



Australian Government
Department of Social Services

Submission to Community Affairs Legislation Committee

Economic Inclusion Advisory Committee Bill 2023

Department of Social Services

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Introduction

On 28 November 2022, the Australian Government announced it would establish an Economic Inclusion Advisory Committee (the Committee) to provide advice to government on boosting economic inclusion and tackling disadvantage ahead of every Commonwealth Government Budget.

The Committee will bring together a diverse range of experts to give advice to Government on policy settings, systems and structures that may help to address complex social problems and entrenched disadvantage in new and innovative ways. This will assist in putting forward solutions to deal with the systems and structures that are barriers for those facing disadvantage.

The Committee provides a mechanism for government to listen to experts, stakeholders and community views to inform decisions in each Budget. Disadvantage is a complex and systemic problem. The implementation of this Committee will ensure that government receives expert advice on how best to support Australians who need it most and minimise disadvantage across communities.

The Government committed to legislating a permanent role for the Committee. An interim Committee has been in operation since 16 December 2022. On 18 April 2022, the Government released the first report of the interim Committee.

The interim Committee made 37 recommendations to Government, across a range of portfolios.

As part of the \$14.6 billion cost-of-living package in the 2023-24 Budget, the Government announced increases to working-age and student payments and Commonwealth Rent Assistance that are benefiting around 2 million recipients. Income support measures include:

- \$4.9 billion to increase the rate of working age payments by \$40 per fortnight and move single JobSeeker Payment recipients aged 55 years and over after nine continuous months on payment to the higher single rate.
- \$2.7 billion to increase Commonwealth Rent Assistance maximum rates by 15 per cent.
- \$1.9 billion to extend eligibility for Parenting Payment (Single) to single principal carers with a youngest dependent child under 14 years (up from 8 years).

In the 2023-24 Budget the Government also committed \$199.8 million for an integrated package to address entrenched and concentrated community disadvantage.

The package includes:

- \$64 million to extend the Stronger Places Stronger People initiative and \$16.6 million to build communities data capability and develop an integrated data asset.
- \$7.8 million to develop a whole-of-government Framework to Address Community Disadvantage.
- \$100 million towards establishing an Outcomes Fund.
- \$11.6 million for a Social Enterprise Development Initiative which will provide grants and education and mentoring for social enterprises and eligible organisations.
- Partnering with philanthropy to an Investment Dialogue for Australia's Children.

In the 2023-24 Budget, the Government also provided \$8.7 million in funding over the forward estimates to the work of the Committee. This includes \$3.2 million for the Committee to commission its own research and undertake consultation.

The Economic Inclusion Advisory Committee Bill 2023 (the Bill) implements the Government's commitment by establishing the Economic Inclusion Advisory Committee as an independent statutory body.

Key elements of the legislation

Committee establishment and function

The Committee will provide annual, non-binding, advice in a report to government ahead of every Budget, on a range of matters with a focus on economic inclusion and boosting participation, the adequacy and sustainability of income support payments, and reducing barriers to economic participation.

Specifically, the Committee will provide advice on certain matters as they relate to the policies, programs and responsibilities of Commonwealth Government. Such matters may include options to reduce barriers and disincentives to work, as well as options for tailored responses to address barriers to economic inclusion for long-term unemployed and disadvantaged groups.

The Committee will also be able to provide advice on the impact of economic inclusion policies on gender equality, as well as on cohorts that face barriers to work – such as people with caring responsibilities, Indigenous persons, and people with disability. In addition, the Committee may provide advice on inequality markers in Australia, as well as international comparisons.

In its report, the Committee will need to demonstrate regard to the Government's economic and fiscal outlook and fiscal strategy, workforce participation, relevant Commonwealth Government policies, and the long-term sustainability of the social security system.

The Bill enables the Minister for Social Services and the Treasurer to jointly direct the Committee to ensure that a particular report includes consideration of specific matters within its legislative remit and/or does not consider other specified matters. This will ensure government can seek advice on priority areas from experts on the Committee – for instance, with respect to certain groups of people, a specific region or a particular policy area.

The Government will publish the Committee's findings on the Department of Social Services' website.

Committee membership

The Minister for Social Services, in consultation with the Treasurer, will appoint a Chair and up to 13 members. Members of the Committee will consist of academic experts, economists, and representatives from key advocacy organisations, unions and business sectors, as well as those from the community sector that support people who are economically disadvantaged.

This is consistent with the structure of the interim Economic Inclusion Advisory Committee.

The Bill provides a number of membership requirements to ensure there is diversity across the membership of the Committee. The Bill provides that at least one of the members on the Committee must be an Indigenous person and that the membership of the Committee should reflect the diversity of the general community. This includes gender diversity and people with disability and/or lived experience of disability.

Members will be selected on the basis of their experience, and the diverse perspectives they will bring to support considerations regarding economic inclusion and disadvantage. This will support the development of innovative ways to address complex social problems and entrenched disadvantage and allow creative solutions to be brought forward.

The Committee members will hold office on a part-time basis for up to three years, and will be eligible for reappointment once their term ends. The Committee members will not be remunerated, however funding was provided in the 2023-24 Budget for the Committee members to be paid travel allowances, commissioning of research, undertaking consultations, and for secretariat services to be provided by the Department of Social Services (see section on Financial Implications).

The Bill includes a range of further provisions dealing with the membership of the Committee, including providing for termination of members, acting appointments and absences.

Committee's operation

The Secretaries of the Treasury and Department of Social Services, or a delegate on their behalf, will attend meetings of the Committee and may provide reasonable assistance or advice to support the Committee. For instance, this may include data and analysis to inform the Committee's considerations.

The Committee may regulate proceedings at its meetings as it considers appropriate, subject to quorum requirements.

Other matters

The operation of the Committee and the Act will be independently reviewed every five years following the commencement of the Act. A report is required to be delivered to the Minister for Social Services within six months of the review commencing. The report will be tabled in Parliament within 15 sitting days after the Minister has received the report.

Financial Implications

In the 2023-24 Budget, the Government committed \$8.7 million over the forward estimates (and \$2.2 million per year ongoing) to the support the operation of the Committee on an ongoing basis with secretariat and research support.