



## Policy costing

### Establish an independent Equality Commission to provide advice on income support and economic inequality

Party: Australian Greens

#### Summary of proposal:

This proposal would establish an ongoing independent Equality Commission (the Commission) with one president and four part-time commissioners. The Commission would have staffing levels similar to the Commonwealth Grants Commission.

Each year the Commission would receive submissions from community organisations, peak bodies, and other interested parties. It would commission expert analysis and provide public advice to government and the Parliament on living costs for various groups and household types, in particular for income support recipients.

The proposal would have effect from 1 July 2019.

## Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$28.0 million over the 2019-20 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses.

A breakdown of the financial implications of this proposal over the 2019-20 Budget forward estimates period is included at [Attachment A](#). The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period, with the financial implications reflecting the net effect of wage indexation and the efficiency dividend.

The estimated financial implications of this proposal are sensitive to changes in the function, size and structure of the Commission.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-5.8	-7.3	-7.5	-7.5	<b>-28.0</b>
Underlying cash balance	-5.8	-7.3	-7.5	-7.5	<b>-28.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Support staff would progressively join the Commission, resulting in a half-year impact in 2019-20. This also results in a part-year impact on non-employee costs.
- The Commission would require 34 full-time staff, based on the estimated average staffing level at the Commonwealth Grants Commission in 2019-20 – as published in the Treasury Portfolio Budget Statements 2019-20. Non-employee costs have also been estimated based on an average staffing level of 34 full-time staff.
- Set-up costs of \$1.5 million would be required in 2019-20.

## Methodology

To estimate the financial implications of this proposal, the PBO used a standard departmental costing model, published information on the remuneration of full-time public office holders at the Productivity Commission, and published information on the staffing levels by employment status at the Productivity Commission and the Commonwealth Grants Commission. Both salary and non-employee costs were grown by the net effect of the appropriate wage cost index and the efficiency dividend.

All estimates are rounded to the nearest \$100,000.

## Data sources

The Department of Finance provided the indexation parameters as at the 2019-20 Pre-election Economic and Fiscal Outlook.

Remuneration Tribunal, 2019. *Remuneration and Allowances for Holders of Full-Time Public Office*, Canberra: Remuneration Tribunal. [Online] Available at: <https://www.remtribunal.gov.au/offices/full-time-offices> [Accessed 08.04.2019].

Productivity Commission, 2018. *Annual Report 2017-18*, Canberra: Productivity Commission. [Online] Available at: <https://www.pc.gov.au/about/governance/annual-reports/2017-18/annual-report-2017-18.pdf> [Accessed 08.04.2019].

The Treasury, *Portfolio Budget Statements 2019-20*, Canberra: Department of the Treasury. [Online] Available at: [https://www.treasury.gov.au/sites/default/files/2019-04/pbs\\_2019-20\\_combined.pdf](https://www.treasury.gov.au/sites/default/files/2019-04/pbs_2019-20_combined.pdf) [Accessed 08.04.2019].

## Attachment A – Establish an independent Equality Commission to provide advice on income support and economic inequality – financial implications

**Table A1: Establish an independent Equality Commission to provide advice on income support and economic inequality – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
<b>Expenses</b>					
<i>Departmental</i>					
<i>Commissioners</i>	-1.2	-1.2	-1.3	-1.3	-5.0
<i>Support staff and non-employee related costs</i>	-3.1	-6.1	-6.2	-6.2	-21.5
<i>Set-up costs</i>	-1.5	-	-	-	-1.5
<b>Total – expenses</b>	<b>-5.8</b>	<b>-7.3</b>	<b>-7.5</b>	<b>-7.5</b>	<b>-28.0</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.