing revenue streams. The underlying budget deficit has risen because there is insufficient revenue to pay for budgeted commitments: accordingly action should be taken on both revenue and expenditure to address the deficit.

There are many avenues that could be used to help to “share the pain” other than increased tax rates. Some of these, as raised at the 2011 Tax Forum, include the superannuation tax concessions, negative gearing and capital gains tax; all of which provide larger tax incentives to taxpayers with more resources, whether assets or income. In the Tax Expenditures Statement 2013 (Treasury, 2013) capital gains tax concessions and superannuation concessions made up five of the top six tax expenditures, accounting for nearly four times the lost revenue as the GST exemptions. Negative gearing is not classified as tax expenditure, but reform is estimated to have a strongly positive impact on the budget (Grattan Institute, 2013).

In particular, the Temporary Budget Repair Levy, which is the major measure to target high income earners, is planned as a temporary measure. This has been justified by the Government in order to limit the incentive for people in that tax bracket to avoid tax but is in stark contrast to the ongoing reductions in transfer payments. It was also limited to the top tax bracket to avoid creating another tax bracket but the effect of this is that a two income family earning \$250,000 (100 per cent and 150 per cent of average earnings), with no children, pays no additional tax (Whiteford and Nethery, 2014).

The Government has identified a number of unlegislated measures that will not be proceeded with. However there are still avenues of corporate tax avoidance, for example the Base Erosion and Profit Shifting activities currently being examined by the OECD, that must be actively pursued by the Australian Taxation Office, and we are concerned that the reduction in staffing levels will impact on the capacity of the ATO to recover tax avoided through such activities.

The Government has announced a Tax Reform White Paper before the end of its first term. We call on the Government to ensure that the White Paper includes proposals to improve equity in the income tax system by scaling back the tax concessions available to high income earners.

### Taxation measures

#### Personal income tax — Temporary Budget Repair Levy

Revenue (\$m)		2013-14	2014-15	2015-16	2016-17	2017-18
Australian Taxation Office	-	600.0	1,150.0	1,200.0	150.0	

The Government will introduce a three year temporary levy (the Temporary Budget Repair Levy) on high income individuals from 1 July 2014 until 30 June 2017. The Temporary Budget Repair Levy will apply at a rate of two per cent on individuals' taxable income in excess of \$180,000 per annum.

There is no specific gender impact in this measure, other than women being under-represented in higher income brackets. The levy will be imposed by way of an increase in the highest marginal tax rate. The latest available tax statistics show that, based on the individuals lodging taxable returns in the 2011/12 income year, 68,000 women (1.5 per cent of all women) returned a taxable income in excess of 180,000, compared to 224,005 (4.1 per cent) of men.

We note that the measure is only going to impact on the highest earning 3 per cent of taxpayers, many of who will have access to methods of reducing their taxable income. Taxpayers in middle

income brackets who are not impacted by the cuts to benefits, for example, those who are not supporting a family or a young adult impacted by the income support measures in this budget, will not bear any income tax increases or benefit reductions as a result of this budget.

#### Personal income tax — abolish the Dependent Spouse Tax Offset

Revenue (\$m)					
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Australian Taxation Office</b>	-	-	130.0	100.0	90.0

The Government will abolish the Dependent Spouse Tax Offset (DSTO) for all taxpayers from 1 July 2014. This offset was being phased out, and is only available to dependent spouses born before 1952 or taxpayers entitled to certain other specific tax offsets (zone offset or offsets for civilians or defence force personnel working overseas). These taxpayers will now be entitled to the same offsets as other Australian resident taxpayers.

It will affect older women who are not receiving income from other sources, including the pension, whose partner may currently be entitled to claim the offset.

#### Personal income tax — abolish the Mature Age Worker Tax Offset

Revenue (\$m)					
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Australian Taxation Office</b>	-	-	290.0	255.0	215.0

The Government will abolish the Mature Age Worker Tax Offset (MAWTO) from 1 July 2014. In the 2013 Budget this offset was limited to workers born before 1957: it will now be abolished and replaced by other job subsidies for mature aged workers. It will impact on workers who previously received the offset directly, whereas employment subsidies may be paid to the employer.

#### Superannuation

Repeal of the Minerals Resource Rent Tax — change to the schedule for increasing the superannuation guarantee rate to 12 per cent

As promised, there are no new superannuation changes proposed in this budget. There are two items that will have an impact on women that relate to the repeal of the Mineral Resources Rent Tax: the repeal of the Low Income Superannuation Contribution (LISC) and the deferral of increases in the superannuation guarantee rate.

The LISC was introduced with effect from 1 July 2013. It consisted of a contribution of up to \$500 by the Government to the superannuation fund of workers earning less than \$38,000 in the year. This effectively rebated the tax that the superannuation fund paid on superannuation guarantee contributions on behalf of that person. It was introduced as part of the MRRT package, and accordingly was linked to the revenue that the former government budgeted as being received from that tax.

The former government also legislated an increase in the rate of the superannuation guarantee (SG) charge, which was to rise from 9 per cent to 12 per cent by 2020. The first rise, to 9.25 per cent, took effect from 1 July 2013, and a further increase to 9.5 per cent was due on 1 July 2014.

The current government announced that it would repeal the MRRT and all associated expenditure measures. The LISC was to be repealed, and the increase in the SG rate was to be deferred by two years. The Bill to repeal the MRRT and make the relevant changes to the superannuation legislation

was introduced in 2013, but failed to pass the Senate. The Government has stated that it intends to reintroduce this legislation.

Both measures will have an adverse impact on women, who are more highly represented among low income workers. The LISC was a direct contribution of up to \$500 into the superannuation accounts of low paid workers. Over a working life this would result in a significant increase in retirement funds. It is also worth noting that this was a measure to increase the fairness of the superannuation system based on the Henry Review recommendations.

The increase of the SG rate at 9.5 per cent is necessary to provide certainty to employers, but is not, overall, a positive move for women. This measure is required for clarification as the MRRT repeal bill to maintain the rate at 9.25 per cent will not be passed by 30 June 2014. However the schedule of increases has been further modified: the rate of 9.5 per cent will apply until 2018 before the rate continues to rise. Therefore the date that the rate will reach 12 per cent has blown out from 1 July 2019 (Rudd) to 1 July 2021 (MRRT Repeal Bill) to 1 July 2022 (2014 Budget). This will reduce the superannuation savings of all workers, but will have a particular impact on women, who already have lower rates of superannuation savings than men.

#### **Index Pension and Pension Equivalent Payments by the Consumer Price Index**

<b>Expense (\$m)</b>					
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Department of Human Services</b>	1.8	1.6	0.1	2.0	3.1
<b>Department of Veterans' Affairs</b>	-	-	-	-	-65.1
<b>Department of Social Services</b>	-	-1.1	-16.4	-43.9	-331.3
<b>Total — Expense</b>	1.8	0.5	-16.2	-41.8	-393.2

The Government will achieve savings of \$449 million over five years by indexing pension and equivalent payments and Parenting Payment Single by the Consumer Price Index (CPI). This will apply to the Age pension from the 2017-18 year.

Currently pensions are indexed by the greater of CPI, AWE or the Pensioner and Beneficiary Living Cost Index. Historically CPI has been the lowest of these three indices (ABS 6401.1, 6467.0, 6302.0).

Women will be affected more by the change in the indexation arrangements as they are more likely than men to be receiving the age pension (56 per cent to 44per cent) and are more likely to be receiving the full pension (57 per cent of recipients on the maximum rate are female) (FaHCSIA Statistical Paper No 11, 2013).

## 5.3 HOUSING AND HOMELESSNESS

The lack of housing affordability in Australia has become a chronic problem that has steadily worsened over the last decade. Rental and home purchase affordability is in decline and housing stress is on the rise.<sup>10</sup> Housing is a responsibility of all levels of Government and a Federal-led whole-of-government policy and funding architecture is essential to provide sustained and sustainable solutions.

A lack of appropriate and affordable housing has significant implications for women's wellbeing. Housing is an area where women's economic disadvantage over the lifespan plays out most sharply. There are now more young women who are experiencing homelessness than men<sup>11</sup>, women-headed households are increasingly the new face of homelessness<sup>12</sup> and as a cohort, older, single women over the age of 45 represent one of the groups most at-risk of housing stress and homelessness.<sup>13</sup> Domestic violence continues to be the most cited reason for women using homelessness services and Indigenous women are now more likely to be homeless than Indigenous men.<sup>14</sup>

A growing body of evidence shows that the numbers of women facing housing stress and homelessness will rise sharply over the next decade as women with little superannuation, and dependent on the age pension retire in greater numbers. The health, social and economic implications of housing stress and homelessness will be significant and costly. There is an urgent need for Federal housing policy to take a long term approach to address the challenges posed by this cohort of women. Without strong Commonwealth-level action now we will not be in a position to mitigate either the social or economic cost of this looming exacerbation of the housing crisis.

### **NRAS (National Rental Affordability Scheme)**

Decreasing the growing dwelling gap<sup>15</sup> requires increased investment in the supply of affordable housing at both State and Commonwealth level.

However, the 2014 budget contains no new supply stimulus measures and removes a significant supply measure by cancelling round 5 of the National Rental Affordability Scheme (NRAS). Round 5 of NRAS was to deliver 10 000 affordable homes for low-medium incomes by June 2016. There is no proposed replacement policy to leverage private investment into affordable rental housing in contrast to the taxation arrangements that benefit investors in high cost housing. There has been broad support for the NRAS scheme from the community sector to the private sector (Property Council, UDIA and HIA). This measure will particularly affect women who are on low to median incomes, do not own their own homes but do not qualify for public or community housing due to their earnings. In most Australian rental markets, median income is no longer sufficient to be able to compete successfully for private tenancies. The NRAS scheme was an important means of addressing this gap between public housing and the private rental market.

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<sup>10</sup> COAG Reform Council *Affordable Housing 2010-11: Comparing Performance Across Australia*, Commonwealth of Australia, Sydney 2012; and Australian Institute of Health and Welfare *Housing Assistance in Australia 2013*, Commonwealth of Australia, Canberra 2013

<sup>11</sup> Homelessness Australia *Homelessness and Young People*, Fact Sheet, Canberra, 2012

<sup>12</sup> Wesley Mission *More than a bed: Sydney's homeless families speak out*, Sydney, 2011

<sup>13</sup> McFerran, L *It could be you: female, single, older and homeless*, Australian Domestic and Family Violence Clearing House, Sydney, 2010

<sup>14</sup> COAG Reform Council *Tracking Equity: Comparing Outcomes For Women And Girls Across Australia*, Commonwealth of Australia, Sydney, 2013

<sup>15</sup> National Housing Supply Council *Housing Supply and Affordability – Key Indicators 2012*, Commonwealth of Australia, Canberra, 2012

## **National Partnership Agreement on Homelessness**

Funding for the National Partnership Agreement on Homelessness has been confirmed for one more year. The funding is \$44m less than the previous Budget's allocation, cutting funding to capital works, which again affects efforts to address supply in the market (see above). There were no forward estimates for the NPAH and funding for NPAH will be again up in the air for the next Budget round.

## **National Agreement on Housing Affordability**

The National Agreement on Housing Affordability will continue for the next four years but with slightly reduced funding to account for cuts to the *Building Better Regional Cities* program and the scrapping of the *First Home Owners Boost*.

Funding for the National Partnership on Remote Indigenous Housing and the housing component of Stronger Futures remains the same.

## **National Homelessness Research Strategy**

There has been a reduction of \$3.1m in funding for the National Homelessness Research Strategy.

## **Defence Housing Australia**

\$11.7m in funding has been allocated over the next year to investigate the feasibility of future ownership options for operations of Government, including Defence Housing Australia Ltd.

## **Housing Help for Seniors**

The Housing Help for Seniors trial initiative, announced in the last Budget, was a measure providing an income and assets test exemption for pensioners who downsized their home, thus freeing up existing dwellings for younger families. The pilot was reversed in this current Budget.

## **Aboriginal Hostels Limited**

Funding arrangements are unchanged.

## **Council of Australian Government's Reform Council**

The COAG Reform Council has been scrapped. The Council reports directly to COAG on reforms of national significance that require cooperative action by Australian governments. The COAG RC has been a significant accountability measure for the NAHA and without this or the National Housing Supply Council, data regarding Australia's housing landscape will be significantly reduced.

## **Commonwealth Rent Assistance, Negative Gearing and Capital Gains Tax Exemption**

There are no proposed changes to these areas.

## **First Home Saver Accounts Scheme**

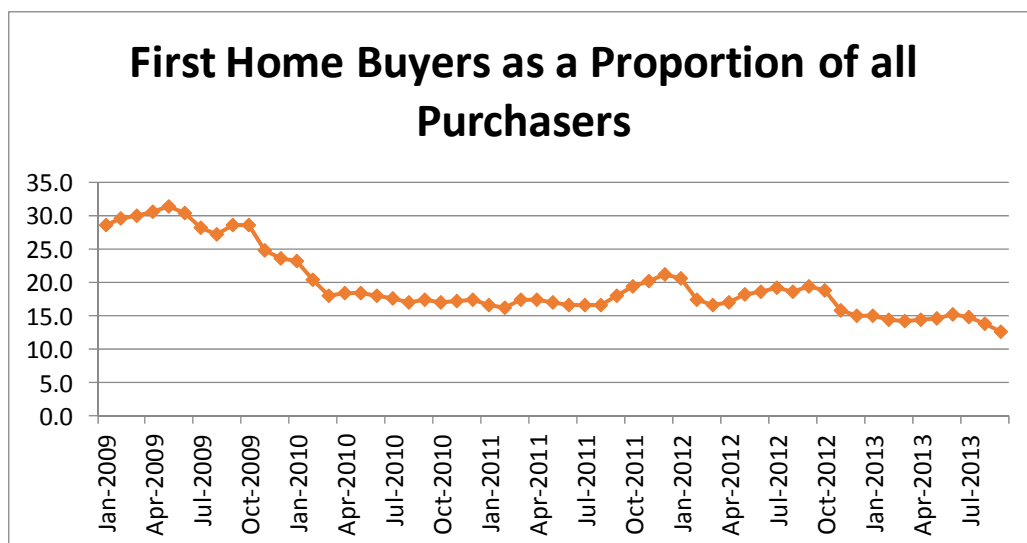
This scheme has been abolished. The low take up rates for this scheme made it a likely candidate to be scrapped in this budget. However, there are no measures in the budget to increase the capacity of first home buyers to compete in the property market. This is of concern, because rates of first home owner purchase have been falling for some time, increasing demand pressure on the rental market. Government assistance to first homebuyers is failing to overcome competition with investor buyers.<sup>16</sup> First home buyers continue to make up a persistently low proportion of the owner-occupier market at 14.6per cent currently<sup>17</sup> with few indications that this will change. Between 2006 and 2011 mortgage costs increased more than wages, with Sydney experiencing the

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<sup>16</sup> Kelly, J, *Renovating Housing Policy*

<sup>17</sup> Real Estate Institute of Australia and Adelaide Bank *Housing Affordability Report –June Quarter 2013*, Canberra, 2013

highest median mortgage costs in Australia but Local Government Areas outside the capital cities experiencing the fastest growing mortgage costs.



### What else in the Budget affects housing?

**Pensions: The Pension and Pension Equivalent** Payments will be indexed by the Consumer Price Index from September 2017 rather than average male wages. This is a change that will disproportionately impact women with 42 per cent of retiring women currently describing their main source of income as “government pension/allowance.”<sup>18</sup> This will significantly affect the capacity of pensioners to pay for housing; the recent Anglicare housing snapshot found that fewer than 1 per cent of rental properties in Greater Sydney were affordable for a single pensioner.<sup>19</sup>

*“The growing gap between pension incomes and rents is a primary reasons for the increasing number of aged people (in particular women) seeking help from homelessness services.”<sup>20</sup>*

**Newstart and Youth Allowance changes:** The Community Housing Federation of Australia has expressed concern about the impacts of changes to Newstart and Youth Allowance on the rental incomes of community housing providers and views the changes as cost shifting onto the community housing sector. The move to shift people under 25 on to Youth Allowance instead of Newstart will decrease income support by about \$96 a fortnight. This will have implications for their capacity to pay for housing.

<sup>18</sup> Australian Bureau of Statistics *Family Community and Social Cohesion, cat. No 1370.0*, ABS Measures of Australia’s Progress, 2013, viewed on 13 December 2013

<sup>19</sup> Anglicare *Rental Affordability Snapshot- Greater Sydney and the Illawarra*, April 2014, viewed 16 May 2014  
file:///C:/Users/era.projects/Downloads/2014per cent20Rental\_Affordability\_Snapshotper cent20FINAL.pdf

<sup>20</sup> <http://theconversation.com/building-funds-cut-even-as-older-women-swell-ranks-of-homeless-25545>

## 5.4 WORKFORCE

The Budget forecasts unemployment rising from 5.6 per cent in 2013-14 to 6¼ per cent in 2017-18. At the same time the participation rate is also forecast to decline from its current rate of 64.7% to 64.5% in in the June quarters of both 2015 and 2016. This reflects the expectation that employment growth will not be strong enough to entice discouraged workers to resume their job search - a trend we have seen in recent years which raises particular concern for women's workforce participation.

Women's participation continues to be well below that of men, at around 65 per cent in 2012-13 compared to 79 per cent of men. The Budget provides no additional support to address the plateauing of women's participation in recent years, and arguably some measures such as the FTB B changes and some childcare changes, will place additional pressures on women that don't necessarily improve their capacity to participate.

### LABOUR FORCE PARTICIPATION RATE (a), 20-74 years<sup>21</sup>

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
						(b)	(b)	(b)	(b)	(b)
	%	%	%	%	%	%	%	%	%	%
<b>Males</b>	77.8	78.2	78.8	79.2	79.4	79.5	79.3	79.7	79.2	79.0
<b>Females</b>	60.9	61.8	63.0	63.8	64.6	65.1	64.8	65.2	65.2	65.2

### Supporting workforce participation

*"The Government is encouraging young Australians to either learn or earn by requiring jobseekers up to 30 years of age applying for Newstart or Youth Allowance (Other) to participate in job search and employment service activities for up to an additional six months before receiving any payment. The six-month waiting period will be reduced for those who have already been working for significant periods. At any time while unemployed, jobseekers are able to choose to undertake further study and are able to apply for Youth Allowance (Student) or AUSTUDY."*

*"Building on our election commitment, the Government is also providing scope for around 32,000 mature-aged job seekers each year to re-enter the work force through the Restart programme. This programme provides a wage subsidy of up to \$10,000 to employers who hire an eligible mature-aged job seeker on a full-time basis, with this payment being pro-rated for those who are employed on a part-time basis."*

From Budget Paper No. 1, Budget Strategy and Outlook 2014-15: Statement 1 Economic Overview.

Careful implementation of the workforce participation measures will be critical to the impact on women. Women with primary responsibility for children could be unable to meet the learn-or-earn or other requirements unless there is suitable access to childcare, including out of school hour care.

<sup>21</sup> Source: ABS Gender Indicators February 2014  
<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features1110Feb%202014>



## **Case study: Changes to Newstart exacerbate the challenges faced by a young woman living in regional Australia<sup>22</sup>**

For Taylor Clarke-Pepper, who lives in a region with one of the highest youth unemployment rates in the country, finding a job is not so simple. Nor is relying on family to pick up the slack.

She was "kicked out of home at 17" and already has an insight into life with no income looking for a job.

"There was a problem dealing with Centrelink [when I lost my job], so I didn't get the dole for three months. I'd just got a credit card so I put everything on that. Rent, food and public transport. I would apply for 30 jobs a week and I'd be lucky to get one reply back by email saying no.

"It was devastating. It was extremely difficult. There's 17 per cent unemployment for youth here. You just find yourself becoming very depressed."

In three months, she racked up a debt of \$4000. "Six months like that, with no income, would be truly horrendous. I couldn't imagine how I could live through that again."

Many women face difficulties in preparing for economic security in their later years due in part to past and ongoing inequities in the workforce. The changes to working age payments could result in women and families of children up to 30 years of age having to provide support to children who have been independent for years.

Budget measures like the changes to Jobs Education and Training (JET) Child Care Fee Assistance for mothers on income support to get the training they need to move into the workforce, will only make workforce participation for women with children harder.

The measures Stronger Compliance Arrangements for Job Seekers Who Refuse or Persistently Fail to Meet Requirements and Work for the Dole Programme – a phased approach will expand places and change arrangements. Implementation addressing gender issues will be necessary to ensure equitable outcomes. Rushed implementation without consideration of gender impacts could make these measures simply punitive. There is potential for the training and work experience elements in Work for the Dole to equip women participants to move into jobs created in non-traditional areas such as the projects in the Infrastructure Growth Package.

The extension to Work for the Dole is phased but implementation will need to ensure that the community sector, which includes a large proportion of women volunteers, is resourced to meet the additional resources required to provide effective work experience placements that provide skills and experience for jobs in the local labour market.

The measure Restart — boosting the wage subsidy for mature age job seekers will provide an additional \$304.1 million over four years from 2014-15 to boost the wage subsidy for mature age job seekers. Under the Restart Programme, a payment of up to \$10,000 will be available to employers who hire a mature age job seeker aged 50 years or over. This wage subsidy could assist women to get back to work and improve their economic security in later life. This may not fully counteract the impact of Cuts to the Mature Age Tax Offset and Dependent Spouse Tax Offset.

Australian women in the workforce have a lower participation rate than men, are over-represented in the service sector and earn less than men. Career advice and support is important to encourage women to enter and remain working and to reach their potential. Action is necessary to limit the

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<sup>22</sup> Source: <http://www.smh.com.au/federal-politics/political-news/reshaping-welfare-are-we-entering-an-age-of-inequality-20140516-38fc9.html#ixzz32J3NkZh8>

negative impact on women of the measures, Experience+ Career Advice — cessation, Connection Interviews and Job Seeker Workshops — cessation and Career Advice for Parents — cessation.

Overall, arguably reduced support through FTB changes and increased costs such as for health services, mean more women will feel the financial pressure to return to work. While this may be desirable in terms of boosting participation, with forecast rising unemployment and cuts to support that will assist women into work (such as reduced childcare support for low income families, reduced support for training and education with Youth Connections cut, and reduced Newstart support for those struggling to find work) women are facing a harsh reality with little support that may be required to assist them into work.

## 5.5 CHILD CARE

The Government has set aside funds for support for Occasional Care, contingent on co-contributions by States and Territories. This is welcome.

The Government has frozen the threshold for Child Care Benefit, and frozen the cap for Child Care Rebate at \$7500 per year. This is subject to amendments being made to the legislation.

Changes to Child Care Fee Assistance for income support recipients undertaking Jobs Education and Training (JET) mean these parents will pay the full cost of child care above \$8.00 per hour (after Child Care Benefit). JET will only be available for 35 hours instead of 50.

A range of programs which support career development for workers in child care has been cut.

TAFE fee waivers for those obtaining child care qualifications will cease from 1 January 2015 (but these students will now be eligible for student loans under modifications to HELP). The HECS/HELP Benefit, which reduces university fees, will cease for early childhood teaching degrees in 2015.

Funding for indigenous Child and Family Centres has been discontinued.

The Government has commissioned a report from the Productivity Commission on Child Care and Early Learning, including measures 'within the current funding envelope' to improve access and affordability. The Interim report is expected in July 2014, with the final report due in October 2014.

Changes to Child Care Rebate and Child Care Benefit will have the immediate effect of making child care more unaffordable for working parents. All parents earning between \$41,000 and \$146,000 per annum will be affected by the changes to the Child Care Benefit.

Cuts to career development and education assistance for child care workers immediately disadvantages a group of the lowest paid women workers in the economy. While this is offset by the redirection of the Early Years Quality Fund to professional development, this comes at the expense of improving wages. It is also only targeted at long day care services.

In the ACT the cuts to the Community Support Program, which provides help with administration and quality control for small family day care operators are estimated to lead to a weekly rise of around \$35 per child in fees for Family Day Care. Nationally around 80,000 families use FDC<sup>23</sup> including shift-workers and other employees requiring low cost, flexible care in the home environment. Further analysis has been undertaken by Early Childhood Australia online.<sup>24</sup>

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<sup>23</sup> <http://www.canberratimes.com.au/federal-politics/political-news/feesrise-fears-for-family-day-care-20140518-38i14.html>

<sup>24</sup> <http://www.earlychildhoodaustralia.org.au/wp-content/uploads/2014/05/ECA-Preliminary-Federal-Budget-Summary-2014-2015-Final.pdf>

## 5.6 PAID PARENTAL LEAVE

The Government has committed to the introduction of a new paid parental leave scheme but no funds are appropriated in the Budget for the proposed new scheme. Reporting suggests that provision has been made in the Contingency Reserve, although this cannot be verified, nor can the source of the additional funding.

Funding has been appropriated to continue the current scheme, pending introduction of the proposed scheme. The current scheme, introduced by Labor, will therefore operate to June 30 2015.

The Government argues their new scheme will encourage female workforce attachment. But paid parental leave is just one policy needed to facilitate mother's workforce engagement.

OECD data<sup>25</sup> show that while Australian women's employment rate at 74 per cent is just above the OECD average of 73 per cent for women with children 6-14 years of age, Australia's rate of 49 per cent for women with children less than 5 years of age is lower than the OECD average of 66 per cent. Adequate and affordable childcare for pre-school age children is essential and on this matter the budget does not provide for adequate funding or for integrated policies.

The details of the proposed new paid parental leave scheme will not be known until legislation is introduced. Government announcements to date confirm that the scheme will pay new mothers up to \$50,000 for 26 weeks.

The cost of the proposed scheme will be partially met by a 1.5% levy on big business. But this will be offset by the 1.5% reduction in company tax announced in the Budget. There is therefore no real contribution from business.

## 5.7 HEALTH

The Budget measures for health include significant reductions in payments to the States and Territories for their hospital systems, some immediate, some post 2017. States and Territories report the need for major revisions of their recent or upcoming budgets to manage the immediate changes.

- In addition a range of co-payments is introduced both for GP visits and related procedures, and for pharmaceutical benefits.
- GPs will be required to collect the co-payment for visits to patients resident in nursing homes. The co-payment will also be charged for GP vaccination visits.
- There are changes to the safety net, and provisions for capping charges after 10 visits.
- The cost of medicines will rise to \$42.70 for general patients and to \$6.90 for concessional payments.

In the main these charges will hurt low income individuals and families, but are gender neutral. Nonetheless, women account for around 60% of GP visits- reflecting in part the fact that mothers take their children.

Medicare is thirty years old and has been seen as the fundamental platform that enables the universal health system. The ability to access safe care when needed is based on medical need rather than capacity to pay.

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<sup>25</sup> OECD (2014), OECD Family Database, OECD, Paris ([www.oecd.org/social/family/database](http://www.oecd.org/social/family/database))

The budget signals a clear message that universal health care is under threat. The introduction of co-payments for GP visits, pathology, digital imaging erodes the Medicare rebate system. And the increase in the co-payment for PBS medicines is another hit for people with chronic conditions.

Universality to of our health system is undermined if we introduce means testing and incentives for consumers to take up private health insurance or use the private system. We may well be on the path to a two tiered health system.

The Medicare rebate was introduced to subsidise the cost of health care for consumers. When consumers have incurred higher out of pocket costs because of illness the Medicare system has softened the impact on household budgets.

Attachment to a primary care provider plays a significant role in keeping individuals well and out of the expensive acute system. Introducing co-payments and effectively eroding Medicare will build barriers and see an increase in hospital presentations over time.

The cap for those people on pensions and those with health care cards is some concession but will still require out of pocket costs for the ten visits before this takes effect. And for many people living with chronic diseases and conditions who do not have concession cards this is a significant blow. The tests, imaging and treatments as well as the ongoing care and support of GPs will attract co-payments. There is no cap on the number of times they will be charged the co-payment.

Those people living with diabetes who need regular pathology and GP visits to monitor their condition will experience financial pressure.

There are changes to the safety net arrangements and at initial consideration these seem to be simplified. It appears it will be easier to qualify for the safety net, which is good news.

The need remains need to look closely at whether the gains made in the safety net arrangements will be undermined by the co-payments.

The withdrawal of over 80 billion dollars to states and territories for health over the next four years will have a significant effect on our public hospital system. These funds were targeted to improve public hospital services and fund 45% of growth funding (based on the efficient price). This will not continue and the Government has removed the assurance given by the previous Government that no state or territory will be worse off.

Women will pick up more of the cost and stress as we take the role of 'health manager' for our families. Women take children and older relatives to the GP, chemist for prescriptions and diagnostic imaging and pathology.

The co-payments proposed are a considerable barrier to affordable health care and erode universal health care.

## **5.8 EDUCATION**

### **5.8.1 EARLY CHILDHOOD EDUCATION**

One further year of funding has been provided to enable negotiations with States and Territories as to the future of funding to maintain the previous policy of 15 hours per week early childhood education for 4 yr olds. Continuation in the present form cannot be guaranteed.

This suggests similarities to the decision of the Fraser Coalition Government in 1975-6 to cease recurrent funding to the States for early childhood education.

The argument for introducing subsidized or free ECE was based on the aim of enhancing of child development with positive implications for future workforce productivity.

A study by the Rand Corporation<sup>26</sup> found that “early childhood intervention programs have been shown to yield benefits in academic achievement, behaviour, educational progression and attainment, delinquency and crime, and labour market success, among other domains; that Interventions with better-trained caregivers and smaller child-to-staff ratios appear to offer more favourable results; and that well-designed early childhood interventions have been found to generate a return to society ranging from \$1.80 to \$17.07 for each dollar spent on the program”.

The interim funding is supported, but the uncertainty should be quickly resolved in favour of continuation.

## 5.8.2 SCHOOLS

*Through its portfolio agencies the Australian government takes a national role in education in all its stages and research. The department and its agencies work with state and territory governments, other Australian government agencies and a range of service providers to provide high quality policy advice and services for the benefit of Australia. (Budget Related Paper No 1.5 , 3)*

Education is critical to Australian society as it invests in its people and its future. Education is a key that allows people to move up in the world, seek better jobs, and succeed in life. Education systems can also vary the balance between social inequality and its reproduction<sup>27</sup>. In Australia education has contributed to our egalitarian society and allowed for social mobility.

Growing industrialisation, technological change and the development of the so called “knowledge industries” has seen an expansion in the demand for education by individuals and society alike.<sup>28</sup> However, at a time when society is demanding its citizens need more education to participate in a globalized economy the Government is withdrawing its support and “ensuring states and territories are responsible for schools and non- government schools.”<sup>29</sup>

This withdrawal of funding has seen an abandonment of supporting ‘equal opportunity’ by subsidies and support to schools and an understanding of education as a ‘social good.’ While the National Plan for School Improvement was indeed gender blind, the lack of support for the funding of Gonski reforms signals a change in the way the Australian Government looks to nation building.

*The Gonski vision of a fair go for all young Australians meant that, in due course and over time, a hard-working talented young girl could come to have the same real prospect of winning a place in the university and course of her choice regardless of family circumstances and background, or whether she attends Tara Anglican College, Rooty Hill High School, Brigidine College Randwick, Auburn Girls High School, Queenwood, Abbotsleigh, Mary MacKillop College or Cabramatta High School. And our national performance will improve accordingly, regardless of any tinkering with the curriculum. **Ken Boston is a former director-general of the NSW Department of Education and was a member of the Gonski review panel.** <http://www.smh.com.au/comment/christopher-pynes-review-is-just-a-diversion-from-gonski-reforms-20140116-30xs0.html#ixzz32AJPD0No>*

<sup>26</sup> [http://www.rand.org/pubs/research\\_briefs/RB9145.html](http://www.rand.org/pubs/research_briefs/RB9145.html)

<sup>27</sup> Marginson, S. 2014 [www.theconversation.com](http://www.theconversation.com)

<sup>28</sup> Booth, A. and Kee, H. 2010 *A Long Run View of the University Gender Gap in Australia* Discussion Paper No 4916 IZA

<sup>29</sup> Budget Related Paper No 1.5 , 45

The 2014 Budget has withdrawn funding from more than \$6.5 billion of federal funding cut from the Gonski reforms\*

- Disability loading will not proceed and \$100 million per annum interim arrangements cut
- \$950 million cut and 650 future Trade Training Centres in schools cancelled – discontinued
- \$130 million per year Youth Education Programs including Youth Connections, Partnership Brokers and National Career Development - discontinued
- \$2.6 million Australian Curriculum Assessment and Reporting Authority
- \$20 million cuts to the Australian Institute for Teaching and School Leadership
- \$5.4 million cut to the Australian Baccalaureate - discontinued
- \$1.3 million per annum ABC Digital Education program – discontinued
- \$7.2 million cut to Endeavour Language Teacher Fellowships – discontinued
- \$38 million cut to the National Plan for School Improvement – discontinued
- \$0.5 million per year National Asian Languages in Schools program - discontinued
- \$29.2 million cut to Online Diagnostic Tools – discontinued
- \$10,092 cut to framework for Open Learning – discontinued
- \$3.7 million cut to Creative Young Stars – discontinued

\* Calculated by comparing the increase in federal funding under Labor’s Gonski reforms to the end of the 2019 school year with the forward estimates in the Budget, and further projections based on the new CPI-only school funding indexation methodology outlined in the Budget. CPI was assumed to be 2.5 per cent per year, as projected in the Budget. Labor’s 6 year Gonski funding commitment was for an additional \$11.5 billion, including indexation of 4.7 per cent per year.

### **5.8.3 VOCATIONAL EDUCATION AND TRAINING**

#### **Overview**

For the over 700,000 female VET students, the Budget’s focus on initiatives supporting apprentices will be of little assistance. Women are under-represented in apprenticeships and apprentices are a small proportion of total VET effort, only some 95,000 students. The redirection of savings from abolished programs was an opportunity for the Government to develop a more inclusive and equitable approach by incorporating traineeships in their initiatives, and thus more women. They have not done this.

The Industry Skills Fund of \$476 million over four years to create 121,500 training places with 74,300 support services will benefit mainly men in trades. This fund explicitly targets male dominated industries. It has been created by the cessation of ten programs saving \$1 billion.

The abolition of a program providing training places for single and teenage parents at a modest amount of \$26.7 million will hit mainly young women most vulnerable to poverty and destined for low skill, low paying occupations. The Government wants them to “learn or earn”, but removes this targeted program of assistance aimed to encourage them back to work. The punitive aspects of the welfare payment reforms will add further obstacles for these young women.

The Trade Support Loans program will provide financial assistance of up to \$20,000 over a four year apprenticeship. This is a shift from grants, provided under the Tools for Your Trade, to loans. Tools

for Your Trade has been abolished at a saving of \$914 million over four years. The Loans program will be allocated \$439 million over five years: a huge cut in assistance. This shift to loans is intended to ease the financial burden for apprentices wishing to complete a trade. It accords with the overall budget philosophy of *no more entitlements* and *user pays or pays back*, now or in the future.

As with the Industry Skills Fund, very few women will be beneficiaries of this scheme as the funds are only available for apprentices undertaking a qualification in an occupation on the National Skills Need List. Of 65 or so occupations listed, only a handful of these have any female apprentices: Hairdresser, Cook, Landscape Gardener, Baker, Pastry Cook and Painting Trades worker.

VET reform and restructuring has been a preoccupation of governments for nearly two decades. The publicly funded TAFE system is slowly being displaced by the creation and expansion of a demand-driven competitive training system with some 5000 private providers of varying quality and standard of education. The drive to privatise and commercialise TAFE will continue. The VET system is promoted as industry-driven and the sex segregation of occupations is entrenched in many industries.

Core funding to the States for Skills and Workforce Development has been maintained, but program cuts and redirection of some savings is not offset by new initiatives. There is a major reduction of national government commitment to this sector. This accords with the view of the National Commission of Audit that VET is the responsibility of the States. They, in turn, have already reduced their VET effort with closures of some TAFE campuses and increases in course fees. Further fee increases are inevitable across the public and private VET system. Specialist support services for various disadvantaged groups have been casualties in this down-sizing and gradual transfer of responsibility to private providers.

Women who wish to return to the workforce by gaining new skills or updating or upgrading their skills will find courses increasingly unaffordable or not accessible locally or not available in their local TAFE Institute. Young CALD women, Indigenous Australian women and women with a disability will be particularly affected by the abandonment of targeted programs and support.

The VET FEE HELP loan scheme caters for a limited number of VET students at the higher qualification levels. It does not assist those undertaking traineeships or VET courses at Certificate IV and below. In 2011, there were nearly 75,000 female course enrolments in a Statement of Attainment. Female course enrolments in Certificates I through to IV were over 600,000. These students with their male counterparts will have no access to loans unless they are apprentices.

The Government needs to acknowledge the discriminatory nature of its Budget measures in this sector.

We recommend a review of these measures to ensure that they do not have the unintended outcome of excluding women from accessing vital support or a training place because it has been marked for male-dominated industries. The Industry Skills Fund is too narrowly conceived. It needs to be inclusive of growth industries which employ women.

We recommend the re-instatement of the National Partnership on Training Places for Single and Teenage Parents, the National Partnership on TAFE fee waivers for childcare qualifications, the Workplace English Language and Literacy program and an expansion of the Trade Support Loans Scheme to include traineeships and to be renamed the Training Support Loans Scheme.

## **Background**

VET aims to impart skills to citizens seeking to enter or re-enter the workforce, to retrain for a new job or upgrade skills for an existing job. Programs provide individuals with knowledge and competencies to participate effectively in society and to break cycles of disadvantage. Women make up 49 per cent of all VET participants, that is, in 2011, 709,000 participants. Of these, there were more female than male overseas-born students and 68 per cent of these did not speak English well.

Of the 78,000 Indigenous students who participated in VET in 2011, some 37,000 of these were female. (National Report on Social Equity in VET, 2013. National VET Equity Advisory Council. Prepared by ACER and Centre for the Economics of Education and Training, Monash University)

The National Commission of Audit Report (NCOA) placed VET firmly as a responsibility of the states citing that 97 per cent (or \$6.4 billion per year) of government funding came from States' coffers. Reform and restructuring of VET, the majority of which was once the publicly funded TAFE system, has continued for over two decades with the creation and expansion of a demand-driven competitive system with accompanying and progressive increases in student fees and a steady decline in TAFE's share of the public dollar, most dramatically evident in Victoria. Private providers of varying quality proliferate in this market, some 5000 across the nation depending on whose figures are used. The NCOA report commended the Victorian reforms and reflected a very narrow conception and understanding of the system as primarily industry driven with a focus on apprenticeships, a conception that was prevalent pre-1972 and does not accord with the contemporary reality. In all States, the TAFE system is increasingly being run like a business in order for its Institutes to be able to compete in the contestable market. This has forced fee increases and many course closures. With the potential adverse impacts of the welfare reforms in this Budget, VET courses will become increasingly unaffordable for many of its potential students thus defeating the Government's agenda of "learn or earn".

The Budget 2014/2015 measures do not go as far as the NCOA recommendations, but they steer in that direction.

### **Budget Measures**

**Industry Skills Fund. Establishment** - \$476million allocated over four years to establish the Fund from January, 2015 to support the training needs of industries like health and bio-medical products, mining, oil and gas equipment technology and services and advanced manufacturing, including defence and aerospace. This is expected to deliver 121,500 training places and 74,300 support services, including mentoring and foundation skills over four years.

**Comment:** This is a significant reduction in overall funding support for VET and is narrowly targeted to industry areas dominated by male workers. There is no equivalent fund for industries like community services, including child care services, health care, financial and insurance services, administrative and support services, arts and so on.

Women will not be equal beneficiaries of this funding based on the current occupational distribution of women and men in VET courses indicating a persistence of sex segregation of occupations. (See NVEAC Report)

This Fund has been established to offset the **cessation of 10 programs** achieving savings of \$1 billion, including: *Alternative Pathways to the Trades, Apprentice to Business Owner, Accelerated Australian Apprenticeships, Australian Apprentices Access, Australian Apprentices Mentoring, National Workforce Development Fund, Step into Skills, Workplace English Language and Literacy, Productive Ageing through Community Education and the National Partnership on Training Places for Single and Teenage Parents.*

**National Partnership on Training Places for Single and Teenage Parents. Cessation at the end of 2014.** This modest, but highly targeted \$26.7 million spread over six states and two territories was aimed to assist those most vulnerable single young parents, mainly young girls. It resulted from lobbying by various organizations needing financial assistance to provide education and training for young parents who made the choice to have a child.

**Comment:** The cessation of this funding demonstrates an internal contradiction in the philosophy underpinning the Budget. On the one hand the government wants to encourage single parents back to work, but on the other, it defunds the very programs which assist this process resulting in those



most vulnerable falling into cycles of poverty and hopelessness with negative impacts on their children.

**Australian Apprenticeship Incentives Programme – Tools for Your Trade. Cessation of all payments from 1 July, 2014.** The Government will achieve savings of \$914.6 million over four years and replace this with the **Trade Support Loans Programme**.

**Comment:** This program cut will mainly affect young men and will worsen the problem with apprenticeship completions and may affect the number of commencements. Women are most under-represented in the industry skills areas of Manufacturing services and Construction and Property services where male trades-people and technicians are the majority in training. It is arguable that this program should have been modified to achieve a more equitable outcome in the gender distribution of apprenticeships and traineeships.

**Trade Support Loans. Establishment.** The Government will provide \$439 million over five years from 1 July, 2014 to establish this program. It will provide apprentices with financial assistance of up to \$20,000 over a four year apprenticeship. These loans will be provided at concessional interest rates and capped at \$8000 in the first year of an apprenticeship, \$6000 in the second, \$4000 in the third and \$2000 in the fourth. Apprentices will get a 20 per cent discount or \$4000 if they complete their apprenticeship. They will be available to apprentices undertaking a Certificate III or IV qualification that leads to an occupation on the National Skills Needs List.

**Comment:** This Loan fund is targeted to mainly men. Very few women will be beneficiaries. The National Skills Needs List of 65 occupations includes almost exclusively male dominated trade occupations with the possible exception of Baker, Butcher or Smallgoods Maker, Cook, Hairdresser, Landscape Gardener, Locksmith, Painting Trades worker, Pastrycook, Picture Framer, Screen Printer and Signwriter, a mere handful. Female apprentices are still overwhelmingly concentrated in Hairdressing. The proportion of VET students who undertake apprenticeships is small compared with the total number. Of 328,700 students commencing in an apprenticeship or traineeship in 2012, only 95,323 were trade commencements. (*See Apprentices and Trainees, 2012 Annual. Australian Vocational Education and Training Statistics. NCVET. 2013*)

The Government should have considered all skill areas in need, not just trade occupations. This was an opportunity for a more equitable approach to skills in demand across VET.

This initiative is discriminatory against women and entrenches the discrimination of the past. It ignores the growth sectors in areas of traineeships and it transfers the costs of training to mainly young students. It sends them into further debt before they have even gained employment. The minimum threshold for repayment will be \$53,345 in 2014-2015 consistent with arrangements applying to University students under the *Higher Education Loan Programme (HELP)*; a parity with these students of very dubious benefit since they will now carry additional debt in the establishment phase of their working lives.

**National Partnership on TAFE fee waivers for childcare qualifications.** The Government provides funding which removes fees for the Diploma and Advanced Diploma in Children's Services course delivered at TAFE institutions or by other government VET providers. There was an allocation of \$21.2 million for 2013/2014. This allocation has been cut to \$11.5 million for 2014/2015 and there are no forward estimates beyond that financial year.

**Comment:** The overwhelming majority of enrollees in these courses are women. The data for 2012 from NCVET for the Diploma of Children's Services indicates 26,368 females and 584 males were enrolled in this course across VET providers. With a shortage of qualified child care workers and the provision of accessible and affordable child care being essential to women's workforce participation, the cut and then cessation of funding for this program cannot be justified. According to the *Jobs Outlook* Government website, the internet vacancy level for Child Carers is very high. Annually 15.2 per cent of Child Carers leave this work. Job prospects are predicted to continue to grow strongly.

Earnings for childcare workers average between \$36,000 to a maximum of about \$47,000. The eventual cut to this program will have a disproportionately negative impact on women, beneficiaries of this fee waiver and the chief beneficiaries of the children's services: a small saving with a large negative impact.

**VET FEE HELP:** This is a loan scheme that helps eligible VET students pay their tuition fees for VET qualifications at the following levels: diploma, advanced diploma, graduate certificate and graduate diploma. All loan fees and loan limits will be removed from January, 2016 for this scheme. A new lower repayment band will also be introduced in 2016-17 consistent with HELP for university students. The new income threshold will be \$50,683. A new repayment rate of 2 per cent of repayment income will be applied to debtors with incomes above the minimum threshold.

In addition, the annual indexation applied to HELP debts will be adjusted from the CPI to a rate equivalent to the yields on 10 year bonds issued by the Australian Government capped at 6 per cent from June, 2016.

**Comment:** These proposed changes give VET students parity with university students. Students with little capacity to pay VET fees upfront will be the most adversely impacted by these changes. Poor students, male and female with parents of modest means will suffer. Debts will grow for borrowers more rapidly over time from 2016 with interest increase. (See also Higher Education section)

**Workplace English Language and Literacy. Cessation of Program:** This is one of ten programs abolished to establish the Industry Skills Fund. WELL funding was used to assist businesses to train employees in need of improving their English language literacy and numeracy. It was delivered in conjunction with Registered Training Organisations. The estimated allocation for this program for 2013/2014 was \$31.6 million.

**Comment:** The cessation of this program will disproportionately impact on women VET trainees in workplaces given the numbers of overseas born students undertaking VET courses who are female and do not speak English well. (See comment in Background.) Its broader impact is on the employability of newly arrived migrants with no English language.

#### 5.8.4 HIGHER EDUCATION

*From January 2016, universities will be able to offer Commonwealth supported places on a demand driven basis to students enrolling in any accredited undergraduate qualification. For the first time ever, the Australian Government will provide tuition subsidies for undergraduate students studying at any registered higher education provider for any accredited course. (Budget Related Paper No 1.5, 17)*

There is universal agreement that these Budget changes are moving the tertiary education sector from support from the public sector to privatisation and marketisation. As Bruce Chapman<sup>30</sup>, the architect of HECS has said no one can say with authority what will happen to fees and student access but there is a general consensus that fees will rise. While the Commission of Audit recommended an average rise of 14% the budget papers suggest 20%.

Simon Marginson<sup>31</sup> has argued that the current system is inclusive of women and low income earners, many of whom do not repay their HECS loan because of child rearing commitments and being in low income jobs. However, the current system encourages spread of participation with 20% of students whose parents have no tertiary education now studying. Currently 57% of higher education students are women. A number of reasons have been proposed but one is certainly the entry of Education and Nursing (where women make up 75% of the student body and workforce)

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<sup>30</sup> Chapman, B. 2014 <http://theconversation.com>

<sup>31</sup> Marginson, Simon 2014 <http://theconversation.com>

into universities.<sup>32</sup> There is no doubt that the current HECS loan system has contributed to a more egalitarian society and allowed more women and people from lower socio economic groups to participate in tertiary education. However, Australians already contribute 54.6% of their costs in higher education placing Australia in sixth place in the OECD for private contribution to tertiary study.<sup>33</sup>

The new system is socially regressive and will bring us closer to a privatised higher education sector. However, Education is one of the areas where the principles of the market do not necessarily work in the national interest.<sup>34</sup> Not all enjoy the same levels of access and opportunity – for women the role of child bearing and general family carer continues. What is apparent is that a higher personal cost will be required for students to pursue an education. Despite social changes, what we do know is that women's participation in university was slow through the 20<sup>th</sup> century and currently they are still under represented in Engineering, Information Technology, Architecture and Mathematics. Higher costs in these fields will continue to exclude women.

*There will also be changes to the amounts the Australian Government provides under the Commonwealth Grants Scheme. ...changes to the Higher Education Loan programme (HELP) ... removal of loan fees and limits, together with the application of a fair interest rate and repayment threshold. (Budget Related Paper No 1.5, 18)*

As a budget saving the Government aims to lower the rate of public subsidy by 20 per cent. Most universities will raise fees to offset their loss of income and many will try to boost their levels of income. For the G08 universities with their high cost base and market leader power this will offer an opportunity to narrow the gap between what their domestic and international students pay, sometimes in the region of 200 per cent – 400 per cent.

Some work by Geoff Sharrock<sup>35</sup> shows current student costs range from \$50,000 for Dentistry, Medicine and Veterinary Medicine, \$40,000 for Law, \$30,000 for Business, \$24,000 for Education, \$18,000 for Nursing and Humanities. However, if universities choose to offset the subsidy cut and maintain their income these debts could go to anything from \$70,000 to \$200,000. This is unknown territory but what is known is that there is a very close relationship between what students will pay, how much they can borrow and what institutions will charge. If there are no borrowing limits on the HELP scheme, along with a lowering of the threshold at which students must pay, then there is scope for massive debt to government on these loans. Price can become a signal for quality when there is no genuine connection.

However, more disturbingly, the basic assumption of HECS was that the student would pay around 30% of cost. While there have been changes to HECS the overall logic remained. Student numbers were not deterred by such changes.

This 2014 Budget has now uncapped the costs along with higher interest rates on HELP as well as a lower threshold for payment. This makes it very difficult for young women who move in and out of the workforce with child raising and caring duties. Their debt will continue to compound and they will find themselves with the HELP debt continuing to rise. Added to this are changes to the Child Care Benefit which may well impact on their capacity to work. This poses an unacceptable burden on young women simply because of their biology. Higher HELP debts also require people to work longer to pay down the debt. Here we see women again victimised as with a lower repayment threshold, the longer the HELP debt remains unpaid the larger it becomes. In fact, modelling on figures from the Grattan Institute suggests that women could be penalised by 30% for taking the

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<sup>32</sup> Australian Bureau of Statistics 2013 Hitting the books : characteristics of higher education students [www.abs.gov.au?AUSSTATS/abs@nsf](http://www.abs.gov.au?AUSSTATS/abs@nsf)

<sup>33</sup> Education at a Glance 2012: OECD Indicators

<sup>34</sup> Patrinos, H.A. 2000 Market Forces in Education, *European Journal of Education*, Vol. 35, No. 1 pp. 61-80

<sup>35</sup> Sharrock, G. 2014 How much student debt will you be facing post- budget? [www.theconversation.com](http://www.theconversation.com)

further 6 or 7 years to pay off HELP debt under the Budget proposal. Such a scheme entrenches systemic disadvantage.

While acknowledging different costs it is salutary to recognise that courses where women dominate, Education and Nursing will draw a public subsidy of \$36,000, while Engineering will receive \$48,000 and Medicine \$90,000. In Law where women make up 55% of students the public subsidy is \$7000 but the HELP debt may be anything from \$41,000 to \$92,000 depending on the costs universities want to impose. Whether such debts will continue to be borne by largely women students who receive lower private benefits, especially in Nursing and Education, remains to be seen.

NFAW calls on the Government to limit the rate of interest charged for HELP as recognition of the role women play in child bearing and child raising.

NFAW calls on the Government to reassess the payment threshold for HELP repayments given the rise in the debt from increased fees and raising the interest rate. Both of these are detrimental to women's interaction with study and the workforce and systemically entrench disadvantage.

## 5.9 DISABILITY

The Government's 2014 Budget has to be examined with caution from the viewpoint of women with disabilities and will disproportionately disadvantage them, since a high proportion are in the lowest income quintile and will be grossly affected by the freeze of welfare payment rates.

In Australia, women comprise 51.6 per cent (2.19 million), and 55.6 per cent of those with profound and severe core activity limitations. They constitute 54.9 per cent of those over 65 years of age, and 50 per cent of those under 35 years.<sup>36</sup>

Budget measures will impact on women with disabilities on any form of welfare support, across all age groups. It should be noted that all welfare support payments put recipients at, or below, the poverty line.

One positive note is that funding for the National Disability Insurance Scheme (NDIS) has been maintained. A new Disability and Carer Industry Advisory Council (DCIAC) with an industry expert co-Chair, will replace the existing disability advisory body, and have an industry/business focus. Gender and disability equity in both NDIS and DCIAC composition are ongoing concerns.

Far-reaching changes to all welfare support payments will detrimentally and disproportionately disadvantage women with disabilities. New Compulsory Participation Requirements for under-35s will mean reassessment of this age cohort to identify those who can work from 8 to 15 hours per week. However, unlike in most other age groups, there are approximately equal numbers of men and women with disabilities aged 15-34 years.

The associated review of DSP recipients under 35 who were granted this status between 2008 and 2011, will disproportionately affect women with disabilities. Women outnumber men 2 to 1 in this cohort of DSP grantees.

Because gender and disability discrimination restrict access to the workforce for women with disabilities, the additional requirement of a 6-month job-search regime for under-30s, will have a negative impact. Relegation to NewStart or Youth Allowance with associated Work for the Dole regime, does not take into account the higher costs of living with disabilities, including transport costs and logistical difficulties in accessing workplaces.

Cost of living estimates for a single individual on the \$421 pw level of the DSP (\$166 pw greater than NewStart and \$207 pw greater than the YA) identifies a weekly shortfall of at least \$43. Finally, the

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<sup>36</sup> Australian Bureau of Statistics, *Survey of Disability Ageing and Carers 2012*, 44300DO001\_2012 Disability, Ageing and Carers, Australia: Summary of Findings, 2012, Table 3 ALL PERSONS, Disability status, by age and sex-2012

reduced portability of the DSP, now restricted to one overseas visit of 4 weeks duration per year, will have a significant effect on women leaders with disabilities, and restrict the ability of emerging women leaders to gain overseas representational experience.

Many women with disabilities are currently eligible for the Family Tax Benefit Part B (FTB), and will be detrimentally affected by the loss of this payment when their youngest child turns 6 years of age. This is only partially compensated by the payment of \$750 per annum for low-income single parents where children are from 6 to 12 years of age.

Women with disabilities comprise 21 per cent of the Primary Carers of other people with disabilities or the aged, and will be affected by the freeze on the National Respite for Carers Programme. The Young Carer Bursary Programme is grossly underfunded providing for 150 bursaries per year for a cohort of more than 23,000 young people and where female carers outnumber male carers nearly 2:1.

Improving employment rates for all people with disabilities is crucial.

Budget measure put in place will do little to improve workforce participation, access to full time work, or reduce the unemployment rate for women with disabilities. The changes to the welfare support payments across all age groups will restrict abilities to seek work or to travel to any work obtained.

Access to primary health care has been drastically compromised for women with disabilities. Although there is a cap of \$70 (10 doctor visits) per annum for concession card holders, women will be more reliant on the charitable goodwill of health professionals. The cost of pharmaceuticals will also rise by \$5. These are retrograde steps.

## **NATIONAL DISABILITY INSURANCE SCHEME**

On the positive side, funding for the National Disability Insurance Scheme (NDIS) has been maintained. A worrying note is the possibility of delay of the start date for full rollout of the NDIS, as was recommended by the Commission of Audit. The Council of Australian Governments (COAG), at its 2 May Meeting<sup>37</sup>, reiterated its commitment to full scheme rollout. However COAG also noted at that meeting that the Board of the National Disability Insurance Agency (NDIA) has commissioned a report on full scheme rollout. Thus, at this stage, we cannot be sure that the 2018-2019 start date will be maintained. The arrangements for the commencement of NDIS Trials in the ACT, WA and NT are unchanged. This will mean that from 1 July 2014, NDIS trial sites will be in operation in all states and territories except Queensland which will start a trial in 2016.

Hopefully however, full rollout of the NDIS will commence on 1 July 2018, and provide supports for approximately 460,000 Australians. This will comprise just 11 per cent of the population of people with disabilities [in currently available figures from the Survey of Disability Ageing and Carers (SDAC<sup>38</sup>) 2012], and just one third of those with profound and severe core activity limitations. The NDIS is therefore a relatively small part of the National Disability Strategy.

The National Disability and Carer Advisory Council will be disbanded, and a Disability and Carer Industry Advisory Council (DCIAC) will be established with \$900,000 over 4 years, to be co-chaired by an industry expert. There is no guarantee that Workplace Gender Equality requirements will be met in the makeup of the DCIAC, or that women with disabilities will be equitably represented.

## **CO-PAYMENT ON GP VISITS AND PRESCRIPTIONS FOR PEOPLE WITH A DISABILITY**

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<sup>37</sup> COAG Communique, 2 May 2014: [https://www.coag.gov.au/sites/default/files/COAGper cent20communiqueper cent20Mayper cent20-per cent20finalper cent201300.pdf](https://www.coag.gov.au/sites/default/files/COAGper%20cent20communiqueper%20cent20Mayper%20per%20cent20finalper%20cent201300.pdf)

<sup>38</sup> Australian Bureau of Statistics, *Survey of Disability Ageing and Carers 2012*, 44300DO001\_2012 Disability, Ageing and Carers, Australia: Summary of Findings, 2012, Table 1 ALL PERSONS, Disability—estimates and rates, by age and sex, and age standardised totals—2003, 2009 and 2012

The \$7 tax on doctor visits will disproportionately affect women with disabilities compared to their non-disabled counterparts.

The co-payment will be applied from 1 July 2015. It will affect GP consultations but will not be applied to Chronic Disease Management items, health assessments and mental health items, or for services to Indigenous patients.<sup>39</sup>

The Commission of Audit stated that people have an average of 11 visits to the doctor annually. This is a conservative estimate for people with disabilities. There is a high incidence of associated visits to allied health professionals, including imaging and pathology testing. This puts the number of medical visits per year at a much higher figure. This impost on people with disabilities is only slightly alleviated through a cap on co-payments for concession card holders of 10 doctor visits per annum. This is charged on the first 10 visits, so that people on low incomes could forgo early intervention on a medical problem resulting in higher long term costs to the health system.

Women with disabilities may also be discouraged from attending at hospital emergency departments for GP-like treatments, because states and territories will now be allowed to impose a charge on such visits.<sup>40</sup> It should be noted that the initial reaction from the states and territories has been to uphold commitment to a free public hospital system.

A freeze on indexation of the rebate for specialist consultations will mean that women with disabilities will be forced to pay approximately \$100 per consultation. From 2016, specialist payments will also increase for concession card holders to approximately \$400 per annum.

The \$5 surcharge per prescription is an additional health care cost, bringing the co-payment for a prescription to approximately \$43. For concession card holders the safety net threshold will increase by two prescriptions per year to 62 in 2015 and 68 in 2018, so that women with disabilities will have higher out-of-pocket prescription expenses from next year. This will undermine access to early intervention care and also have long term implications of higher imposts on the health system.

Primary health care is also threatened with the withdrawal of funding to a large number of programs, e.g. in preventive health, dental care and eye health.

## **MENTAL HEALTH AND DISABILITY**

Women with Mental Health conditions are likely to be disproportionately affected by the reduced funding to the Partners in Recovery programme.

The existing 48 Partners in Recovery organisations will continue, but establishment of the remaining 13 organisations will be deferred for 2 years. Females are more likely than males to require assistance from Mental Health programmes. They have a higher incidence of mental health problems, experiencing anxiety disorders (18 per cent vs 11 per cent), mental disorders (22 per cent vs 18 per cent) and affective disorders (7 per cent vs 5 per cent).<sup>41</sup> Females are more likely to access services (41 per cent vs 28 per cent), across all age groups.

### **DSP and other support payments**

The Disability Support Pension is designed to give a minimum level of support to people with disabilities who are unable to work for 15 hours or more per week, at or above the minimum wage, and without being reliant on a Program of Support to maintain them in a job.

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<sup>39</sup> Australian Medical Association, *Australian Medicine*, Budget Special 15 May 2014, <https://ama.com.au/ausmed/australian-medicine-2014-budget-special>

<sup>40</sup> Ibid.

<sup>41</sup> Government of Australia, Department of Health (2009), *Mental Health of Australians 2007*, [http://www.health.gov.au/internet/main/publishing.nsf/Content/A24556C814804A99CA257BF0001CAC45/\\$File/mhaust2.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/A24556C814804A99CA257BF0001CAC45/$File/mhaust2.pdf)

<sup>42</sup> Ibid. Males are more likely to have substance abuse disorders (7 per cent vs 3 per cent)

## Compulsory participation requirements for under-35 DSP recipients

The Compulsory Participation Requirement will affect women and men with disabilities equally negatively.

The proposed changes to Compulsory Participation Requirements will target DSP recipients who have a participation plan coupled with an ability to work between 8 and 15 hours per week. An amount of \$29.3 million, over 5 years (and starting in 2013-14) is allocated to introduce compulsory activities for people with disabilities identified in this group, with sanctions for any non-compliance. The Budget Papers do not specify how many people may be identified.

There are currently 268,000 women with disabilities in the 15-34 age range, and 267,000 men. It could be that only approximately 5 per cent of this number (or about 28,000) will be identified as having the required work capacity, and it is most likely that equal numbers of men and women will be affected by the new requirements. However, the fear that this requirement for reassessment injects into the whole cohort of 15-34 year olds is significant.

## Review Recipients of under-35s on DSP

The proposed review of DSP recipients under 35 will disproportionately affect women.

The Government will review, *against current eligibility criteria*, DSP-holders who were assessed between 1 January 2008 and 31 December 2011. People who retain their eligibility for DSP, presumably who can work between 8 and 15 hours per week, will be required to undertake a programme of activities (see Section 2.1 above).

It is not clear how these reassessments will be done. Currently, individuals must score 20 or more on the 'Impairment Tables' which are used to assess just how disabled an individual is. The Tables for the Assessment of Work-Related Impairment for Disability Support Pension were reviewed in 2011, and adopted in 2012 as a legislative instrument under the *Social Security Act 1991*. As a legislative instrument the Tables can be revised and reinterpreted when and as desired. So it is not clear what the phrase 'against current eligibility criteria' might mean. Recipients granted DSP before 2008 will be exempt.

There were 71,127 women granted the DSP between 2008 and 2011, compared to 33,567 men. Thus in this targeted cohort, women outnumber men 2:1. The skewed numbers reflect a continuation of the effect of changes brought about by increasing the Age Pension qualifying age for women, changes to Parenting Payment eligibility, and cessation of other payments such as Widow's Pension.

<sup>43</sup>

It should be noted that there was a 0.7 per cent overall decrease in DSP recipient numbers in 2013 (1,775 women and 3,947 men), and that improved mainstream employment programs may have been a better target action.

## Change in DSP population taken from Table 1 – DSP population and growth by sex – selected years June 2008 to June 2011<sup>44</sup>

Year	Women	Men
2008	17760	451
2009	15945	8806

<sup>43</sup> Australian Government, Department of Social Security, *Characteristics of Disability Support Pension Recipients, June 2013*, [http://www.dss.gov.au/sites/default/files/documents/01\\_2014/dsp\\_characteristics\\_report\\_2013\\_final.pdf](http://www.dss.gov.au/sites/default/files/documents/01_2014/dsp_characteristics_report_2013_final.pdf), p.8., Table 1 – DSP population and growth by sex – June 1974 to June 2013.

<sup>44</sup> Ibid.

2010	24297	11166
2011	13125	13144
	71127	33567

### **Reduced Portability of the DSP**

In addition, the Government will reduce the amount of time that DSP recipients can leave Australia to a maximum of 4 weeks in a 12 month period. From 1 January 2015, this means that travel to represent Australia at international conferences will be curtailed. Currently there can be multiple absences (of up to 6 weeks each time) annually. The new ruling affects the ability of women with significant disabilities, who have international standing, to represent the Australian disability sector overseas.

This ruling disregards the Concluding Observations of the CRPD committee (2013) and CEDAW committee (2010) which noted that women with disabilities are disproportionately under-represented in leadership roles, and this move further restricts their development as leaders. It is not clear what will be regarded as special circumstances which would enable a waiver of this ruling.

### **Newstart and Youth Allowance**

The proposed changes for access to income support for people under 30 years of age with full work capacity will potentially disadvantage young people with mild disabilities who still have disability-related costs. They will be required to demonstrate appropriate job search and participate in employment services support for 6 months before receiving payments. After 6 months, they will be required to undertake 25 hours per week on Work for the Dole activities.

However, there are exemptions - women who have only a partial capacity to work, or who are the principal carer of a child, or have a part-time apprenticeship, or are undertaking education or training, or are a job seeker in a Disability Employment Service or a Job Services Australia Stream 3 per cent 4, will be exempt.

### **Welfare payment levels**

It is noted that the single person rate for NewStart live is \$255 per week (\$36 per day) while that for the DSP is \$421 per week (\$60 per day). Youth Allowance is at an even lower rate of \$214 per week (\$30 per day). The new indexation arrangements which link to the CPI from 2017 are likely to erode these levels of payment in real terms.

### **Cost of Disability**

The cost of disability is not factored into proposed changes to welfare payments. Studies agree that there are considerable directly-related costs of disability which are not incurred by the non-disabled populations. These include transport, consumables such as continence supplies, pharmaceuticals, doctor's visits, and a range of assistive equipment (from Wheelchairs to Communication Aids), and not including utility subsidies available to other low income groups. Estimates of the cost of living for a person on DSP living in Inner Western Sydney, in a 1 bedroom apartment, are of a shortfall of \$43 per week at least.<sup>45</sup>

### **Family Tax Benefit Part B**

Single mothers with disabilities will be detrimentally affected by the changes to the Family Tax Benefit Part B.

The majority of single mothers who are carers of children with disabilities will not be further affected by tightened eligibility for Family Tax Benefit Part B, because they will have incomes of less than

<sup>45</sup> People With Disabilities Australia, Media Release 13 May 2014, <http://ymip.com/zLmKHM>



\$100,000 per annum. However, they will be affected by the withdrawal of this payment when the child turns 6 years of age. There is no indication whether there will be allowances for the additional cost of support of a child with disabilities.

In households with children where any person with disability lives, the change to the eligibility for FTB (B) will have an effect on the level of financial hardship. The introduction of a Family Tax Benefit Part A allowance for low-income sole parents will be unlikely to compensate for the overall reduction in income.

The freeze on indexation of all payment eligibility thresholds will mean a progressive loss of at least 2½ per cent in real terms.

## **Employment**

The current employment environment is not favourable for women with disabilities, and placements in work-related activities are likely to be more difficult for women.

The government has estimated that Budget measures put in place will result in unemployment rates for the non-disabled at 6¼ per cent for next two years, and a participation rate of 64½ per cent. From current data available from the SDAC<sup>46</sup>, women with disabilities have a lower participation rate than men with disabilities and non-disabled women. Only 53 per cent of women with disabilities looking for work obtain Full Time work, compared to 84 per cent of men with disabilities. Conversely, 47 per cent obtain Part Time work, compared to 16 per cent of men with disabilities. Clients of Disability Employment Services, as for all National Disability Agreement-funded services, disproportionately favour men with disabilities (60 per cent vs 40 per cent).

Under this Budget there will be a drastic reduction to Volunteer Job Seekers (i.e. those without job search obligations) who will have access to Job Services Australia only ONCE, rather than the current unlimited access.

## **Older Australians and disability**

A *Restart Programme* will be introduced and will pay \$10,000 in 6-month instalments to an employer who employs a mature age job seeker (\$3K after employment for 6 months, \$3K after 12 months, \$2K after 18 months and the final \$2K after 24 months). The Participation Rate of women with disabilities was outlined at Section 5, and it is not clear how this incentive payment will address the under-employment of mature age women with disabilities. Current incentive payments available to employers have not improved F/T employment rates for women with disabilities of any age.

## **Carers and disability**

There will be no further grants allocated in 2013-14 for the National Respite for Carers Program and this action will disproportionately affect women with disabilities who are carers.

The majority of carers, for someone who is aged or has disability, are women, and in the under-65 age bracket, women with disabilities make up 21 per cent of all primary carers, and 69 per cent of carers with disabilities. Because the incidence of disability increases with age, 30 per cent of all primary carers over-65 are women with disabilities themselves. In total, there are 180,400 women with disabilities who are the primary carers. This compares to 104,000 men with disabilities in similar situations. Ninety percent of Carers on the Carer Payment have no other source of income.<sup>47</sup>

A taxpayer, with a dependant, who is genuinely unable to work due to a Carer obligation or a disability may be eligible for the Dependant (Invalid and Carer) Tax offset (DICTO).

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<sup>46</sup> Australian Bureau of Statistics, *Survey of Disability Ageing and Carers 2012*, Cat. No. 4430.0 Labour Force Analysis (Table 9), and *Labour Force Australia 2012*, Cat. No. 6202.0 (Table3)

<sup>47</sup> Women's 2014 Budget Reply Statement, Australian Labor, p.5. CARERS

## Young Carer Bursary Programme

This new programme is underfunded, and unless equitably allocated will disproportionately affect young women with disabilities.

Primary carers under 15-24 years of age comprise 9,100 males and 14,000 females,<sup>48</sup> a total of 23,000 eligible young people. The funding will enable 150 bursary payments of \$4000, \$6000 and \$10,000 per annum for 3 years from 1 January 2015. The small number of bursaries will form a cruel lottery – 0.65 per cent of those eligible will be recipients. Monitoring of the scheme will be necessary to see whether the bursaries are equitably allocated between males (39 per cent) and females (61 per cent).

## 5.10 ACCESS TO LEGAL AND HUMAN RIGHTS

There a number of measures in the 2014-15 Budget which reduce Australians' access to legal and human rights. As these measures were designed to support the most disadvantaged in the community, their loss is more likely to affect women than men, and particularly the most vulnerable women: victims of domestic violence, women with disabilities, women from culturally and linguistically diverse backgrounds and women who are otherwise voiceless in decision-making.

Undoubtedly they will also affect Indigenous women in direct and systemic ways which require separate and comprehensive analysis.

Apart from legal services, the cuts described here affect or eliminate what are mainly small programmes; taken together, they total \$27.1m.

The cuts do not implement long term structural changes or reduce waste; they simply reduce the access of the most disadvantaged to legal and human rights support. The organisations eligible to access the funds that have been removed rely on significant community and volunteer support. Because of the nature of their work and the volunteer specialist expertise they attract, the work of these organisations returns an annual net economic benefit to the community.<sup>49</sup>

For all of these reasons these measures are not supported by NFAW.

NFAW also notes that, in addition to the specific programme cuts set out below, it is proposed in the Budget to make generalised savings of \$240.0 million from discretionary grants administered by the Social Services portfolio. This is to be achieved by consolidating existing grants and cutting red tape. Our recent analysis of proposed red tape savings affecting women ('Gender reporting requirements not 'Red Tape'<sup>50</sup>), together with the scale of the savings proposed, suggests that this savings measure will require ongoing close attention in terms of the transparency and impact on women of the 'more efficient and effective programmes' that are to emerge.

### Attorney-General's Portfolio: Legal Aid Commissions and Community Legal Centres

Apart from specialist Indigenous legal services, the legal needs of disadvantaged Australians are currently serviced by two providers who receive government funding:

- Legal Aid Commissions (LACs) receive most government funding and service most Australians who receive publicly-funded legal assistance. The LACs are independent

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<sup>48</sup> Australian Bureau of Statistics, 44300DO003\_2012 Disability, Ageing and Carers, Australia: Summary of Findings, 2012, Table 33\_1

<sup>49</sup> See Productivity Commission (2010), *Contribution of the Not-for-Profit Sector: a research report*, Ch 4 <[http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0008/135296/access-justice-draft.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0008/135296/access-justice-draft.pdf)>

<sup>50</sup> See media release: Gender reporting requirements not 'Red Tape', 18 March 2014 <<http://www.womenonboards.org.au/news/2014/media140318-coalition.htm>>

statutory authorities established under state or territory legislation. They provide legal assistance services in criminal, family and civil law matters.

- Community Legal Centres (CLCs) are community -based not -for-profit organisations. They assist Australians who cannot afford a private lawyer but who are unable to obtain a grant of legal aid. CLCs provide mainly civil and family legal assistance, as well as prevention and early intervention services. They prioritise those on low incomes and otherwise disadvantaged individuals and groups in the local community, as well as those with special needs and those whose interests should be protected as a matter of public interest.

The 2014-15 Federal Budget has cut funding to both LACs and CLCs. These cuts follow a \$43.1 million cut in the December 2013 MYEFO to be applied over four years, which included reductions of \$6.5 million to Legal Aid Commissions, \$13.3 million to National Aboriginal and Torres Strait Islander Legal Services, \$3.66 million to Family Violence Prevention Legal Services, and \$19.6 million to the Community Legal Service Programme.

In the 2014-15 Budget, the Government has added further cuts, taking \$15.0 million from 2015 funding to LACs, and signalling a further \$6 million in cuts from CLCs 2017/18.

The Productivity Commission has found that the people trying to access LACs and CLCs are disproportionately female.<sup>51</sup> Violence against women and children is the number one presenting issue for community legal centres, and taking legal action in the context of separation is the most significant source of risk of violence for women.

CLCs already report having to turn away one in five people needing their help. Many of these are people who have already been unsuccessful in obtaining a grant of legal aid. The current cuts mean that CLC outreach offices will be closed and family violence support lawyers are less likely to be available during court hearings. Without this support, more women who are victims of violence will be directly cross-examined by the perpetrators of that violence. Early intervention services provided by CLCs will be lost, and with them critical safety measures that may not otherwise be included in intervention orders. More people with serious problems such as workplace mistreatment, homelessness, eviction and debt will also lose access to legal help.

This Budget measure is not supported. In particular, we note that cuts to legal services directly and significantly undermine welcome efforts at the state and federal level to address violence against women under the National Plan to Reduce Violence against Women and their Children 2010-2022.

### **Attorney-General's Portfolio: Australian Human Rights Commission**

Also in the Attorney-General's portfolio, the Budget foreshadows savings of \$1.7 million over four years as a result of leaving the 'next vacancy' amongst Human Rights Commissioners unfilled. This position happens to be that of the Disability Discrimination Commissioner, whose statutory appointment ends in July 2014. An existing commissioner is to take on a dual appointment; in the interval, the President of the Commission is assuming responsibility for continuing to meet the statutory obligations required under the Disability Discrimination Act.

The inappropriateness of arbitrarily downgrading the role of Disability Discrimination Commissioner would be evident at any time; to make the cut during the bedding down of the NDIS suggests that the Government does not value the involvement of an informed and independent disability advocate in this process. [Note also specific comments on Disability-NDIS]

NFAW is also concerned to note the loss of the Disability Discrimination Commissioner's full-time role at a time when the focus on violence against women is being expanded to take in the special issues of women with disabilities. Both the series of reports published as *Voices Against Violence*

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<sup>51</sup> Productivity Commission (2014), *Access to Justice Arrangements: Draft Report*, Draft finding 2.1, p. 105 <[http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0008/135296/access-justice-draft.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0008/135296/access-justice-draft.pdf)>

and *Equal Before the Law: Towards Disability Justice Strategies* have found that women with disabilities experience violence to a higher degree and for longer than women in the general population, in more ways and by more perpetrators, including family violence, sexual assault and disability-based violence.<sup>52</sup> It has also found that stereotypes of disability contribute to this preventable violence.<sup>53</sup>

Women with disabilities are 20 per cent of the female population, and over one-third experience some form of intimate partner violence. Ninety per cent of Australian women with an intellectual disability have been subjected to sexual abuse, more than two-thirds of them before they turned 18 years of age.<sup>54</sup>

These recent reports highlight the need for support for attitudinal change and changes to legal service delivery to reduce violence and improve equality before the law for women with disabilities. The Attorney-General's portfolio response has been to cut both.

### **Attorney-General's Portfolio: Human Rights Education**

The Commonwealth Human Rights Education Programme has provided funding for rights education projects which promote a practical understanding of the human rights and/or promote community awareness of, understanding of and engagement with the human rights.

In the 2013-14 Budget the previous Government culled \$1.5 million over three years from the Human Rights Education Programme beginning 2014-5. In the 2014-15 Budget the Government indicated it will remove all remaining funding from 1 July 2014 in order to make a savings of \$1.8 million over four years.

The Human Rights Education Programme has been used to support human rights awareness within marginalised groups such as African Women Australia, and newly arrived women supported by Women's Health West in Victoria, the NSW Gay and Lesbian Rights Lobby and the Multicultural Centre for Women's Health. The National Association of Community Legal Centres and the Welfare Rights and Legal Centre have drawn on the programme for community their outreach services.

## **5.11 OTHER BUDGET DECISIONS RELEVANT TO WOMEN**

### **5.11.1 Cutting the Women's Leadership and Development Strategy**

The Budget will remove \$ 1.6 million over four years from the Women's Leadership and Development Strategy.

This small programme does much to lift the participation of women in leadership, government and sport. It gives women a voice on issues of most concern to them and the opportunity to develop real solutions through the six National Women's Alliances, on issues as diverse as violence against women, rural affairs and women's long term economic security.

The programme has also supported scholarships and leadership training for women in business, local government, sport and community groups. It has been applied to the planning and implementation of research, representation and coordinated policy advice on women's leadership in boardrooms; meeting Australia's international obligations; and providing support for NGO involvement in UN activities, including the Commission on the Status of Women.

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<sup>52</sup> Australian Human Rights Commission (2014), *Equal Before the Law: Towards Disability Justice Strategies*, p. 12. <[https://www.humanrights.gov.au/sites/default/files/document/publication/2014\\_Equal\\_Before\\_the\\_Law.pdf](https://www.humanrights.gov.au/sites/default/files/document/publication/2014_Equal_Before_the_Law.pdf) .

<sup>53</sup> Voices against Violence launch summary of findings (May, 2014) <<http://www.dvrcv.org.au/knowledge-centre/our-blog/new-research-highlights-greater-incidence-violence-against-women>>

<sup>54</sup> Australian Human Rights Commission, loc.cit.

The Government has not cut funding to any of the National Women's Alliances; however, this cut will have an impact on their member organisations' access to project funding. It will also reduce women's access to leadership roles more generally.

### **5.11.2 Cessation of Ethical Clothing Australia**

Ethical Clothing Australia is a joint business-union initiative that has representation from major stakeholders in the textile, clothing and footwear (TCF) industry. It was funded by the previous Government to promote ethical working conditions throughout the outwork supply chain, to protect the rights of both Australian factory workers and homeworkers and to ensure that they receive award rates and entitlements.

The Budget has removed funding for Ethical Clothing Australia in order to make a saving of \$1.0 million. In the name of cutting red tape it has also abandoned the requirement for TCF manufacturers who tender to provide goods to Australian Government agencies, to be accredited or seeking accreditation with the Homeworkers' Code of Practice prior to signing a contract.

Current data on Australian outworkers is limited, but a 2001 study found that:

- the average hourly rate of pay was \$3.60 per hour
- the largest group worked 10 hours per day (21 per cent) and the second largest worked 14-15 hours a day (18 per cent)
- 62per cent spent 7 days a week sewing, and an additional 26 per cent spent 6 days
- 83per cent were not usually paid wages on time and 52 per cent often did not receive wages at all.<sup>55</sup>

Ninety-seven per cent of the outworkers surveyed were women and 92 per cent of these were born overseas. Most are from non-English speaking backgrounds with poor English language skills and many work from home in order to care for children and aged relatives while working. Occupational injuries are common.

The removal of ethical requirements from procurement and the loss of funding to support legal rights in the clothing industry is seriously detrimental to this overwhelmingly female industry sector.

### **5.11.3 Cuts to Overseas Development Assistance**

The drastic cuts to overseas development assistance of \$7.6 billion over 5 years also raise concerns for the well-being of women in developing nations. Increasingly the education and empowerment of women has formed a keystone of Australia's ODA program and cuts of this size will potentially impact on the support Australia provides to improving the lives of women throughout the world.

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<sup>55</sup> Cregan, Christina, *Home Sweat Home: Preliminary Findings of the first stage of a two-part study of outworkers in the textile industry in Melbourne, Victoria*, Department of Management, University of Melbourne, November 2001.