



ACTCOSS 2020 ACT Election Issue Brief

Poverty, Inequality and the Cost of Living

For a just and fair Canberra, the next ACT Government must:

- **Take action on the fundamentals of social and economic justice, including:**
 - **Publicly call for a permanent and adequate increase (above the poverty line) to JobSeeker, Youth Allowance and related Commonwealth payments**
 - **Incorporate all economic, social, and cultural rights in the *Human Rights Act 2004* (ACT)**
 - **Conduct a detailed analysis to better understanding the need for community services in the ACT**
 - **Adequately fund our community services – they play a vital role in preventing, reducing, and alleviating the impacts of poverty and disadvantage in the ACT**
 - **Ensure that revenue is collected in a way that is progressive, equitable, efficient, and sufficient to fund quality services and infrastructure.**
- **Take action on targeted financial assistance, including:**
 - **Review the ACT Targeted Assistance Strategy to ensure concessions and rebates are targeted to need**
 - **Recognise the contribution of older Canberrans to our community through a range of targeted supports and assistance points across the city**
 - **Extend financial and other support for all young people transitioning from care**
 - **Increase funding to financial counselling services.**

- **Take action on key cost of living pressures, including housing, health, transport and energy**
- **Take action to ensure equal access to justice**
- **Implement the Canberra Gambling Reform Alliance’s program for reducing gambling harm.**

The issue

The number of people in the ACT receiving unemployment payments has more than doubled since before COVID-19. People receiving unemployment and other income support payments spend every dollar they have on essential goods and services. We need a permanent and adequate increase that ensures people on JobSeeker, Youth Allowance and other income support payments can cover the basics they need. We cannot turn back to \$40 a day. The next ACT Government must **publicly call for a permanent and adequate increase (above the poverty line) to JobSeeker, Youth Allowance and related Commonwealth payments** to enable people to cover all basic costs, including keeping a roof over their heads.

Addressing housing affordability is fundamental to alleviating poverty and reducing cost of living pressures and financial hardship for low-income households in the ACT. We need a **commitment to implementation of ACTCOSS’s housing affordability policy recommendations.**

Community services play a vital role in preventing, reducing, and alleviating the impacts of poverty and disadvantage in the ACT. The funding of community service organisations needs to match the community need and provide for continuity of high-quality service provision, community development, and advocacy. The next ACT Government must **adequately fund community services, including financial counselling services and community legal services.**

In view of persistent and widening cost of living pressures for low-income households in the ACT, we need a commitment to improve the fairness and adequacy of transport-related concessions by extending concessions to learner, probationary and restricted driver’s licences, aligning the discount on licence fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%). ACT Government assistance through concessions and other supports needs to be targeted to need to address cost of living pressures for all low-income households in the ACT, many of which are not eligible under current provisions. The next ACT Government must **review the ACT Targeted Assistance Strategy to ensure concessions are targeted to need.**

The next ACT Government needs to **introduce an income-based approach to ACT Government fines, fees and other charges** to ensure that penalties are not regressive, imposing a disproportionate penalty on people living on low incomes and posing a risk of deepening and/or widening social and economic disadvantage.

The evidence suggests that the current regulatory regime is failing to adequately protect Canberrans from gambling harm and we need more reform. The next ACT Government must **implement the Canberra Gambling Reform Alliance’s program for reducing gambling harm**. This includes:

1. Ensuring limits and controls on EGMs in venues: mandatory pre-commitment for all poker machine venues; \$1 bet limits on all machines; aligning the rules on EFTPOS machines with ATMs; and reducing the number of poker machines operating in the ACT by half
2. Ensuring the Community Contributions Scheme delivers more value to the community: An overhauled Gambling Harm Reduction Scheme should have funds administered by ACT Health and recognise money and revenue only, not in-kind contributions.

The next ACT Government must take action to ensure that high quality and appropriate housing, health service and transport services are accessible to Canberrans on low incomes.

The evidence

- Approximately 8.6% of people in the ACT (c. 30,000) are living below the poverty line.¹
- Almost 40,000 people live in households that are among Australia’s most disadvantaged.²
- Over 25,000 people in low-income households are experiencing food stress.³
- Almost 15,000 people are currently in search of work and relying on JobSeeker and Youth Allowance payments – without the Coronavirus Supplement these people would be living on just \$40 a day or even less.⁴

1 ACOSS and UNSW, *Poverty and Inequality website*, Data and figures, Rate of poverty by state/territory of residence, 2020, <http://povertyandinequality.acoss.org.au/poverty/rate-of-poverty-by-state-territory-of-residence-of-people/>; P Davidson, email, 18 May 2020.

2 ABS, *4198.0 Experimental Index of Household Advantage and Disadvantage, 2016*, ABS, Canberra, 2019, State and territory, percentage of persons, IHAD, 2016, Table 6, <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4198.0Main+Features12016?OpenDocument>.

3 ACTCOSS, *Food security, food assistance and the affordability of healthy food in Canberra*, ACTCOSS, Canberra, May 2019, p. 22, <https://www.actcoss.org.au/publications/advocacy-publications/report-food-security-food-assistance-and-affordability-healthy>.

4 Department of Social Services, *JobSeeker Payment and Youth Allowance Recipients - monthly profile - July 2020*, DSS, Canberra, 2020, <https://data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile>.

- In August 2020, there was only one affordable private rental property for a single person on the JobSeeker payment with the Coronavirus Supplement – without the supplement, not a single rental would have been affordable.⁵
- Around 43% of low-income rental households are in rental stress – spending more than 30% of their gross income on rent.⁶
- From December 2019 to July 2020, the number of people on JobSeeker and Youth Allowance has more than doubled in the ACT, increasing by 126% from just over 6,500 to just under 15,000 people.⁷
- Based on data available for the ACT in May 2020, there was only one job vacancy for every four people looking for work while receiving JobSeeker or Youth Allowance.⁸
- Over the past five years, prices for medical and hospital services in Canberra have increased by 28% and prices for electricity and gas have increased by 25% and 31% respectively.⁹
- Prior to COVID-19 and even with an increase in on-line gambling, pokies continued to cause the most significant harm in the Canberra community – playing poker machines is the single most effective predictor of problem gambling.¹⁰
- The 2019 ACT Gambling Survey found that, in the past 12 months, 44,000 people or nearly 14% of the ACT adult population had been affected by gambling harm.¹¹

Testimonials

“When my youngest turned eight they moved me from the sole parent pension to the Newstart which is about \$150 less. So that was a huge chunk of [money] – because I mean when you get to teenagers they eat a lot, so that was a huge jump from managing, to sort of

5 Anglicare Australia, *Rental Affordability Snapshot – Special Update, August 2020*, unpublished ACT data provided by Anglicare Australia, Canberra, 2020, <https://anglicare-ras.com/the-findings/>.

6 ABS, *4130.0 - Housing Occupancy and Costs, 2017-18*, ABS, Canberra, 2019, Table 21.1, <https://www.abs.gov.au/ausstats/abs@.nsf/mf/4130.0>.

7 Department of Social Services, *DSS Demographics December 2019*, DSS, 2020, <https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/1ab39d1b-328a-4311-8b35-ee13c3f0dfc7>; Department of Social Services, *JobSeeker Payment and Youth Allowance Recipients - monthly profile - July 2020*, op. cit.

8 Own calculation based on ACT Treasury, *Job Vacancies — May 2020*, ABS Cat. No. 6354.0, ACT Treasury, Canberra, 2020, <https://apps.treasury.act.gov.au/snapshot>.

9 ACTCOSS, *ACT cost of living report: tracking changes in the cost of living for low-income households in the Australian Capital Territory*, ACTCOSS, Canberra, 2020.

10 M Paterson, P Leslie & M Taylor, *2019 ACT Gambling Survey*, Centre for Gambling Research, ANU, Canberra, 2019, p. 50, <https://csmr.cass.anu.edu.au/sites/default/files/docs/2019/10/2019-ACT-Gambling-Survey.pdf>.

11 *ibid*, p. 103.

like battling... so yeah that was quite hard” – Claire*, aged 51, single mother of two school-age children who left a violent relationship.¹²

“Somewhere in the second week of my fortnight, I literally don’t have any money anymore, and I have to just go to free food services ... And if any expenses come up, you just can’t pay them” – Gary*, single, aged 40, on Newstart.¹³

“Since the Coronavirus Supplement, I feel I have some dignity again. I am extremely anxious about the future when the supplement stops” – Respondent to Raise the Rate campaign survey, May 2020.¹⁴

“The next 12-24 months are going to be really tough for many Canberrans. As JobKeeper and JobSeeker decrease or come to an end, many more people will find themselves out of work and unable to meet their financial commitments. This is coming at a time when the recent hardship arrangements offered by banks and utility providers will be scaled back, leaving people including those who have never faced financial hardship previously, in precarious financial situations and in need of greater support” – Carmel Franklin, CEO, Care Financial Counselling Service and the Consumer Law Centre of the ACT.

12 ACTCOSS, *Food security, food assistance and the affordability of healthy food in Canberra*, op. cit., p. 34.

13 *ibid*, p. 28.

14 ACOSS, *‘I can finally eat fresh fruit and vegetables’: survey of 955 people receiving the new rate of JobSeeker and other allowances*, ACOSS, Sydney, 2020, <https://www.acoss.org.au/wp-content/uploads/2020/06/200624-I-Can-Finally-Eat-Fresh-Fruit-And-Vegetables-Results-Of-The-Coronaviru...pdf>.