



SENATOR THE HON MATHIAS CORMANN
Minister for Finance
Deputy Leader of the Government in the Senate

Senator the Hon Stephen Parry
President of the Senate
Parliament House
Canberra ACT 2600

Dear Mr President

I refer to the Senate order moved by Senator Brown and agreed by the Senate on 28 November 2016, seeking the Government's response to the report of the Community Affairs References Committee: *Bridging our growing divide: inequality in Australia – The extent of income inequality in Australia*. As Minister representing the Treasurer in the Senate, and with the agreement of the Minister for Social Services, I am responding on behalf of the Government in relation to all parts of this order.

This response has not been finalised, so the document does not yet exist for tabling. The Government is however committed to responding to the Committee's report in full by the end of 2016, to give the report the full attention it deserves.

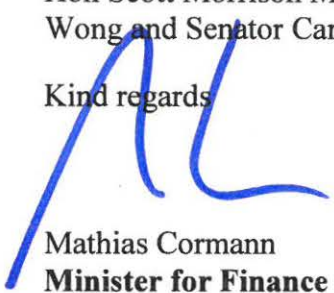
I note that a number of Government actions since the report was tabled have addressed particular recommendations. These include measures to ensure that Australia's tax and welfare system are carefully calibrated to deliver help to those who need it most, as well as encourage the economic activity that is the basis for increasing the prosperity of all Australians.

The measures include:

- The Government's innovative \$752 million Youth Jobs PaTH (Prepare-Trial-Hire) Programme will help young job seekers to move off welfare and into employment;
- Changes to the Age Pension assets test from 1 January 2017 will provide more support to people assessed under the assets test who do not own their home and those who have more modest assets;
- Reforms to superannuation will improve sustainability by better targeting superannuation tax concessions to hard-working Australians who aspire to be self-sufficient in their retirement.
- City Deals will address inequality in Australia by improving the infrastructure that enables Australians to have access to employment, health and education services, and affordable housing.

I have copied this letter to the Leader of the Government in Senate, Senator the Hon George Brandis QC, the Minister for Social Services, the Hon Christian Porter MP, the Treasurer, the Hon Scott Morrison MP, the Leader of the Opposition in the Senate, Senator the Hon Penny Wong and Senator Carol Brown.

Kind regards



Mathias Cormann
Minister for Finance

21 November 2016