## In order to address rising inequality and cost of living pressures, the ACT Government must:

* Take action on key cost of living pressures, including housing, health, transport, education, energy, and ensuring equal access to justice.
* Act on the [Raise the Rate](https://raisetherate.org.au/) campaign and call for a minimum income floor in our income support system by lifting all base rates of payment to at least $76 a day and indexing them to wages as well as prices.
* Review and update the ACT Targeted Assistance Strategy to ensure concessions are adequate and targeted to need.
* Provide energy concessions reforms that are targeted and sufficient to meet need including percentage-based energy concessions, and reviewing and expanding eligibility criteria.
* Trial free public transport and analyse the costs, benefits and distributional impact.
* Ensure that ACT Government revenue is collected in a way that is progressive, equitable, efficient, and sufficient to fund quality community services and infrastructure.
* Introduce an income-based approach to ACT Government fines, fees, and other charges.
* Provide free period products in the ACT targeted to those in need, including through community sector partners.
* Increase funding to financial counselling services.
* Extend financial and other support for all young people transitioning from care.
* Recognise the significant economic value and direct role the community services sector plays in improving the wellbeing of all Canberrans.

## The Justification

* Robust income supports during the pandemic reduced the ACT’s poverty rate from 8.6% (pre-COVID) to 5.2% by October 2020. The withdrawal of JobKeeper and the Coronavirus Supplement saw the poverty rate in the ACT increase to approximately 9%, representing an estimated 38,300 Canberrans, including approximately 9,000 children.[[1]](#footnote-1)
* Canberra continues to have the most expensive overall median rent prices.[[2]](#footnote-2)
* Canberra is the least affordable jurisdiction in the country for people on low incomes.[[3]](#footnote-3)
* Over half of Commonwealth Rent Assistance recipients in the ACT and over 60% of private renters in the ACT experienced rental stress in 2022 (paying more than 30% of their income on rent).[[4]](#footnote-4)
* Commonwealth income support payments were recently indexed. However, the average increase was just under $2 a day.[[5]](#footnote-5)
* As of 20 March 2023:
  + a single person without children on JobSeeker has an income $138 below the poverty line of $489 per week
  + a single person on Youth Allowance (other) has an income $204 below the poverty line of $489 per week, and
  + a single parent with two children, on JobSeeker has an income $115 below the poverty line of $783 per week.
* As of the 2021 census, 1,777 people were unhoused in the ACT a figure that has increased drastically over the course of the last 20 years.[[6]](#footnote-6)
* Over the past five years, prices for automotive fuel in Canberra have increased by 34.9% and prices for electricity and gas have increased by 28.1% and 24% respectively.[[7]](#footnote-7)
* In the ACT, AER data found that there were only 27,799 published concessions claimed in Q2 2022-23, despite there being approximately 60,000 eligible concession holders in the ACT.[[8]](#footnote-8)

## The Issues

* Low-income households spend a greater proportion of their income on essential goods and services. The prices of non-discretionary items have been increasing at a higher rate than for discretionary items, having a disproportionate impact on the cost of living for low-income households.
* In view of persistent and widening cost of living pressures for low-income households in the ACT, the ACT Government should review and update the ACT Targeted Assistance Strategy to ensure concessions are targeted to need (as passed by the ACT Legislative Assembly on the 6th October 2021).
* Transport-related concessions need to be extended 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%).
* Flat rate concessions are inappropriate to meet needs, and don’t respond to the significant changes that the market sees in prices, seasons, circumstances, and technology. In 2018 the Australian Competition and Consumer Commission (ACCC) recommended urgent improvements to energy concessions schemes, including means testing and targeting people most in need, giving a fixed rebate on the supply charge and a percentage discount on usage, and improving access.[[9]](#footnote-9)
* We need to ensure that ACT Government revenue is collected in a way that is progressive, equitable, efficient, and sufficient to fund quality community services and infrastructure. In line with the equity principle underlying the ACT’s taxation system, the ACT Government should introduce an income-based approach to ACT Government fines, fees, and other charges, ensuring they do not regressively impose a poverty premium.
* ACTCOSS is calling for the free provision of period products in the ACT targeted to those in need. Anyone who needs period products should be able to obtain them for free through existing channels including health services, ACT schools, universities, food pantries, emergency relief providers, and homelessness 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. The ACT Government must continue to 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 ACT Government must adequately fund community services, including financial counselling services and community legal services.

|  |
| --- |
| Delivering commitments in the ACT Parliamentary and Governing Agreement |
| The Government should prioritise the needs of low-income Canberrans and address increasing poverty, and the cost of living crisis through its commitments under the [Parliamentary and Governing Agreement](https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/1654077/Parliamentary-Agreement-for-the-10th-Legislative-Assembly.pdf) for this term of Government as they relate to poverty, inequality and cost of living – these include:   * 1.1. Grow the ACT’s employment base to more than 250,000 local jobs by 2025, including creating and supporting over 2,000 jobs through our package of renewable energy policies (In the ACT Labor Policy Platform) * 5.1 Review and increase funding for the community sector to account for population growth, increased demand, and complexity of client need and increased cost of salaries and operation (In the Greens Policy Platform) * 10.2 Develop a women's employment and education strategy to close the income gap (In the Greens Policy Platform) * 12.4 Provide an additional $1.5 Million in Dental Care for Low Income Families (In the Greens Policy Platform) * 14.3 Review concession assistance measures and tax reforms to make these fair and equitable (In the Greens Policy Platform) |

1. ACTCOSS, [*Factsheet: Poverty and COVID-19 in the ACT*](https://www.actcoss.org.au/publications/advocacy-publications/factsheet-poverty-and-covid-19-act), ACTCOSS, Canberra, October 2021, accessed 2 May 2022. [↑](#footnote-ref-1)
2. N Field, [*Most Affordable & Expensive Capital Cities For Rent In Australia*](https://www.canstar.com.au/home-loans/most-affordable-and-expensive-capital-cities-for-rent-in-australia/), Canstar website, 2023, accessed 16 March 2023. [↑](#footnote-ref-2)
3. SGS Economics & Planning (SGSEP), [*Rental Affordability Index*](https://sgsep.com.au/publications/insights/rental-affordability-crisis-requires-urgent-intervention), SGSEP, 2022, accessed 17 March 2023. [↑](#footnote-ref-3)
4. Productivity Commission, [*Report on Government Services 2023: G Housing and homelessness*](https://www.pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness/homelessness-services), Productivity Commission, Australian Government, 2023, accessed 17 March 2023. [↑](#footnote-ref-4)
5. V Winter, ‘[Multiple Centrelink payments are increasing today. Here's which ones are going up and by how much](https://www.abc.net.au/news/2023-03-20/centrelink-increases-jobseeker-pension-indexation-inflation/102104316)’, *ABC News*, 20 March 2023, accessed 24 March 2023. [↑](#footnote-ref-5)
6. Australian Bureau of Statistics, [*Estimating Homelessness: Census, 2021*](https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/2021#state-and-territories), ABS, Estimating Homelessness: Census, Canberra, March 2023, accessed 5 May 2023. [↑](#footnote-ref-6)
7. ABS, ‘Table 10. CPI: Group, Sub-group and Expenditure Class, Percentage change from corresponding quarter of previous year by Capital City’ and ‘Table 11. CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City’ [time series spreadsheets], [*Consumer Price Index, Australia*](https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/dec-2021)*,* Reference period December 2021, ABS, 2021, accessed 21 April 2022. [↑](#footnote-ref-7)
8. AER, *Retail Market performance, Q2 2022-23 (Schedule 3)*; Consumer Policy Research Centre, *Mind the Gap Report November 2022,* [Mind the Gap - CPRC](https://cprc.org.au/mindthegap/). [↑](#footnote-ref-8)
9. ACCC (2018) Restoring Electricity Affordability and Australia’s competitive Advantage, Retail Electricity Pricing Enquiry, Final Report. [↑](#footnote-ref-9)