

National Council of Women Australia submission to 2021 Budget

Introduction:

National Council of Women Australia (NCWA) welcomes the opportunity to provide a short submission to the 2021 Budget process.

NCWA is a non-government advocacy organisation working for the advancement of women and their families. NCWA has an extensive membership of Affiliate organisations (all with significant membership numbers) from all the Australian States and the ACT. NCWA membership also includes a large number of Associate members (women who join as an individual). All members of NCWA are volunteers and no government funding (State or Federal) is received for the operation of NCWA.

As a membership based advocacy organisation NCWA issues of concern raised by members form the basis of contact with Federal Government Ministers and Members of Parliament and submissions by NCWA to a range of House of Representatives and Senate Committees.

A number of issues of concern very much relate to the Federal Budget. NCWA along with a number of other non-government organisations is concerned about the rise of poverty in Australia, especially since the COVID-19 pandemic. There are a number of different ways to measure poverty. Many describe it as the economic condition by both the lack of money and basic necessities. It is my understanding that women face a higher risk of poverty than men and sole parent families and older women over the age of sixty five who rent experiencing higher poverty status.

The NCWA short budget submission will reference the following:

- Economic wellbeing/superannuation
- Housing affordability
- Childcare reform
- Health and Mental Health
- Education and skills development
- Waste

Submission:

There is no doubt that the COVID-19 global pandemic has been both challenging and confronting for many Australians with those living in poverty and men and women losing their job or reduced hours of employment, the most likely affected. When the COVID-19 pandemic first hit Australia early in 2020, significant numbers of people were lining up outside Centrelink as governments directed business

closures and shutdowns. However the Federal Government acted swiftly with a number of programs and increased payments like Jobkeeper and Jobseeker. Almost a year on State Governments are continuing to contribute to poverty for many Australians with shutdowns and lockdowns still occurring¹. with only very small outbreaks and very little notice.

Women retire with 47% less superannuation than men on average. Women live on average five years longer than men. Approximately 40% of older single retired women live in poverty and experience economic insecurity in retirement and of women in the workforce approximately 40% of women work part-time. An estimated 220,000 women miss out on superannuation contributions as they don't meet the requirement to earn \$450 per month (before tax) from one employer.

Currently superannuation does not extend to the Federal Government Paid Parental Leave Scheme. Other leave entitlements include superannuation. There are flow on impacts especially to older women in retirement as a consequence.

Pensions and allowances are adjusted to maintain their value against increases in the cost of living. Social Services payments such as Newstart, Youth Allowance and the Age Pension increase twice a year through indexation however different payments are pegged to different rates. Currently the single Age pension (with supplements) is \$944.30 It should be the same amount as the Veteran Payment and the War Widows or Widowers payment and should receive an increase twice yearly. A single age pensioner forced to live on \$24,250 per year is certainly living in poverty – an increase in the single aged pension should be included in the 2021 Federal budget.

Newstart should not be considered a long- term payment however, but a transitional payment. Women make up a significant number of people receiving Newstart and are more likely to be in receipt of Newstart for longer periods, making up over 50 % of people in receipt of Newstart for five years or longer. Women also make up over 60% of those part-rate recipients of Newstart. Such figures support the fact that women experience poverty for longer than men and that Newstart is an essential supplement for the part-time and casual workforce which has many more women than men.

The majority of public housing tenants are women and women are the major recipients of Commonwealth Rent Assistance and live in private rentals. NCWA understands that there is a huge number of people on a public housing wait list in all Australian States and Territories. The national housing strategy must include a pathway for more social housing initiatives with funding contributions from all tiers of government and the private sector. Unfortunately housing stress impacts women more often than men. Women often have other family responsibilities (carer for an older parent as an example) and as such are unable to relocate to either find employment or suitable cheaper housing. Women are often unable to house share because of young children. Access to housing for women can also be influenced by a range of other factors.

Domestic and family violence is a major barrier to employment and significantly increases the vulnerability of women receiving Newstart. Women (more likely than men) flee a home for safety and security reasons after experiencing domestic and family violence. Domestic and family violence contributes to women's economic insecurity. Sadly there are women from culturally and linguistically diverse backgrounds who are often over fifty years of age and find themselves looking for work after

marriage breakdown often as a result of domestic and family violence. Some of these women have never had a job or not for a very long time.

The Australian Institute of Criminology released a major study in late 2019 of domestic violence which demonstrates it is significantly linked to alcohol, illicit drug use and poverty contradicting government policy focusing on gender equality as the key to eradicating domestic and family violence.

The data collected by the Australian Institute of Criminology was through a systematic review of 39 qualitative studies that examined domestic violence offending and re-offending. Despite the wide range of data sources, samples and measures of violence findings are remarkably consistent across studies.

The data found a third of offenders had been drinking or were drunk and alcohol significantly increased the severity of violence. The study also concluded violence was concentrated among a relatively small group of repeat offenders and in more disadvantaged areas.

There is now evidence that reported incidents of domestic and family violence have increased in the nine years since the national plan was launched. The Australian Institute of Criminology Report demonstrates the need for a wider strategy to tackle the drivers of domestic and family violence. During 2020 with the global COVID-19 pandemic and extended lockdown periods especially in Victoria anecdotal evidence indicates that health is also a significant factor contributing to domestic and family violence.

Housing for Aboriginal people is an area needing urgent action especially in Western Australia. Several families sharing a house leads to lack of school attendance, lack of attending a job or searching for one. Other issues that can impact Aboriginal communities include the lack of services, ineffective government programs, lack of medical care and decaying infrastructure.

The Commonwealth Rent Assistance payment remains inadequate for those women and men in the private rental market. While it is a non taxable income supplement the single maximum rent assistance payment (provided other criteria are met) is \$139.60 if rent is \$310.73 or over per fortnight. NCWA members report that almost all private rentals especially in capital cities are over \$600 per fortnight.

Women also find lack of workplace flexibility and many still have a disproportionate share of unpaid work and care making it almost impossible to attend any programs providing the building of new skills training. Training needs to be provided in more flexible modular units and online as people living in regional, rural and remote communities often find it impossible to access training. There is no doubt that there is also a changing nature of work in many parts of Australia. An explosion of data use and automation in recent years means that a large number of jobs have disappeared.

There is also no doubt that low-skilled workers with lower education attainment find it more difficult to find work as there has been a collapse in the demand for low-skilled workers. As such there is a need for policies and training programs targeted at the low skilled who have the highest rate of unemployment. A number of University graduates should be encouraged to undertake skills training, leading to a widening of the scope of their career paths.

For many women and men a range of health issues prevent them seeking employment. These health issues need to be addressed in the first instance before attending training programs otherwise once the training program has been completed the person will still be dealing with the health issue. These issues include depression, hypertension, anxiety, osteoarthritis and asthma. Other serious health issues which must be addressed include alcoholism and illicit drug use.

A significant overhaul of the education curriculum for high school is critical. More emphasis should be placed on technical skills including school based apprenticeships. Coding should be a compulsory subject in schools and more emphasis on IT skills an important component of learning. In order to progress these initiatives the teacher training curriculum also needs to be reviewed. A respectful relationships program should be introduced in all schools at both primary and secondary school as a means of addressing violence against women.

Carer assistance funded by government has grown over the last few years and that is most welcome. While NCWA understands some of these payments are means tested and paid at the pension rate, the carer allowance which is designed to assist with the costs of providing care and not means tested is a flat payment for all and is not linked to the intensity of the care given.

Childcare reform (especially long day care) is essential. Prior to the COVID-19 pandemic and the temporary changes to out-of-pocket childcare expenses, the costs of childcare for many Australian families were relatively high and remain so.

The cost of childcare has a huge impact on workforce participation especially for women. Any childcare costs interact with the taxation system and as such extra hours of paid work are often financially unattractive. A tax deductible childcare option gives parents who want to return to the workforce the choice to do so. Recent research from the University of NSW (Un) Taxing Childcare proposes that parents be offered the choice between the current arrangements or instead receive a tax deduction for childcare expenditures of up to \$60,000 a year.

The study indicates that even parents with a combined income of \$55,000 a year could be better off by up to \$600 a year. The authors of the report state that the significant potential benefits of the policy for Australian families are in the second, third and fourth quintiles. However NCWA believes the true nature of the policy is that it is focused on workforce participation rather than welfare.

The \$60,000 cap for legitimate work-related out-of-pocket expenses strikes a balance between recognising the high cost of childcare and putting some limits on overly expensive options.

While understanding that the Federal Government's major focus must be on the COVID-19 vaccination roll-out there is a need for an awareness campaign to promote the need for an up to date immunisation program for all Australians including the Zoster vaccine (for shingles) especially for older Australians. Immunisation is a simple and effective way of preventing against vaccine preventable diseases. Shingles is a viral disease that can cause severe nerve pain which can last for months. Many Australians especially older Australians are not aware that the disease is caused by the reactivation of the chickenpox virus and that the Federal Government provides a vaccine to prevent the disease free for those over the age of 70. An awareness campaign is necessary.

NCWA is pleased to acknowledge the recent passing of legislation strengthening Australia's vaccination system making it a requirement for all vaccination providers to report all vaccinations including COVID-19 vaccinations to the Australian Immunisation Register. A promotional awareness campaign for an up-to-date immunisation program for all Australians will complement this initiative.

NCWA is aware that the report from the Royal Commission into Aged Care Quality and Safety will be released soon. The Government should accept all recommendations from the report and set out a detailed implementation plan for the reforms. While NCWA acknowledges that the government has announced significant increases in the number of Home Care Packages the numbers still fall well short and the government should continue to take action to reduce the waiting times.

The recycling challenge in Australia has local governments struggling especially since China's decision in 2018 to stop taking recyclable waste. There is now more than ever a need for a more innovative approach to the materials used to produce the goods right across the spectrum to how the materials are collected and disposed.

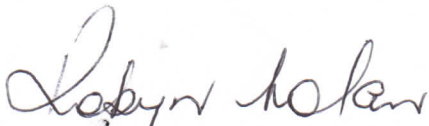
There is growing concern over solar panel waste at the end of their life or when damaged by hail storms or fire. Solar panels contain lead, cadmium and other toxic chemicals that cannot be removed without breaking apart the entire panel. Currently most of the waste goes to landfills where toxic chemicals can leach into the soil. Introducing a recycling plan will be insufficient as recycling costs will be more than economic value of the materials recovered and companies may not be around long enough to fulfill obligations.

Listed below are a number of suggested recommendations:

Recommendations:

- 1. The Australian Government should immediately act to amend the Superannuation Guarantee (Administration) Act 1992 to remove the exemption from paying the superannuation guarantee in respect of employees who earn less than \$450 a month (before tax) from one employer.**
- 2. The Australian Government should include the superannuation guarantee being paid on the Paid Parental Leave Scheme and Carer payment.**
- 3. Any Australian Government policy analysis in relation to the superannuation guarantee should compare the impact for men and women.**
- 4. The Australian Government should amend the Sex Discrimination Act 1984 to ensure companies and businesses are able to make higher superannuation payments for their female employees if they wish to do so.**
- 5. The Australian government review the Newstart payment with a view to increasing it.**
- 6. The Australian Government review the adequacy of Commonwealth Rent Assistance for single pensioners in private rentals in particular. As it is no longer adequate it should be increased and indexed to rental costs with a two- tiered structure.**

7. Ensure all Social Service payments receive twice yearly increases and review the Aged Pension, Veteran's Payment and Widow and Widower payment. (These payments should be equal for each of these cohorts.)
8. Overhaul the Jobactive Provider Network to ensure performance indicators include successful job placements outcomes
9. Introduce a licencing system for Jobactive providers rather than a tendering process.
10. In conjunction with all Australian States, Territories and local governments develop an increase in affordable and permanent social housing options.
11. Review the carer payment and introduce a simple three tiered structure linked to the intensity of the care given reviewed every three years.
12. Review the current Federal Government strategy to tackle the drivers of violence against women and their family.
13. Review all Federal Government funding to programs aimed at reducing the incidence of domestic and family violence to ensure all programs produce measurable outcomes.
14. Introduce an awareness campaign to promote the need for up-to-date immunisation program for all noting that vaccination is voluntary in Australia.
15. The Australian Government to provide an increase in funding for mental health and suicide prevention services taking into the consideration the findings of the Productivity Commission Inquiry into Mental Health. New funding should include a focus on early intervention services in the community.
16. The Australian Government should accept the recommendations from the Royal Commission into Aged Care Quality and Safety and set out a detailed implementation plan.
17. The Australian Government should continue to take action to increase the number of Home Care Packages as the number of packages provided still fall well short of the number of packages required to reduce the waiting times for older Australians to remain in their own home.
18. The Australian Government work with State Territory and local governments to ensure recyclers improve the diversion rates of all materials from landfill.
19. The Australian Government investigate ways to remove solar panel waste from landfill.



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