

Pre-Budget Submission



1. Overview

This collective submission represents the combined views of Australia's largest networks advocating for the interests of women. These include Equality Rights Alliance (ERA), Australian Women Against Violence Alliance (AWAVA), Australian Immigrant and Refugee Women's Alliance (AIRWA) and Economic Security 4 Women (eS4W), four of the six National Women's Alliances funded by the Federal Office for Women. The submission also represents the views of the National Foundation for Australian women (NFAW), and the National Council of Women of Australia (NCWA). Members of ERA endorse all or part of this submission (see Appendix One). It is also endorsed by the Australian Federation of Business and Professional Women (BPW Australia). The National Aboriginal and Torres Strait Islander Women's Alliance (NATSIWA), one of the six National Women's Alliances, has also endorsed this submission (see Appendix Two).

ERA, led by YWCA Australia, is Australia's largest network advocating for women's equality, women's leadership and recognition of women's diversity. We bring together almost sixty organisations with an interest in advancing women's equality. To advance gender equality, ERA adopts a human rights framework and advocates for adherence to international human rights principles.

AWAVA's key area of focus is combating all forms violence against women, to 'ensure that all women and children are able to live free from all forms of violence and abuse'. The Alliance recognises that gender violence is both a consequence and cause of gender inequity in all sectors of society and so it must be addressed by promoting women's empowerment.

AIRWA is a strong advocacy voice for Immigrant and Refugee Women. AIRWA's mission is to represent immigrant and refugee women across Australia, ensuring that their circumstances, views and concerns are brought to the attention of government in a timely manner and are included in government policy.

eS4W focuses on the promotion of lifelong economic well being for women. They believe that economic well being and financial security are essential ingredients to achieving equality for women and will enable women of all ages to have an equal place in society. Through advocacy and lobbying activities they aim to change policies which continue to have a negative impact on the long term economic security of all women.

NFAW is a feminist organisation working in partnership with other women's organisations to advance and promote the interests of Australian women, record and make accessible their histories, and ensure their achievements are handed on to future generations.

NCWA is a national non-government umbrella organization with broadly humanitarian and educational objectives, which seeks to raise the awareness of women to their rights and responsibilities as citizens and to encourage the participation of women in all aspects of community life. NCWA links groups across Australia, each with diverse affiliates, in a federal structure and provides a forum for considered debate on policy matters brought forward by the constituent Councils.

Our submission outlines policy recommendations for consideration by the Government in the 2012-13 Federal Budget. Our submission proposes expenditure increases of \$470,000 in 2012-13 and \$1.0275b in 2013-14 for affordable housing, support for retirees on low incomes, increasing women's workforce participation, and preventing violence against women. We have also identified possible savings or revenue increases of \$1.02b in 2012-13 and \$750m in 2013-14 in tax reform and childcare benefits.

We understand the need to constrain additional expenditure during an unpredictable global economic climate. This is why our recommendations for additional expenditure focus on ensuring those in the lowest income brackets are able to meet their basic needs through access to affordable housing, improving workforce participation, and income support for those who are unable to work full time.

The community sector is committed to working towards improved security and independence for those in Australia who face difficulties during economic uncertainty. This is why some of these policy recommendations have been made in previous Pre-Budget submissions by community sector organisations, or in strategy documents or submissions to Government inquiries. In this submission, we have suggested new ways to fund these recommendations. We hope that these suggestions can be implemented before more women are impacted by violence, the critical shortage of affordable rental housing, difficulty accessing childcare that enables women to work, or retiring with little or no superannuation.

ERA is able to provide supporting information, or provide contacts for further discussion, on any of the topics within this submission, as well as on other issues affecting women. Please contact Emma Davidson on 02 6230 5152 or email era.projects@ywca.org.au

2. Affordable Rental Housing

Approximately one third of Australian households are renting. These households are concentrated in the bottom two income brackets. The 2010 National Housing Supply Council report shows that when affordability and availability are taken into account, there was a shortage of 493,000 dwellings in 2007-08. It is estimated that a further 90,000 social housing dwellings will be needed by 2012, and 150,000 by 2020ⁱ.

Research by Professor Judith Yates of the University of Sydney shows the impact of the lack of affordable housing may be felt disproportionately by women because of the high number of women in low paid jobs, women heading single parent families, and the higher rates of poverty among older women living aloneⁱⁱ. More information is needed on how women are impacted by the affordable housing shortage, such as gender disaggregated data on the outcomes of the National Affordable Housing Agreement (NAHA), National Partnership Agreements, National Rental Affordability Scheme (NRAS) and Social Housing Initiative. An Affordable Housing Growth Fund would assist in NAHA to grow affordable housing supplyⁱⁱⁱ.

Increased expenditure on affordable housing programs could be funded in part through increased revenue from capital gains tax. Capital gains tax exemptions encourage negatively geared property investment, which favours investment in existing high-rent housing rather than increasing supply of affordable housing. This is discussed in further detail in *Negative gearing for housing investments*^{iv}.

Recommendations

1. Develop an Affordable Housing Growth Fund to support the National Affordable Housing Agreement.

Funding for NAHA has not been able to grow the supply of public and community housing stock to meet current demand. The Affordable Housing Growth Fund proposed by the Affordable Housing Summit Group extends the capacity of NAHA and NRAS, in addition to State and Territory shared equity home ownership schemes, by providing support to households on very low incomes.

Estimated investment: \$750m in 2013-14.

2. Implement Recommendation 14 of the Henry Tax Review: reduce capital gains tax exemption.

For every 10% reduction in the capital gains tax exemption, tax revenue would increase by \$1b. Reducing the capital gains tax exemption from 50% to 40%, except in the case of affordable and social housing through approved entities, would support affordable housing investment. Making the change effective from the beginning of 2012-13 financial year would allow time for investors planning to sell assets to manage their tax obligations to best advantage, but the 10% reduction is unlikely to prompt large numbers of investors to realise capital gains before it takes effect.

Estimated revenue: \$1b increased tax revenue in 2012-13.

3. Increase funds for the National Rental Affordability Scheme.

Funding to NRAS should be increased in to provide an additional 50,000 affordable rental properties. This funding could be provided at the rate of \$1b per year, beginning in 2013-14.

Estimated investment: \$1b in 2013-14, continuing each year thereafter.

3. Tax Reform and Superannuation

Most women do not have adequate superannuation in retirement because the system is based on workplace earnings, impacted by caring responsibilities or other barriers to paid work. By 2019-20 women will hold \$600 billion, or one third of total projected superannuation assets of \$1,800 billion. ASFA quotes a projected real average superannuation balance for women of \$77,000 in 2019, and \$121,000 for men^v.

One issue is the Superannuation Guarantee Charge threshold. Participants in consultations by the NFAW in 2010 gave examples of women being employed by several different employers with each employer limiting the hours so that the worker remains under the monthly threshold^{vi}. Removing the \$450 per month limit would entitle all workers to some superannuation. However, this must be implemented in such a way that employers do not reduce wages for workers who already have low pay.

Tax concessions mean high income earners receive a substantial public subsidy to their retirement income. The top 12% of income earners currently receive more than 50% of at least \$15b in tax concessions on superannuation contributions, and the top 20% of income earners receive more in tax concessions over their lifetimes than they would have received if paid the maximum rate of Age Pension^{vii}. Retirees who have little or no super face difficulties in managing any extra capital costs. An extra funding system could be introduced to assist with small capital needs for these mainly female Age Pensioners. This should be funded by a superannuation surcharge. The superannuation surcharge of 10% on those with income over \$99,000pa raised revenue of \$1,289m in 2005-06^{viii}. A Fair Retirement Supplement program, funded by a superannuation surcharge on the top 12% of income earners, could deliver small grants to Age Pension recipients for capital expenses such as house repairs. This would provide some relief to retirees on low incomes, without reducing the incentive for most Australians to contribute to superannuation.

There have been many reports on the effect of affordable access to quality child care on women's workforce participation. Calculation of Child Care Benefit (CCB) entitlement and Child Care Rebate (CCR) is extremely complex, requiring consideration of income and work tests, type of care, number and ages of children. This complexity makes it more difficult for women to understand the financial net effect of returning to paid work. Combining CCB and CCR into a single benefit that takes into account the variable cost of child care in different areas will enable more women to participate in the paid workforce.

Recommendations

- 1. Remove the threshold below which employers are not required to make superannuation contributions, managed in a way that does not reduce the wages of low paid workers.**
- 2. A surcharge of 10% on the superannuation contributions of the top 12% of income earners to fund a Fair Retirement Supplement program.**

Estimated investment and revenue: \$750m in 2013-14 funded through superannuation surcharge.

- 3. Implement recommendation 99 of the Henry Report, combining CCB and CCR into a single benefit, without reducing child care benefits to low income households.**

The combined benefit must be work tested to prioritise access enabling parents to work, study, or attend training; and means tested to ensure that the contribution from low income families does not exceed 10% of the actual cost to the child care provider of providing care.

The combined benefit should take into account local variations in child care costs without encouraging fee gouging.

Estimated investment: Cost neutral. Administrative savings could be used to increase rates.

4. Violence Against Women

To stop violence against women and their children we need to address its root causes, and to understand the violence as a cause and consequence of gender inequality. The *National Plan to Reduce Violence Against Women and their Children* is the first plan to “focus strongly on prevention” and to emphasise “working to increase gender equality to prevent violence from occurring in the first place”^{ix}. AWAVA ran regional, rural and remote Community Engagement Events on implementing the National Plan in 2011. A key finding was that the majority of service providers have limited capacity and resourcing to concentrate on, and to fully understand, the causes of gender-based violence, and therefore very little genuine and effective primary prevention work focusing on challenging and redressing gender inequality is undertaken.

In addition to providing strong and effective responses for women and children experiencing violence, the focus at community level must shift to primary prevention work that aims to stop violence before it occurs. Communities need help in preparing for this shift towards focusing on primary prevention initiatives.

Overwhelming research evidence indicates a causal relationship between social norms and violence against women. Researchers internationally view the continuation of violence against women as founded on deeply entrenched cultural beliefs and attitudes. Media is key to influencing these attitudes. Australian researchers argue that media obscure the facts of violence while contributing to “the invisibility of domestic violence and its part in the perpetuation of stereotypes and myths of violence against women”, including blaming women and excusing perpetrators. Responsible reporting can significantly transform social norms and attitudes about gender relations, which can reduce violence against women and the community’s level of tolerance of it.

Recommendations

1. Primary prevention events on Violence Against Women extending AWAVA's National Plan implementation Community Engagement Events.

Events will be held in regional, rural and remote areas in every state and territory to train and educate service providers and communities on the meaning and value of primary prevention work, providing example activities. Events will provide a forum for service providers to network and collaborate. This proposal fits with the National Plan’s ambition for “creating momentum in primary prevention in the first three years” to “provide an essential platform” for future action plans.

Estimated investment: \$250,000 in 2012-13, possibly through the Safety Taskforce within the Department of Families, Housing, Community Services and Indigenous Affairs.

2. Preventing violence against women through responsible media reporting.

AWAVA will run a project building on three VicHealth programs, in a national context:

- Facilitating one day workshops for journalists in each capital city on violence against women.
- Developing a module on violence against women for University journalism courses.
- Providing one day media training workshops for victims of violence and spokespeople.
- Developing an online resource for media and community use, including a national guide to ethical and responsible reporting of all forms of violence against women.
- Scoping National Eliminating Violence Against Women Media Awards Project to reward ethical reporting.

This project supports the National Plan through “preventing violence by raising awareness” and promoting “attitudinal and behavioural change” at cultural and institutional levels.

Estimated investment: \$220,000 in 2012-13, possibly within the Attorney-General's portfolio.

5. Appendix One – ERA Members

- 2020Women
- Aboriginal Legal Rights Movement
- Amnesty International Australia (National Women's Rights Team)
- Australasian Council of Women and Policing
- Australian Baha'i Community – Office of Equality
- Australian Centre for Leadership for Women
- Australian Council for International Development Gender Equity Working Group
- Australian Federation of Graduate Women
- Australian Federation of Medical Women
- Australian Motherhood Initiative for Research and Community Involvement
- Australian Womensport and Recreation
- Australian Women's Health Network
- Catholic Women's League of Australia
- Children by Choice
- COTA Australia
- Enlighten Education
- FECCA Women's Committee
- Fitted for Work
- Girl Guides Australia
- Homebirth Australia
- Human Rights Law Resource Centre
- Immigrant Women's Speakout Association NSW
- International Women's Development Agency
- JERA International
- Jessie Street National Women's Library
- Maternity Coalition Inc.
- Migrant Women's Lobby Group of South Australia
- Multicultural Women's Advocacy ACT
- National Association of Services Against Sexual Violence
- National Council of Churches of Australia Gender Commission
- National Council of Jewish Women of Australia
- National Council of Single Mothers and Their Children
- National Council of Women of Australia
- National Foundation for Australian Women
- National Union of Students (Women's Department)
- Project Respect
- Public Health Association of Australia (Women's Special Interest Group)
- Public Interest Law Clearing House (VIC) Inc
- Sexual Health and Family Planning Australia
- Soroptimist International
- Sisters Inside
- UN Women
- Union of Australian Women
- United Nations Association of Australia Status of Women Network
- Victorian Immigrant and Refugee Women's Coalition
- VIEW Clubs of Australia
- Women in Engineering Australia
- Women on Boards
- Women with Disabilities Australia
- Women's Economic Think Tank
- Women's Electoral Lobby
- Women's Environment Network Australia
- Women's Information Referral Exchange (WIRE)
- Women's International League for Peace and Freedom
- Women's Legal Services
- Working Against Sexual Harassment
- YWCA Australia
- Zonta International District 24

6. Appendix Two – NATSIWA Endorsement



NATSIWA
Chairperson Dorothy Henry
Program Manager Rachel Malthouse
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To Whom This Letter May Concern,

The National Aboriginal and Torres Strait Islander Women's Alliance (NATSIWA) would like to endorse the Pre Budget Submission submitted by the Equality Rights Alliance (ERA).

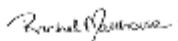
Although ERA has made recommendations within their pre budget submission with a holistic view regarding women, NATSIWA believes these recommendations include the rights and would assist Aboriginal and Torres Strait Islander Women.

Should you require any further information or documentation in relation to support of this letter of endorsement please do not hesitate in contacting NATSIWA on the details provided above.

Sincerely,



Dorothy Henry
NATSIWA
Chairperson



Rachel Malthouse
NATSIWA
Program Manager

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7. References

- i Equality Rights Alliance, *A National Strategy for Affordable Rental Housing*, p 6, downloaded 13 January 2012:
http://www.equalityrightsalliance.org.au/sites/equalityrightsalliance.org.au/files/docs/readings/a_national_strategy_for_affordable_rental_housing.pdf
- ii *ibid*, p 3
- iii Australian Council of Social Services, *2012-13 Budget Priority Statement*, pp 18-20, downloaded 27 January 2012:
http://acoss.org.au/images/uploads/2012-13_ACOSS_Budget_Priority_Statement_Final.pdf
- iv The Australia Institute, *Negative gearing for housing investments*, 2011, downloaded 13 January 2012:
http://www.equalityrightsalliance.org.au/sites/equalityrightsalliance.org.au/files/docs/readings/negative_gearing_for_housing_investments_-_tai.doc
- v Department of Families, Housing, Community Services and Indigenous Affairs, *Women's Experiences of Paid Work and Planning for Retirement*, downloaded 17 January 2012:
http://www.fahcsia.gov.au/sa/women/pubs/economic/default/Pages/parta_ww_retirement.aspx
- vi Coleman, Marie and Hodgson, Helen, *Women's Voices*, September 2011, pp 7 & 58, downloaded 13 January 2012:
http://www.equalityrightsalliance.org.au/sites/equalityrightsalliance.org.au/files/docs/readings/womens_voices_21_september_final.pdf
- vii Australian Council of Social Services, Submission to the Senate Economics Committee: Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011 and reform of the tax treatment of superannuation contributions, p9, downloaded 13 January 2012:
<https://senate.aph.gov.au/submissions/committees/viewdocument.aspx?id=99483789-deea-4001-9c11-5463c7b9a429>
- viii Treasury, *Final Budget Outcome 2005-06, Part 1: Australian Government Budget Outcome – Revenue*, downloaded 13 January 2012: http://www.budget.gov.au/2005-06/fbo/html/02_part_1-02.htm
- ix Commonwealth of Australia (2011), *National Plan to Reduce Violence Against Women and their Children*, page 15