

Inquiry into economic equity for Victorian Women

August 2021

For further information or questions about this submission please contact:

Patrick Flynn

Director Policy and Advocacy

Social Ventures Australia

pflynn@socialventures.com.au

Phone: 0425323778

Overview

Social Ventures Australia (SVA) welcomes the opportunity to respond to the Inquiry into economic equity for Victorian women.

Women across Australia have made many important advances over recent decades which has improved their overall economic equity on many fronts. Before the COVID-19 pandemic, women's workforce participation had reached a record high, however, as the pandemic continues to rage 18 months on, we know that women have also been hit hard by the repercussions of lockdowns, insecure and casual work and caring responsibilities.

Women's economic equity is affected by many factors including age, ethnicity, work status, disability status, marital status and education levels as well discrimination and bias in many spheres of life - we still have a long way to go to ensure genuine equity for all women.

SVA's response to the inquiry is based on our experience as an intermediary and the evidence of what works to improve economic equity for Victorian Women. SVA is not a gender expert, but we have provided some examples of our work where we think there are specific implications for Victorian Government's policies and programs to improved economic security for Victorian women.

These are:

- Insights based on research SVA commissioned on the specific challenges faced by single parents, overwhelming women, in financial stress and is a cohort that the Victorian Government should consider for particular supports;
- The need to ensure women, particularly older women at risk of homelessness, have access to safe, affordable and adequate housing including through new mechanisms to unlock private capital to deliver more homes for women at risk of homelessness (SVA will shortly release a paper on policy options to achieve this); and
- Supporting a thriving charity sector, a major employer of women, as a partner in Victoria's economic recovery from COVID-19, including the creation of a Resilient Charities Fund to support the development of the sector in Victoria.

The experience of single parents in financial stress

From our commissioned research report, [*Making a difference to Children and Families in financial stress*](#), we know that low levels of income support are disproportionately affecting single parents, most of whom are women and causing high levels of financial stress as well as high child poverty rates.

The research showed that single parents and families with younger children have struggled most:

- In 2015, severe financial stress rates for single parents were much higher than for other family types, with 23% or almost 1 in 4 reporting skipping meals, limiting heater use or relying on charities to get by.
- Severe financial stress among single parents was substantially more common regardless of income, with single parents with relatively high incomes having a higher stress rate than a couple family with children in the lowest income quintile.
- Poverty rates for children in single parent families increased from 24.8% in 1993 to almost 40% in 2017.
- These effects were stronger for families with younger children, with around 1 in 3 single parent families (30%) with children under 5 years in severe financial stress in 2015.
- Poverty rates for single parent families with children under 5 were also higher, with 51% of children in poverty in 2017.

The modelling also demonstrated that adequate income support is the key to reducing poverty, particularly for single parents and their children. Prior to Covid-19, 39% of children in single parent families were living in poverty. With the introduction of the \$550 per fortnight Coronavirus Supplement this reduced to just 17%. When the Coronavirus Supplement was replaced with a \$50 per fortnight permanent increase and with unemployment levels still expected to be high in April 2021, child poverty rates for single parent families are expected to increase to 41%, compared to 13% for children in couple families.

The research also shows that rates of financial stress are much higher for people relying on income support. It is possible to reduce the very high rates of poverty and financial stress experienced by those relying on social security payments through relatively modest increases in the overall social security spending. This can be achieved by targeting additional investment towards those who need it most: people receiving JobSeeker, Parenting Payments, Disability Support Pensions and Carer Payment.

Recommendations

Many of the levers that could be used to improve women's economic equity, such as income support, parenting payments and early education and care subsidies, are the responsibility of the Commonwealth Government.

However, given the particular risks for single parents and their children (and the down-stream costs to the Victorian Government in education, justice, health and child protection of failing to support this group) we encourage the Government to consider specific supports for this group. Investments to supports single parents will disproportionately benefit the economic participation of some of the State's most vulnerable women. We would also encourage the Victorian government to raise these issues as part of its ongoing dialogue with the Commonwealth given the fiscal impact on Victoria from a lack of appropriate income support.

Older women at risk of homelessness

Being without a safe and affordable home is a key barrier for women to achieve pay equity, equal workforce participation and opportunities for skill development and career progression. It can also cause work insecurity and result in lowering women's income. Housing insecurity also disproportionately impacts Aboriginal and/or Torres Strait Islander women, culturally and linguistically diverse women, single mothers, older women, younger women, women with disability, women experiencing family violence, and women from rural and regional areas.

SVA is currently developing an Options Paper that will provide recommendations on different financial instruments through which State and Commonwealth Governments could unlock investments in housing for women or the creation of a Women's Housing Fund.

Increasing numbers of older women in Australia are experiencing or are at risk of homelessness with a rise of 30% over five years.¹ The number of older women who are homeless or experiencing marginal housing in Victoria is projected to rise to over 3,000 by 2020, up from slightly over 2500 in 2016 while an additional 24,700 women who are over 55-years and in the private rental market are experiencing housing stress.²

SVA along with our partners at Housing for the Aged Action Group also commissioned research on the number of women potentially at risk as they age: [At Risk: Understanding the population size and demographics of older women at risk of homelessness in Australia.](#)

This is not a recent phenomenon, as the pressures have been building over many years. The intersection of structural and cultural risk factors leading to women's social and economic disadvantage affects their ability to achieve homeownership and economic security. The fact that women do not self-identify as homeless and try to hide their homelessness out of fear or embarrassment means their plight has remained largely invisible on the public policy front. Population ageing will likely see homelessness among older women continue to rise unless significant changes are made.

A range of housing solutions are required that are appropriate and responsive to the varying needs of older women in terms of asset and income levels, capacity to work and housing preferences. Prevention and early intervention are critical. There is a broad range of possible solutions that could potentially reduce older women's risk of homelessness. These include increasing the availability of affordable housing to ensure women have access to secure and affordable rental housing to age in place. SVA's focus is on seeking ways to unlock private capital to provide the scale of investment required to create a pipeline of social and affordable housing which would begin to address housing precarity for single older women at risk of homelessness.

To provide safe and affordable homes for 3,000 older women who are homeless or in marginal housing, we estimate the Victorian government would need to invest \$15,000 per person per annum for 15 years, to unlock \$0.6-0.9 billion in private capital, at a total investment from Government of \$0.59 billion. To provide good homes for 24,700 at risk older women we estimate the government would need to invest \$5,000 per person per annum for 15 years, to unlock \$4.9 billion to \$7.4 billion private

¹ Australian Bureau of Statistics, 2011 Census and 2016 Census

² Australian Bureau of Statistics, 2011 Census and 2016 Census

capital, at a total investment from Government of \$1.85 billion. If the developments were built on public land under land lease arrangements, then the financial cost to the government would be almost halved. The above funding gap assumptions are based on findings by Industry Super Australia³ which estimated the funding gap at over \$13,000 per year for a one-bedroom social housing dwelling including market land value, and around \$7000 per year with no land cost. For mixed social and affordable housing developments, the funding gap varies from \$13,000 from developments with 80% social housing and down to just over \$6,000 for developments with 80% affordable housing as was modelled in the mid outer city of Sydney.⁴

While the primary justification for alleviating housing stress is to improve the wellbeing of vulnerable groups, it is also worth noting that placing at risk women into secure housing would generate other benefits. The cost of providing non-housing government services to single homeless women, comprising health, justice, and welfare services, is on average \$35,000 higher per annum than the average cost of providing these services for all Australians. The cost savings in these services that would result from ensuring secure housing for 20,000 single women, assuming a base level probability of homelessness entry, is estimated at \$37 million per annum. In addition, the provision of secure affordable housing for single older women would allow them to remain in their homes longer, access homecare if required, and therefore help prevent their care needs from escalating. While these benefits would chiefly accrue to the Commonwealth, the cost saving to the aged care budget of housing 20,000 older single women is conservatively estimated at almost \$130 million or just under \$6,500 per person. At the same time, construction of 20,000 new houses at a cost of between \$4-\$6 billion which would inject an additional economic stimulus due to the multiplier effect.

Recommendations

The Victorian Government should commit to ensuring all women in Victoria have access to safe and affordable homes. To help achieve this we recommend that the Victorian Government:

- Continues to invest in affordable, secure and appropriate social and affordable housing and commit to building enough homes to eliminate waitlists and reduce the risk of homelessness.
- Examine options for how existing Victorian Government housing investments could be tailored or adjusted to unlock greater private capital investments specifically for housing for women;
- Work with the Commonwealth Government to ensure women can afford safe and secure homes by providing them with the means to afford suitable homes where no affordable homes are available, including through improving the adequacy of Commonwealth Rent Assistance.

Social Ventures Australia would be happy to provide a copy of our Housing Options Paper to the Inquiry which will provide further discussion of the models mentioned above.

³ Industry Super Australia (2020) Fixing Affordable Housing in NSW and Beyond, Prepared for NSW Community Housing Industry Council 11 August.

⁴ Industry Super Australia (2020) Fixing Affordable Housing in NSW and Beyond, Prepared for NSW Community Housing Industry Council 11 August.

Charities as Partners in Recovery

A thriving charity sector is vital for the future productivity and wellbeing of Victoria. Charities provide services that people, communities and government rely on. They deliver vital services on behalf of governments and taxpayers, from disability services to early learning. We all benefit from their contributions to education, health care, sports and recreation, aged care, religion, arts and culture, animal protection, and environmental protection. As a community, we are especially reliant on charities during a crisis and to support a recovery, whether confronted by bushfires or financial turmoil. They are the social glue in our communities, and without them our quality of life would be poorer on almost every dimension.

While many people understand the social and community benefits that we all derive from charities, their economic contribution is often overlooked. Charities can – and should – be part of Victoria’s economic recovery. They employ more than 275,000 workers in Victoria – around one in ten of the workforce.⁵ This employment is concentrated in sectors that are expected to add large numbers of jobs in the next five years. Most relevant for this inquiry is that they disproportionately employ women, who have been hit hard by the crisis.

Throughout the COVID-19 crisis, SVA, in partnership with the Centre for Social Impact, has conducted research and analysis on the financial health of the charity sector. We want to ensure that the sector is well-positioned to be a partner in Australia’s recovery, not a COVID casualty. What follows is a brief summary of our findings and recommendations.⁶ Like many organisations across Victoria, Australia and the world, the crisis significantly affected the operations and sustainability of the charity sector. Charities faced disruptions to their service delivery, finances and workforce. More than half of charities faced some form of temporary closure, and more than 80% made some shift towards at least partial online service delivery. Almost half of all charities shifted part or all of their workforce to remote working, and more than half also made other changes to staffing. 77% reported that recent events had put strain on their financial operations, and 52% were worried they would not be able to provide their services in the current economic climate.⁷

Even before the pandemic, charities were running lean. They face unique constraints and barriers because of their structures and the environment in which they operate, including lack of access to capital and flexible funding, market dynamics that constrain innovation and productivity, and their very nature as organisations seeking to generate public benefit. If we want a strong charity sector, and the employment for women that it creates, we must provide appropriate support to enable them to thrive.

Charities are major employers – particularly for women

While charities are dispersed throughout various industries, comparing the charities sector’s size to key industry categories gives an indication of its relative importance to the job market. The charity sector employs around the same share of people (10.3%) as Australia’s second-largest employing industry – retail trade (10.0% of people employed). It employs more people than the construction

⁵ ACNC (2021) *Australian Charities Report 2019*.

⁶ Further detail is available at <https://www.socialventures.com.au/partners-in-recovery/>

⁷ See SVA & CSI (2021) *Vital support: building resilient charities to support Australia’s wellbeing*. Data is for whole of Australia. Data from CSI’s *Pulse of the For Purpose Sector* survey, conducted in August 2020.

(9.2%), professional, scientific and technical services (8.6%) and manufacturing (7.2%) industries. Nationally, charities employ five times as many people as the mining (2%) industry.⁸

Women have been disproportionately affected by the current crisis across many dimensions, including employment. Targeted supports in response to the pandemic have not sufficiently focused on growth industries, and have also favoured male-dominated industries.⁹

Table 1 shows the ten largest employing industries in Australia pre-crisis. Charities are large employers in the two industries that employ a much larger share of women. 22.2% of all employed women work in health care and social assistance, compared to only 5.4% of employed men. Education and training employs 12.4% of all employed women. In contrast, the three sectors with a disproportionately large share of male workers – construction; manufacturing; and transport, postal and warehousing – do not have many charity sector employees.

Table 1: Australia’s ten largest employing industries, by sex¹⁰

Industry	% of all men employed	% of all women employed	% of all people employed
Health Care and Social Assistance	5.4	22.2	13.3
Retail Trade	8.4	11.9	10.0
Construction	15.3	2.3	9.2
Professional, Scientific and Technical Services	9.2	7.9	8.6
Education and Training	4.3	12.4	8.1
Manufacturing	9.8	4.3	7.2
Accommodation and Food Services	6.2	8.1	7.1
Public Administration and Safety	6.1	6.9	6.5
Transport, Postal and Warehousing	7.6	2.3	5.1
Other Services	4	3.8	3.9
Other industries not listed	23.7	17.9	21
Total	100	100	100
Key:	Industries that disproportionately employ men	Industries that disproportionately employ women	

⁸ See SVA & CSI (2021) *Vital support: building resilient charities to support Australia’s wellbeing*. Data is for whole of Australia. Industry data is 4-quarter average ending February 2019, from Vandenbroek, P. (2019) Snapshot of employment by industry, 2019 *FlagPost Blog*, 10 April 2019, Parliamentary Library of Australia. Charity sector data is AIS 2018, from ACNC (2020) *Australian Charities Report 2018*.

⁹ Wood, D., Griffiths, K & Crowley, T. (2021) *Women’s work: The impact of the COVID crisis on Australian women*. Grattan Institute

¹⁰ See SVA & CSI (2021) *Vital support: building resilient charities to support Australia’s wellbeing*. Data is for whole of Australia. Industry data is 4-quarter average ending February 2019, from Vandenbroek, P. (2019) Snapshot of employment by industry, 2019 *FlagPost Blog*, 10 April 2019, Parliamentary Library of Australia. Charity sector data is AIS 2018, from ACNC (2020) *Australian Charities Report 2018*.

Charity sector jobs are in growth industries

Charity sector jobs are in industries that are expected to see strong growth over the next five years to 2025. As

Table 2 shows, health care and social assistance, and education and training, are expected to be two of the largest sources of new employment in the coming years, collectively projected to add more than 360,000 jobs across Australia. These far outstrip expected growth in industries which frequently benefit from industry support such as mining (21,700 more jobs) and manufacturing (5,900 fewer jobs). Growing labour market demand in these sectors could be a major force for job creation for women, if charities are thriving.

Table 2: Industries projected to add the largest number of jobs by November 2025¹¹

Industry	Projected % employment change (5 years from Nov 2020)	Projected total employment (Nov 2025) '000	Projected new employment (Nov 2025) '000
Health Care and Social Assistance	14.2	2003.1	249.5
Accommodation and Food Services	16.8	971.8	139.9
Professional, Scientific and Technical Services	11.0	1325.3	131.1
Education and Training	10.8	1213.0	118.6
Construction	6.8	1263.9	80.7
Retail Trade	4.1	1340.2	52.5
Transport, Postal and Warehousing	7.3	694.4	47.3

Recommendations

We have developed a comprehensive set of recommendations for governments to support charity resilience through the recovery which includes actions by governments at multiple levels. Those most relevant to the Victorian Government are summarised in the table below, along with some suggestions on specific actions that the Victorian Government could take to support the financial health of the charity sector.

¹¹ See SVA & CSI (2021) *Vital support: building resilient charities to support Australia's wellbeing*. Data is for whole of Australia. Data from Australian Government, National Skills Commission (2021) *Industry Employment Outlook: Five years to November 2025*. Table shows all industries projected to add more than 40,000 new jobs between Nov 2020 and May 2025.

Report recommendation	Recommended Victorian Government action
<p>Provide targeted support to charities facing long-run effects of the pandemic</p>	<p>Many charities are still experiencing challenging circumstances arising from the COVID-19 crisis and will continue to do so. Those in vulnerable sectors and locations continue to face higher costs and lower revenues, and jobs remain at risk. The Victorian Government should continue to support Victorian charities with the specific impacts of the COVID-19 crisis; and continue to advocate for appropriate support from the Commonwealth Government in its areas of responsibility. This should include ensuring that any supports provided to businesses are designed so that charities can benefit on an equal footing.</p>
<p>Maintain and, where needed, increase funding for government contracted services delivered by charities</p>	<p>Service funding for charities should reflect the true cost of delivering services for impact and meeting increased service demand, particularly given the sensitivity of the sector to changes in government funding. The Victorian Government should ensure that its service delivery funding fully takes into account changes to charity cost structures, including compliance, regulation and Fair Work decisions on wage entitlements that affect service delivery charities, as well as the impact of major shifts in the operating environment, such as the COVID-19 pandemic. It should be sufficiently flexible to enable charities to respond to changing community needs without being constrained by arbitrary funding restrictions.</p>
<p>Make fundraising and philanthropy simpler to encourage increased giving</p>	<p>We were encouraged to see long-overdue action on harmonising fundraising regulation agreed by the Council on Federal Financial Relations in December 2020.¹² The Victorian Government should play its part, through its own actions and by lobbying other governments, to ensure this commitment is realised. Creating nationally consistent fundraising regulations will reduce the red tape burden on charities seeking to fundraise in a changed environment.</p>
<p>Establish a Resilient Charities Fund</p>	<p>Our analysis clearly shows that the future success of charities depends on their ability to invest in capability building and organisational transformation. The Victorian Government should establish a Resilient Charities Fund to help aid this transition without requiring ongoing government outlays. The Fund would support charities and not-for-profits to undertake strategic and operational transformation. It would fund a combination of cash and capability support. The NSW Government’s \$50m Social Sector Transformation Fund provides one model of such a fund.</p>

¹² Frydenberg, J; Seselja, Z (2020), *Easing the regulatory burden on charities*, Media release 15 December 2020

About Social Ventures Australia

SVA is a not-for-profit organisation that works with partners to overcome disadvantage in Australia. We have a vision for Australia where all people and communities thrive and believe that this will be achieved when all Australians are empowered, have a voice in decisions that impact them, have a sense of belonging and experience social inclusion. SVA believes that belonging for all Australians requires, and is enabled through, specific recognition and respect of First Nations knowledge and cultures.

We are a not-for-profit organisation that works with partners to overcome disadvantage in Australia, which requires great education, sustainable jobs, stable housing and appropriate health, disability and community services.

SVA is not a traditional service delivery organisation. We work at the intersection of government, social purpose organisations and the business sector. We seek to influence the way systems operate by providing funding; advising on strategy and evaluation; and making investments in partner organisations to significantly increase their social impact. We advocate for more effective programs and policies, and we convene unlikely coalitions to build support for system wide solutions.