

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Economic Inclusion Advisory Committee Bill 2023 [Provisions]

Department: Department of the Treasury
Topic: Economic Inclusion Advisory Committee funding & fiscal outlook
Reference: Written
Senator: Marielle Smith

Question:

1. Could you talk us through the importance of the Committee demonstrating regard to the Government's economic and fiscal outlook and fiscal strategy in preparing its report?
2. How much funding is the Government providing to support the Committee and what is its purpose?

Answer:

1. In preparing its report, it is important the Committee also give regard to the Government's Economic and Fiscal Strategy (the Strategy) and fiscal outlook. While the Government aims to provide support to those most in need, where it is responsible and affordable to do so, this needs to be weighed up against other priorities and fiscal challenges.

The Strategy is focused on the objectives of strong, inclusive and sustainable economic growth, full employment, growing real wages, ensuring women's economic participation and equality, and improving living standards for all Australians. The strategy's objectives will be achieved by investments that grow the economy, support economic inclusion and expand productive capacity.

However, this must be balanced with ensuring fiscal policy supports macroeconomic stability and keeps the budget on a sustainable footing.

It is important to ensure that fiscal policy is not adding unnecessarily to aggregate demand when inflationary pressures are high.

The Government must also maintain its fiscal buffers to allow it to withstand economic shocks and manage fiscal pressures such as an ageing population and climate change. To support this, the Strategy has an overarching goal of reducing gross debt as a share of the economy over time.

Further details on the Government's Economic and Fiscal Strategy and fiscal outlook can be found in Budget Paper No. 1 – Statement 3: Fiscal Strategy and Outlook.

https://budget.gov.au/content/bp1/download/bp1_bs-3_230727.pdf

2. The 2023-24 Budget included \$8.7 million over four years from 2023-24 (and \$2.2 million per year ongoing) to support the Committee on an ongoing basis with secretariat and research support.

- \$800,000 per year for the Department of Social Services (DSS) to support the Committee to commission research and undertake consultation.
- \$1.4 million per year for DSS to provide secretariat and other support.