



2025 Cost of Living Report

The cost of living for low-income households in the ACT

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About ACTCOSS

The ACT Council of Social Service Inc. (ACTCOSS) acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and/or Torres Strait Islander peoples. We celebrate Aboriginal and/or Torres Strait Islander cultures and ongoing contributions to the ACT community.

ACTCOSS advocates for social justice in the ACT and represents not-for-profit community organisations.

ACTCOSS is a member of the nationwide COSS Network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's vision is for Canberra to be a just, safe and sustainable community in which everyone has the opportunity for self-determination and a fair share of resources and services.

The membership of the Council includes the majority of community-based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

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Acronyms

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
ACT	Australian Capital Territory
ACTCOSS	ACT Council of Social Service Inc.
CPI	Consumer Price Index
CRA	Commonwealth Rent Assistance
EIAC	Economic Inclusion Advisory Committee
ICRC	Independent Competition and Regulatory Commission
LCI	Living Cost Index
MTAWE	Male Total Average Weekly Earnings
PBLCI	Pensioner and Beneficiary Living Cost Index
RoGS	Report on Government Services
SLCI	Selected Living Cost Indexes

Executive Summary

While inflation has started easing and the first interest rate cuts in four years have been handed down, these shifts mask the harsh reality for low-income households. For many on income support or in insecure, low-paid work, the damage from years of rising prices is far from repaired. The serious risk is that as falling overall inflation and interest rates reduce financial pressure on middle-income Australians, people doing it toughest are stranded in poverty and forgotten.

The high inflation over the last five years disproportionately affected people on low incomes. This is because the costs of essentials like housing, food and education rose faster than overall inflation, and low income households spend a higher proportion of their income on essentials. At the same time, low income households had fewer options to make trade-offs like buying less expensive alternatives, because they were already doing so. As a result, people on low incomes are now forced to make impossible choices, such as whether to pay the rent or the electricity bill.

A small silver lining of Australia's recent, harder economic situation is the increased awareness and sympathy about genuine poverty. As more households felt the strain, the public and politicians understood the meaning of a cost of living crisis, a crisis felt for many years by those in poverty. This may have contributed to the first real, if modest, increase to income support payments since 1994. This report highlights the positive impact the 2023 increase had on households through 2024 but notes it was insufficient to lift some recipients out of poverty, and adequately raising the base rate of income support is required to make a significant impact.

Improvements in the economy over the last year have disproportionately benefitted people with high and middle incomes. The recent cuts in interest rates most directly affect mortgage holders, a group excluding most Canberrans experiencing poverty. As the economic pressure on middle-income households eases, public and political attention on people experiencing poverty risks decline. This report demonstrates that poverty remains a serious issue in Canberra, and affects a wide range of people. Rather than focus on any one group of people, a holistic approach is required to create systemic change and promote long-term solutions to ensure nobody in Canberra lives in poverty.

The ACT Government holds powerful levers to relieve cost of living pressure for those who need it most. Ongoing funding for cost-of-living relief measures while reshaping energy concessions for those in chronic hardship would ease pressure immediately. Further investment in public, community and affordable housing would tackle the structural shortage that keeps low-income households in rental stress. Permanently lifting baseline funding so community services can meet rising demand and complexity of need would reinforce the frontline safety net that prevents hardship from deepening into entrenched poverty. Acting on these fronts would demonstrate that, even while national reforms lag, Canberra is prepared to ensure no one is left behind.



Dr Devin Bowles

ACTCOSS CEO



2025 ACT Cost of Living Report: At a Glance

Cost of living pressures have not eased for low-income households and those living in poverty

Low-income households spend more of their money on essentials. Over the past five years, Canberra has experienced above-inflation increases in the prices of many essential goods and services, including:

Education +31.0%

Housing +22%

Food 21%



Housing remains Canberra's key cost of living issue

Over the past five years the CPI for purchasing a new dwelling by owner occupiers in Canberra increased by 33.8%.

Anglicare's 2025 Rental Affordability Snapshot found that out of 1,978 rental properties advertised in the ACT during their survey period, none were affordable for someone on JobSeeker. Only 1% of listings were affordable for a full-time minimum wage earner.

As of 31 March 2025, there were 3,189 applicants on the ACT housing waiting list, with an average wait time of 5 years for standard housing, 3 years for high needs and 7 months for priority.



Inadequate income support is trapping people in poverty

As of December 2024:

- A single person receiving Youth Allowance had a weekly income that was 34% below the poverty line of \$489 per week.
- A single person without children receiving JobSeeker had a weekly income that was 20% below the poverty line of \$489 per week.



Recommendations

To alleviate cost of living pressures in the ACT, ACTCOSS calls on the ACT Government to:

Expand social and affordable housing

- Commit to annual, demand-driven investment in social housing, aligned with the [Supply and Confidence Agreement](#), that increases the proportion of all housing which is public and community housing, by the end of this term of government.
- Increase the share of social housing allocated under the land release program target, with at least 15% to apply only to social and affordable housing for rent in perpetuity.

Continue investment in cost of living supports for those on the lowest incomes

- Maintain cost of living supports for the lowest income households.
 - All effective temporary cost of living and COVID-19 economic relief measures should remain for those in poverty or on the lowest incomes.
- Improve targeted assistance to those in chronic energy hardship.

Sustainably fund our vital community services

- Increase community sector funding to cover *all* costs including workforce and service delivery costs and monitoring and evaluation, particularly outcomes reporting.

To alleviate cost of living pressures in the ACT, ACTCOSS joins ACOSS and calls on the Federal Government to:

Raise the Rate for Good

- The Federal Government should increase JobSeeker Payment, Youth Allowance and related income support payments to at least \$82 a day – on par with pension payments – as a matter of urgency. These payments must be indexed to wages as well as prices at least twice per year.
- In addition to the base rate increase, there should be supplementary payments paid to people with disability and illness and single parents that reflect the additional costs they face.
- Further increase Commonwealth Rent Assistance to adequately reflect rents paid by people on low incomes.¹

¹ Australian Council of Social Services (ACOSS), [Raise the Rate Survey 2024](#) “*I wouldn’t wish this life on anyone.*”, ACOSS, September 2024, p 7 accessed 11 June 2025.



Changes in prices of key goods and services: Consumer Price Index

As in previous *ACT Cost of Living Reports*, our analysis draws primarily on Canberra's Consumer Price Index (CPI) for the December quarter, tracking both short-term (12-month) and longer-term (five-year) price changes.

Over the five-year period from December 2019 to December 2024, Canberra's overall CPI rose by 19.6%, compared to 20% nationally. However, this figure masks significant variation across expenditure categories.

Figure 1 shows that the CPI groups with the steepest increases over this 5-year period were:

- Education (+31%)
- Housing (+22%)
- Food (+21%).²

These categories are all essential expenses and have outpaced overall inflation (above the CPI All Groups, hereafter referred to as "overall CPI"). They represent a disproportionate burden for households on the lowest incomes, who spend a significantly higher proportion of their income on essential, non-discretionary goods and services such as housing, food, and transport.³ This makes them especially vulnerable to price increases in these areas. ABS Household Expenditure Survey data shows that these three categories alone account for over half (55.1%) of expenditure among ACT households in the lowest income quintile.⁴ Moreover, these essential expenses have grown more quickly than income support payments that are indexed only to inflation.

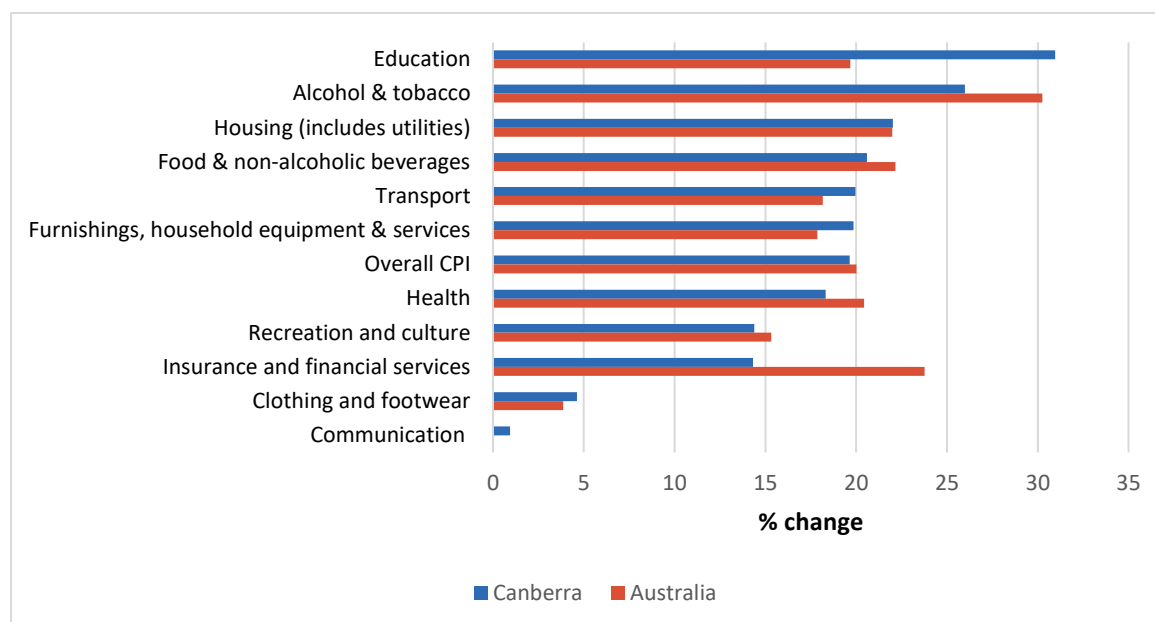
2 We do not include 'Alcohol and Tobacco' in this discussion as the focus of this report is on changes in the prices of non-discretionary goods and services that have a disproportionate impact on low-income households. Though we note that some low-income and vulnerable households will be disproportionately impacted by the significant increase in this CPI group.

3 Low-income households are generally defined as those in the first and second income quintiles, or the bottom 40% of the income distribution.

4 ABS, 'Table 21.1 Household Expenditure, Broad expenditure groups, Equivalised disposable household income quintiles, ACT', [Household Expenditure Survey, Australia: Summary of Results, 2015-16 financial year](#), ABS, 2017, accessed 19 May 2025.



Figure 1: Change in CPI for CPI Groups (including overall CPI), Canberra and Australia, December 2019 – December 2024 (%)



Source: ABS, 'Table 11. CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City' [time series spreadsheets], Consumer Price Index, Australia, December Quarter 2024, ABS, 2025.

Figure 2 and Figure 3 break down the drivers of these CPI group increases. Key findings include:

- **Education:** Costs rose across all three components – secondary education (+33.7%); pre-school and primary education (+32.7%); and tertiary education (+26.4%). Despite these significant increases, the Future of Education Equity Fund payment has stagnated. High school students receive \$750 under this payment, which is the same amount received under the former Secondary Bursary Scheme, yet secondary education costs have increased by 72 per cent since 2013.⁵ While extending the eligibility of the fund to a further 1,000 students is a welcome commitment, the amount of the payment must reflect the significant increase in cost that education has seen in recent years.⁶ Doing so would represent an important step towards easing financial pressures and improving education equity in the ACT.
- **Housing (includes utilities):** The largest contributor was driven primarily by the increased cost of new dwelling purchase (+33.8%). Other significant contributors included property rates and charges (+21.1%), and gas and other household fuels (+24.4%).
 - While ACT's regulated electricity prices rose by 12.75% in the 2024-25 financial year, this increase, and those in the years prior, would have been largely offset for most households by rebates provided through the Commonwealth's Energy Bill Relief Fund (EBRF), limiting average annual bill increases in the 2024-25 financial year to around

5 ABS, 'Table 11. CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City' [time series spreadsheets], [Consumer Price Index, Australia, December Quarter 2024](#), ABS, 2025.

6 ACT Government, [ACT Budget 2025-26: Education equity support extended](#), ACT Government, 16 June 2025.



\$240.⁷ However, lower-income households may have experienced higher increases, as they often consume more energy due to factors such as poor housing quality, limited financial means — or, in the case of renters, limited authority — to improve the energy efficiency of their homes, along with a greater likelihood of relying on older or inefficient appliances.

- From 1 July 2025 both electricity and water and sewerage charges will rise further in the ACT.⁸
- Rental affordability has deteriorated sharply during this post-pandemic period. Even though rent growth in the ACT has slowed during 2024, this offers no relief to many low-income households already trapped in chronic rental stress.⁹ The National Housing Supply and Affordability Council confirms that rental affordability for new leases worsened in every capital city and region during 2024 (except for regional NT). In addition, the **Productivity Commission's 2025 figures show the ACT has the country's highest rate of rental stress among Commonwealth Rent Assistance (CRA) recipients**: half spend more than 30 per cent of their income on rent and more than one-quarter spend over 50 per cent.¹⁰ More than half of lower-income renter households were in rental stress in 2023 and 60 percent of those in rental stress had been in that position for two years or more, underscoring the painful legacy of years of inflated rents.¹¹
- **Food:** Price rises were widespread, including food products n.e.c (+26.4%), bread and cereal products (+26.2%), dairy (+24.9%), and non-alcoholic beverages (+22.4%).¹² These groups include staples that should be non-negotiable for low-income households as there's little room for substitution. The costs have become so prohibitive **for those on income support that they are 14 times more likely to skip one or more meals per day than the general population.**¹³

7 Independent competition and regulatory commission (ICRC), [Commission releases final report on regulated retail electricity prices for 2024-27](#), ICRC, 26 May 2025.

8 ICRC, [ACT electricity prices adjustment from 1 July 2025](#), ICRC, 26 May 2025; ICRC, [Commission updates Icon Water's regulated water and sewerage services prices for 2025-26](#), ICRC, 6 June 2025

9 National Housing Supply and Affordability Council, [State of the Housing System 2025](#), Australian Government, 17 April 2025.

10 Productivity Commission, [Report on Government Services 2025: Part G Housing and Homelessness, Section 18 Housing](#), Australian Government, 10 June 2025.

11 2023 is the most recent year for which data is available; National Housing Supply and Affordability Council, [State of the Housing System 2025](#), Australian Government, 17 April 2025, p 80, accessed 13 June 2025.

12 Food products n.e.c. refers to food products not elsewhere classified. This category covers a wide range of food items that don't fit neatly into the specific categories within the broader CPI food group. It includes eggs, spreads, condiments, oils and fats, snacks and confectionary, baby food, tinned and frozen foods, soups and stocks; ABS, [Appendix – goods and services priced in the CPI. Examples of goods and services priced in the 17th series CPI](#), ABS, accessed 16 June 2025.

13 Economic Inclusion Advisory Committee (EIAC), [Economic Inclusion Advisory Committee: 2025 report to government](#), Department of Social Services, 2025, p 9.



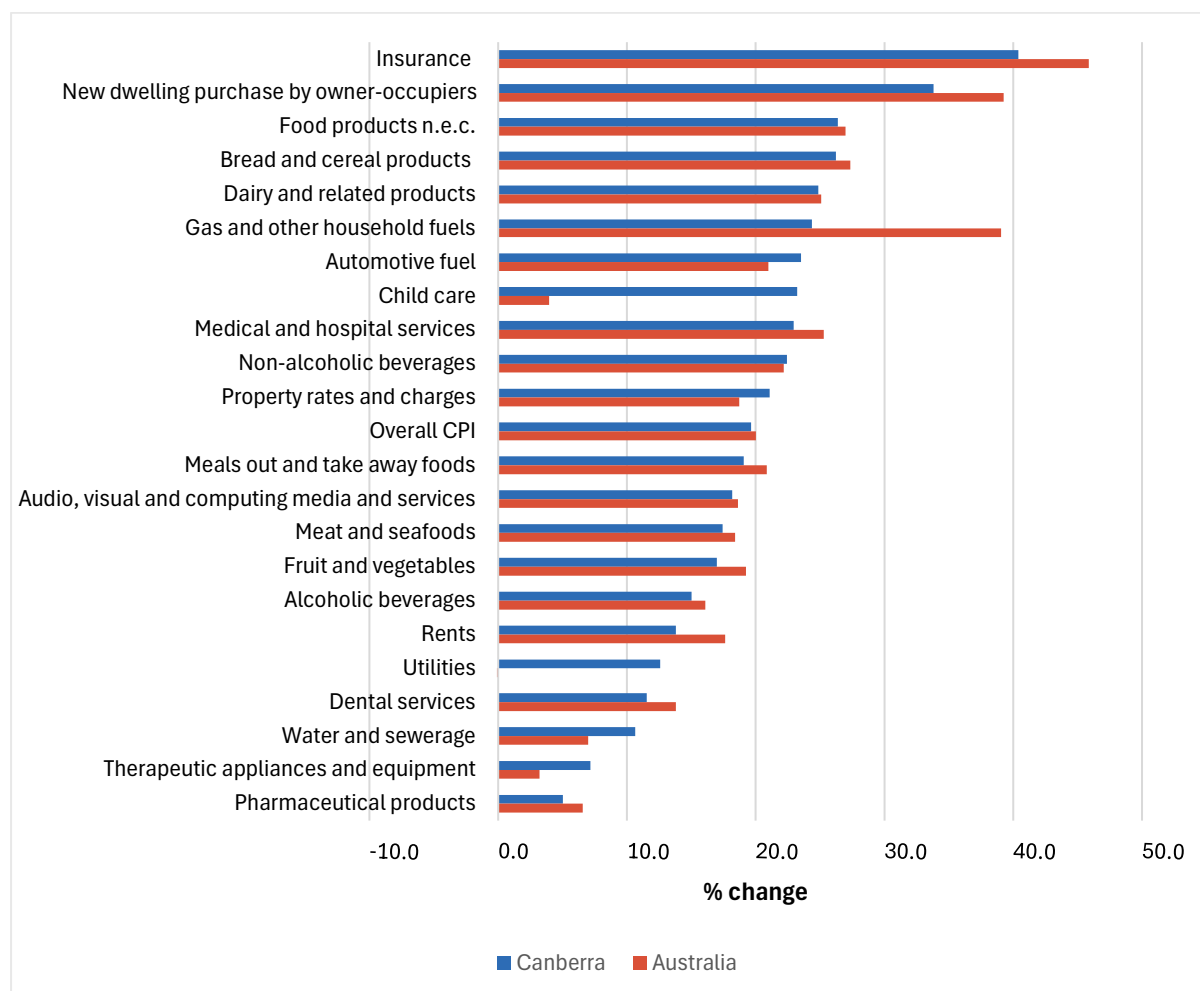
Other notable price increases over this five-year period include:

- **Automotive fuel:** Costs increased by 23.5% and was a major contributor to the increase in overall transport costs. Most affected are those who do not live near adequate public transport or who rely on cars for work, appointments or care responsibilities. Current global conflicts also create ongoing uncertainty around fuel prices, adding further risk for households already vulnerable to rising petrol costs.¹⁴
- **Childcare:** Increasing by 23.2% over the five-year period, it was the biggest contributor to the increase in the CPI group for furnishings, household equipment and services. Such an increase poses a significant hurdle for parents trying to re-enter the workforce or with insecure employment.

14 N Khadem & S Chalmers, [Petrol prices could hit \\$2.20 a litre if Iran-Israel conflict sends oil above \\$US100 a barrel](#), ABC News, 17 June 2025.



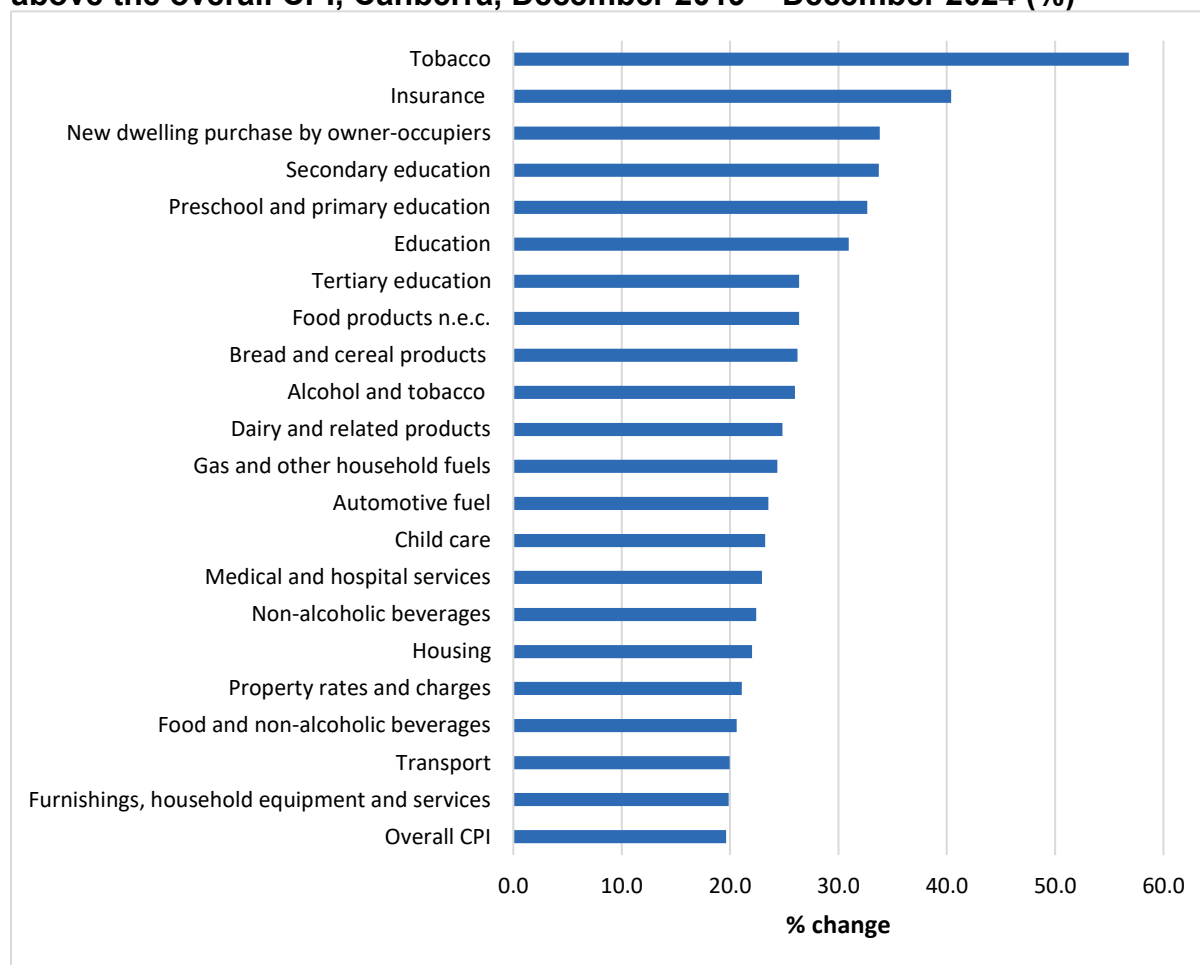
Figure 2: Change in CPI for selected sub-groups and expenditure classes (including overall CPI), Canberra and Australia, December 2019 – December 2024 (%)



Source: ABS, 'Table 11. CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City' [time series spreadsheets], [Consumer Price Index, Australia, December Quarter 2024](#), ABS, 2025.



Figure 3: Changes in CPI sub-groups and expenditure classes with increases above the overall CPI, Canberra, December 2019 – December 2024 (%)



Source: ABS, 'Table 11. CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City' [time series spreadsheets], [Consumer Price Index, Australia, December Quarter 2024](#), ABS, 2025.

Figure 3 highlights that while the overall **Health CPI group** rose by 18.3%, slightly below Canberra's total CPI increase of 19.6%, key components still outpaced inflation. In particular, the cost of medical and hospital services rose by 22.9%, placing additional strain on low-income households who already face barriers to accessing affordable care.

Similarly, although the **Insurance and Financial Services CPI group** recorded a more moderate overall increase (+14.3%), this masks sharp rises within the group. The insurance component alone rose by 40.4% over five years in Canberra — a trend with serious implications for the financial sustainability of community service providers and volunteer-dependent services.

This accumulated increase in the costs of essential goods and services is a driver of precarity for those on lower incomes. When household budgets are stretched to breaking point, it leaves people without the financial buffer they need to weather crises. The following case study illustrates the cascading pressures low-income households face and the breadth of support required for families to regain stability.



CASE STUDY: The compounding effects of multiple crises

Content Warning: Domestic and Family Violence

Care has been supporting the Canberra community since 1983 and we believe in financial fairness for all. We are a community organisation that provides free and confidential support and assistance to people living on low to moderate incomes or who are experiencing financial difficulty.

Bree*, a single parent in her early 30s, faced significant challenges stemming from emotional, psychological, and financial abuse. Bree endured mental health struggles and financial distress exacerbated by her circumstances. Her journey with Care began with support from a financial counsellor while she was detained in the Alexander Maconochie Centre (AMC). The financial counsellor identified years of financial abuse that contributed to her incarceration. Initial support included applications for Safer Families and Escaping Violence grants to address debts.

Upon her release from the AMC, Bree reconnected with Care's Financial Capability team for budgeting assistance. She presented with rental arrears, solicitor fees, and difficulties meeting daily expenses, including food and fuel. As a casual employee, Bree faced income gaps during the summer holiday period, further straining her finances and falling behind in her rent. Additionally, Bree had gained custody of her young child which saw her expenses increase while also struggling to pay legal fees arising from the Family Court process.

Care's team took several steps to support Bree. They helped her access further Safer Families and Escaping Violence grants, enabling her to pay overdue legal fees. Bree was also supported to enter a payment plan with her solicitor, which guaranteed the client's representation in her legal matter in the Family Court.

Bree also benefited from a grant from the ACT Government's Rent Relief Fund administered by Care, ensuring her continued tenancy – a critical factor in her custody agreement. She also accessed an Assistance Beyond Crisis (ABC) no-interest loan to cover car registration, essential for work and family needs. Collaboration with organisations like UnitingCare Kippax, St Vincent de Paul, and St John's Care Reid provided food, medication, and petrol support.

With these interventions, Bree managed her debts, secured legal representation, maintained her rental tenancy, upheld her custody agreement, and ensured basic needs like groceries and transport. Despite significant systemic barriers, Bree was able to regain stability for herself and her child.

**Name changed for privacy*



Table 1: Change in CPI for key household expenditure areas, Canberra and Australia, Dec 2023 – Dec 2024 and Dec 2019 – Dec 2024

Cost of Living Area	Canberra CPI Change (%) - Dec 23-Dec 24	Australia CPI Change (%) - Dec 23-Dec24	Canberra CPI Change (%) - Dec 19-Dec 24	Australia CPI Change (%) - Dec 19-Dec 24
Food & Non-Alcoholic Beverages	3.2	3.0	20.6	22.2
- Bread & cereal products	2.4	2.5	26.2	27.4
- Meat & seafood	2.5	2.5	17.4	18.4
- Dairy & related products	-1.2	-1.2	24.9	25.1
- Fruit & vegetables	6.4	6.3	17.0	19.2
- Food products n.e.c.	3.5	3.4	26.4	27.0
- Non-alcoholic beverages	3.2	3.8	22.4	27.1
- Meals out & takeaway	3.3	2.6	19.1	20.9
Alcohol & Tobacco	4.9	6.2	26.0	30.3
- Alcohol	2.7	3.4	15.0	16.1
- Tobacco	12.1	12.2	56.8	57.3
Clothing & Footwear	1.3	1.3	4.6	3.9
Housing (includes utilities)	1.9	1.0	22.0	22.0
- Rents	0.6	6.4	13.8	17.6
- New dwelling purchase	1.9	2.9	33.8	39.3
- Property rates & charges	3.7	4.9	21.1	18.7
- Utilities	2.4	-12.7	12.6	-0.1
- Water & sewage	6.9	2.7	10.6	7.0
- Electricity	-3.8	-25.2	3.4	-16.6
- Gas & other household fuels	7.8	4.6	24.4	39.1
Furnishings, household equipment/ services	1.9	1.5	19.9	17.9
- Child care ¹⁵	10.0	4.1	23.2	4.0 ¹⁶
Health	4.0	4.0	18.3	20.4
- Pharmaceutical products	2.8	3.1	5.0	6.6
- Therapeutic appliances	1.4	0.8	7.2	3.2
- Medical & hospital services	4.3	4.4	22.9	25.3
- Dental services	3.6	2.9	11.5	13.8

15 We note a large CPI change in Canberra compared to the national change, see ACTCOSS' [Cost of living report 2024](#) for a more detailed analysis of this data.

16 ABS reported errors were identified and corrected in the December 2024 quarter.



Cost of Living Area	Canberra CPI Change (%) - Dec 23-Dec 24	Australia CPI Change (%) - Dec 23-Dec 24	Canberra CPI Change (%) - Dec 19-Dec 24	Australia CPI Change (%) - Dec 19-Dec 24
Transport	-2.1	-1.5	20.0	18.2
- Automotive fuel	-8.5	-7.9	23.5	21.0
- Public transport ¹⁷	-25.4	-4.3	-24.6	4.0
Communication	0.0	0.0	0.9	0.0
- Telecommunication equipment & services	0.0	0.0	-1.4	-1.4
Recreation & culture	1.2	3.3	14.4	15.3
- Audio, visual, computing equipment	-1.6	-1.0	-1.2	-0.9
- Audio, visual, computing media & services	8.9	9.3	18.2	18.6
Education	7.7	6.5	31.0	19.7
Insurance & financial services	4.5	5.4	14.3	23.8
- Insurance	12.8	11.0	40.4	45.9
Overall CPI	2.2	2.4	19.6	20.0

Source: 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, December Quarter 2024, ABS, 2025.

In the 12-month period from December 2023 to December 2024, Canberra's CPI rose by 2.2% — slightly below the national increase of 2.4% (Table 1).¹⁸ However, this modest headline figure hides the reality for low-income households, who face greater cost of living pressures due to steeper increases in essential goods and services.

While some of the largest CPI increases over the past year were in areas like tobacco (+12.1%) and audio-visual services (+8.9%), these are discretionary items. More concerning are the sustained increases in childcare (+10.0%) and gas and other household fuels (+7.8%), which directly impact households with limited financial flexibility.

Insurance costs (+12.8%), while not typically a major out-of-pocket expense for households on the lowest incomes, pose growing risks to the viability of essential services that these households rely on. Rising premiums are placing significant strain on community organisations. An ACTCOSS and Volunteering ACT member consultation found that community organisations experienced between 5-20% rises in insurance premiums within the last year.¹⁹ Without adequate insurance, some organisations face barriers to delivering

17 In both the September and December 2024 quarter, Canberra transport CPI decreased due to the 6 week free public transport period.

18 ABS, [Consumer Price Index, Australia, December Quarter 2024](#), ABS, 29 January 2025.

19 ACT Council of Social Services (ACTCOSS) & Volunteering ACT (VACT), [Submission: Inquiry into Insurance Costs in the ACT](#), ACTCOSS & VACT, 14 March 2025.



core services for vulnerable communities or maintaining access to government venues. This contributes to reduced service availability and quality, compounding cost of living pressures for those most in need.



Changes in income and the poverty gap

While much cost-of-living analysis focuses on average or median incomes, this report is concerned with those experiencing poverty — households on the lowest incomes, for whom even modest increases in essential costs can have severe consequences. The problem is not simply that prices have increased, but that incomes at the bottom have failed to keep pace, deepening material deprivation.

In this section, we shift focus from price movements to changes in real purchasing power by comparing household incomes to changes in the Living Cost Indexes (LCIs). This approach helps highlight the poverty gap — the shortfall between available income and the cost of meeting basic needs.

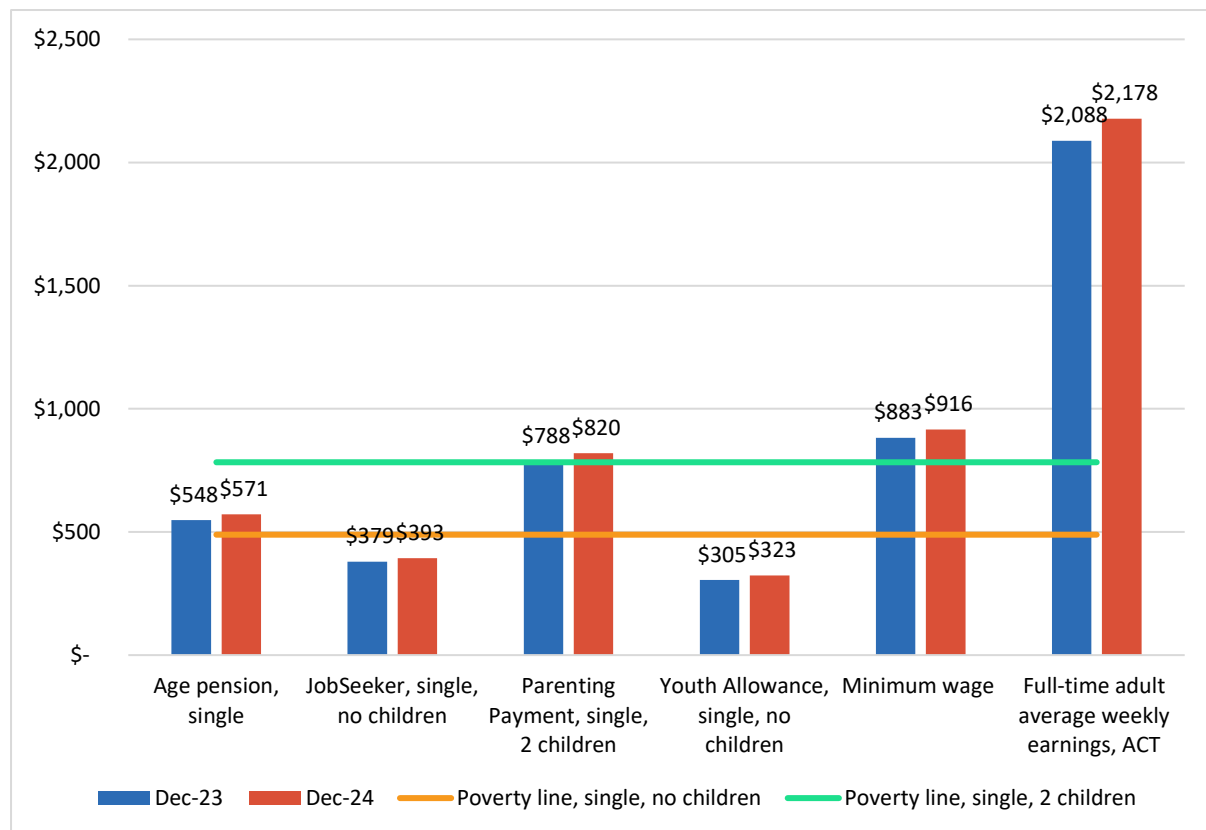
We define poverty in terms of material deprivation as it relates to the adequacy of household income to meet basic needs. In this report, we adopt the poverty line calculated by the ACOSS/UNSW Poverty and Inequality Partnership.²⁰ This poverty line is set at one-half (50%) of the median or 'middle' household disposable income in Australia — people living in households with income below this line are regarded as living in poverty. Figure 6 shows two thresholds: the lower line is the poverty line for a single adult (\$489 per week), while the upper line is the poverty line for a single adult with two children (\$783 per week).

The poverty line has been calculated using data from the most recent census and is accurate for the financial year 2019-20. We have not made any adjustments to the 2019-20 poverty lines in this report which means that they are likely underestimates of what the poverty lines would be in 2024-25. This means that the poverty gap is likely larger than our analysis presents.

20 P Davidson, B Bradbury & M Wong, [Poverty in Australia 2023: who is affected?](#), Poverty and Inequality Partnership Report no. 20, ACOSS and UNSW Sydney, 2023.



Figure 6: Changes in income compared to poverty lines by income type, December 2023 – December 2024



Source: Services Australia, A guide to Australian Government payments, Historical versions, 20th September to 31 December 2023 and 20 September to 31 December 2024, Services Australia, Canberra, 2024; P Davidson, B Bradbury & M Wong, Poverty in Australia 2023: who is affected?, Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney, 2023; Fair Work Commission, National Minimum Wage Orders, Fair Work Commission, Melbourne, 2024; ABS, Average Weekly Earnings, Australia, Nov 2023 & Nov 2024, ABS, Canberra, 2023.



Since last year's report, there has been a modest improvement in cost-of-living support for income support recipients. In addition to indexation, the 2024-25 Federal budget included a 10 per cent increase to the maximum rate of Commonwealth Rent Assistance, and extended eligibility for the higher rate of the JobSeeker Payment and Energy supplement to single recipients with a partial capacity to work.²¹ Combined, these changes resulted in marginal improvement to the mean income of those below the poverty line, with the changes outpacing increases in cost of living.²²

While welcome, these policy changes were far from sufficient. Figures 6 and 7 show that all single person JobSeeker and Youth Allowance recipients remain in poverty, with other income recipients only experiencing marginal reductions in the gap between their incomes and the poverty line. It is also important to highlight that the poverty line has not been updated since 2019-20 and therefore is likely higher than where it's set in this analysis. The takeaway however is that increases have not meaningfully shifted people out of financial precarity — especially for single people on JobSeeker and Youth Allowance, whose incomes remain well below what's needed for a basic standard of living. As of December 2024:

- A single person receiving Youth Allowance had a weekly income that was 34% below the poverty line of \$489 per week
- A single person without children receiving JobSeeker had a weekly income that was 20% below the poverty line of \$489 per week.

In 2025, a single adult on the JobSeeker Payment receives only 43.5 per cent of the net full-time minimum wage, is 14 times more likely to skip one or more meals per day and is significantly more likely to die by suicide than their fellow Australians.²³

21 The Australian Government Department of Social Services, *Portfolio Budget Statements 2024-25: Budget related paper no. 1.14: Social Services Portfolio*, 2024, Commonwealth of Australia, p 7.

22 EIAC, [Economic Inclusion Advisory Committee: 2025 report to government](#), Department of Social Services, 2025, pp 34-35.

23 EIAC, [Economic Inclusion Advisory Committee: 2025 report to government](#), Department of Social Services, 2025.



CASE STUDY: Living below the line on Centrelink

The St Vincent de Paul Society Canberra/Goulburn (Vinnies) offers a comprehensive range of community services in the ACT designed to assist those in need by providing them with a hand-up. By the time an individual or family contacts us, they are usually without options or hope. This is why Vinnies is concerned about the increasing waitlist for our programs. In the last financial year, we assisted 2781 people through our Emergency Response program, a number that represents a 10% increase on the previous period.

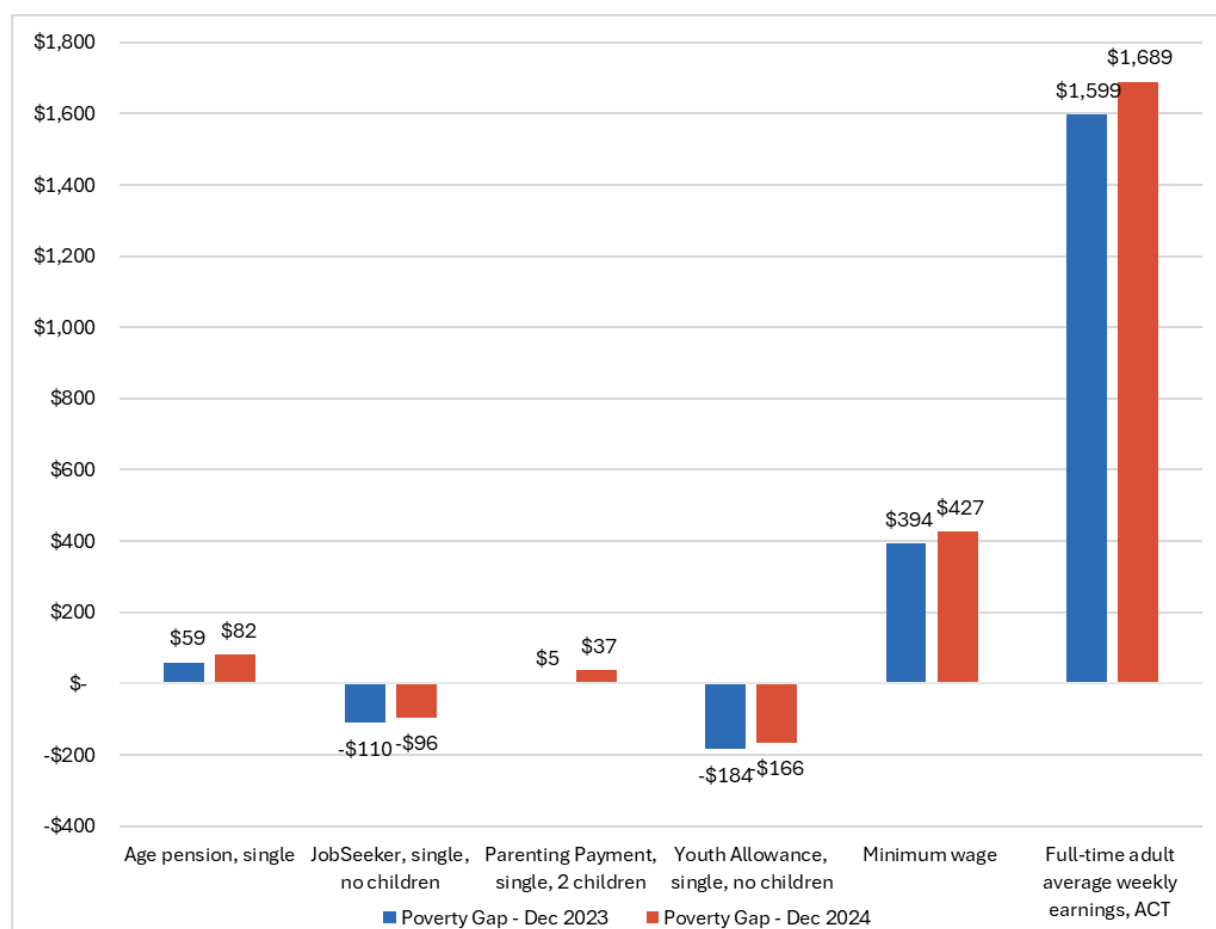
We hear stories like that of Amandla*, who arrived in Australia from overseas as a child. In 2024, she relocated to Canberra with her partner. Earlier this year, Amandla and her partner separated, a significant personal upheaval that she faced despite also managing the impacts of a brain injury and PTSD. The escalating cost of living placed tremendous pressure on Amandla. Between January and February 2025, she stayed at Ainslie Village, as private rental options in Canberra were unaffordable on her Centrelink income.

During this time, she received crucial assistance from her local Vinnies volunteer conference and our ACT Case Work team. In February, Amandla moved into an ACT Housing flat but couldn't afford even basic furnishings for her new home. With help from the Conference Emergency Furniture program, she was able to access furniture, household items, kitchen essentials, and warm bedding from Goodies Junction reuse operation at Mugga Lane. This transformed her empty flat into a welcoming home. Despite this progress, Amandla continues to feel the strain of rising living expenses. She relies on support from her local Vinnies volunteer conference for emergency food relief and help with utility bills and budgeting. To ease the burden of energy costs, she was also referred to the Vinnies Home Energy Efficiency team, which is helping her make her home more affordable to run.

**Name changed for privacy*



Figure 7: Weekly income poverty gap by income type, December 2023 – December 2024



Source: Services Australia, [A guide to Australian Government payments, Historical versions, 20th September to 31 December 2023](#) and [20 September to 31 December 2024](#), Services Australia, Canberra, 2024; P Davidson, B Bradbury & M Wong, [Poverty in Australia 2023: who is affected?](#), Poverty and Inequality Partnership Report no. 20. Australian Council of Social Service and UNSW Sydney, 2023; Fair Work Commission, [National Minimum Wage Orders](#), Fair Work Commission, Melbourne, 2024; ABS, [Average Weekly Earnings, Australia](#), Nov 2023 & Nov 2024, ABS, Canberra, 2023.

There are important differences in the ways that Pensions, JobSeeker, and Youth Allowance payments are indexed. These differences have significant impacts on the extent to which these payments keep up with increases in the cost of living.

Pensions are indexed by the higher of the CPI or the Pensioner and Beneficiary Living Cost Index (PBLCI). The result is also 'benchmarked' to ensure the payment does not fall below a set percentage of Male Total Average Weekly Earnings (MTAWE).²⁴ Pensions are indexed twice a year in March and September. JobSeeker and Youth Allowance are both indexed against the CPI, though JobSeeker is indexed twice a year in March and September while Youth Allowance is indexed once a year in January.

24 Parliamentary Budget Office, [Indexation & the budget – and introduction](#), Budget explainer, 1 March 2023, Parliamentary Budget Office, 2023.



Basing indexation of JobSeeker and Youth Allowance only on changes in the CPI has meant that these payments have not increased at a rate that aligns with the real increase in cost of living as reflected in the Selected Living Cost Indexes (SLCI). While real wages may have increased, easing cost of living pressures for those not dependent on government transfers, JobSeeker and other government welfare payments have not seen such an increase.

If we are going to create a fairer and more resilient community, we need to start by ensuring that households have enough to cover the basics. ACTCOSS supports the call from ACOSS and the Australian Government's Economic Inclusion Advisory Committee (EIAC) for a commitment to lift income support so everyone can cover the basics, by increasing the rate of JobSeeker and other income support payments to at least \$82 a day and index these payments to wages as well as prices to achieve parity with pensions.²⁵

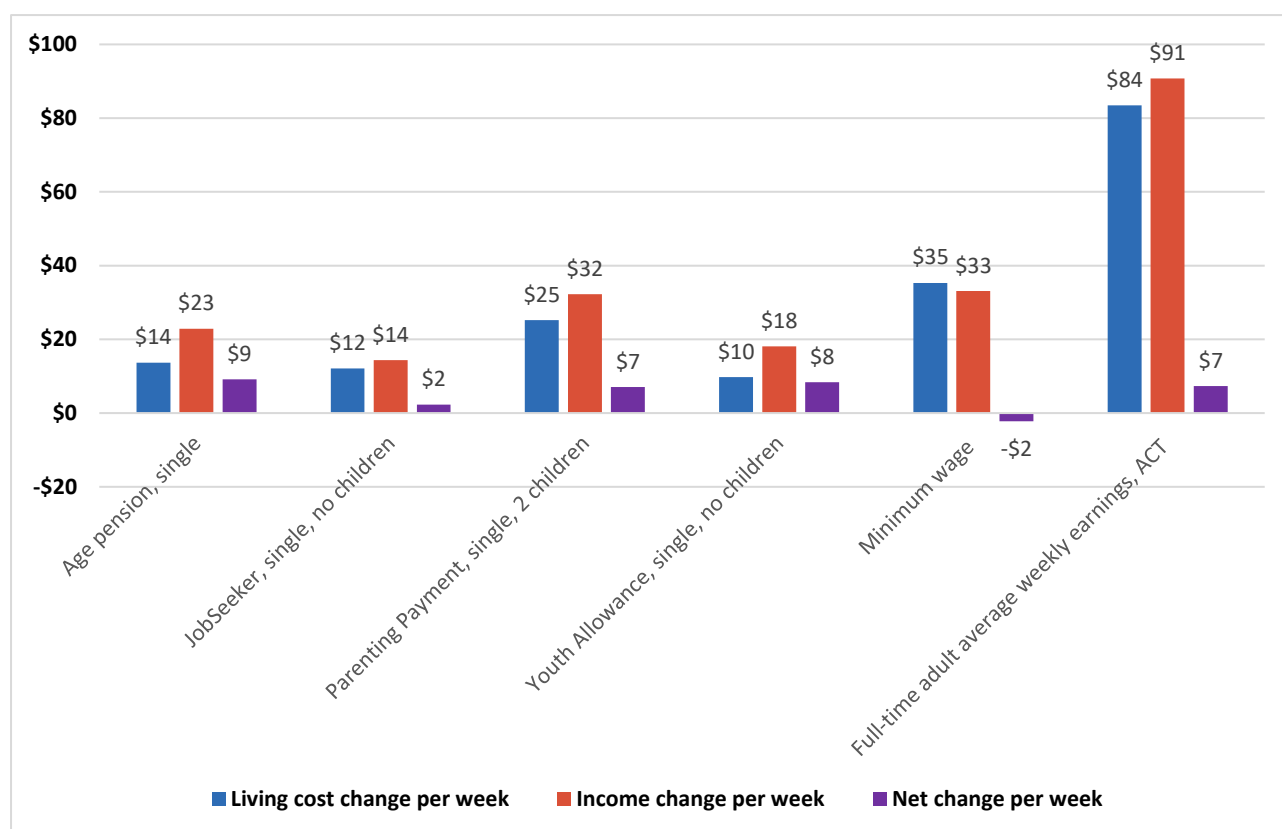
Recommendations: Raise the Rate for Good

- The Federal Government should increase the JobSeeker Payment, Youth Allowance and related income support payments to at least \$82 a day – on par with pension payments – as a matter of urgency. These payments must be indexed to wages as well as prices at least twice per year.
- In addition to the base rate increase, there should be supplementary payments paid to people with disability and illness and single parents that reflect the additional costs they face.
- Commonwealth Rent Assistance should be further increased to adequately reflect rents paid by people on low incomes.

25 ACOSS, [ACOSS budget priorities statement 2025-26](#), Submission to the Treasurer, ACOSS, 2024; EIAC, [Economic Inclusion Advisory Committee: 2025 report to government](#), Department of Social Services, p 10, 2025.



Figure 9: Change in weekly income vs change in living costs, December 2023 – December 2024



Source: ABS, [Selected Living Cost Indexes, Australia, December Quarter 2024](#), ABS, 2024; Services Australia, [Historical versions of A guide to Australian Government payments](#), Services Australia, Canberra, 2024; Fair Work Commission, [National Minimum Wage Orders](#), Fair Work Commission, Melbourne, 2024; ABS, [Average Weekly Earnings, Australia](#), Nov 2023 & Nov 2024, ABS, Canberra, 2024.

ACTCOSS welcomes the Fair Work Commission's decision to increase the national minimum wage by 3.5% from 1 July 2025. While this increase will provide some relief to low-paid workers struggling to meet basic costs, it will not reverse the decade-long stagnation in living standards experienced by people on low incomes. Figure 9 shows that there was a reduction in the purchasing power of those in full-time employment on the minimum wage, receiving \$916 in average weekly earnings in the ACT. When comparing changes in average weekly earnings and the SLCI for minimum wage households, these households were left \$2 per week worse off due to inflation outstripping wage increases.

Figure 9 reflects the net change between living costs and incomes for those on income support payments. The marginal increase across all payments demonstrates the positive impact of the Australian Government increase of \$20 per week to income support payments for recipients of JobSeeker, the Parenting Payment and Youth Allowance introduced in September 2023. As ACTCOSS and the EIAC highlighted, although this was a welcome step, and we can see has led to a modest improvement, it was insufficient to lift people out of



poverty.²⁶ Although this increase had a positive impact for the 2023-2024 year, a small one-off increase will not sustain this positive impact over time, and sustained increases are needed.

The ACT community sector is seeing more people in full-time work seeking support to cover their cost of living. Care Financial reports utilities, mortgage and credit card issues as the top three presenting issues for clients supported by their Financial Counselling and Capabilities program since 1 January 2025. Vinnies Canberra/Goulburn reported a 10% increase in the number of people they assisted through their Emergency Response program in the last financial year. This increased demand has put further strain on the ACT's already underfunded essential community services and is a clear indicator of the acute financial pressures being felt by those on the lowest incomes.

Everyone should be able to keep a roof over their head and cover their basic expenses. But right now, below-the-poverty-line rates of income support are forcing people to make impossible decisions between paying their rent or buying food and medicine. These decisions are being made even harder as people have endured years of increases in the prices of essential goods and services, and especially housing.²⁷

26 ACOSS, [*"It's not enough": why more is needed to lift people out of poverty*](#), ACOSS, September 2023, p 2; EIAC, [*Economic Inclusion Advisory Committee: 2025 report to government*](#), Department of Social Services, 2025, pp 34-35.

27 Anglicare Australia, [*Rental affordability snapshot*](#), Regional reports, 16th edition, 2025.



CASE STUDY: It's not a house, it's a home

YWCA Canberra is a feminist not-for-profit organisation that provides community services and represents women's issues in Canberra. It is a member of the Canberra Food Relief Network – a collection of food pantries, food co-ops and other relevant services that help residents within the Canberra region struggling with access to food and groceries. These pantries are run by community organisations, groups, and dedicated individuals across the ACT, with the support of Volunteering ACT.

Andy* is a 29-year-old mother of three children. Andy suffers from post-traumatic stress disorder due to the unsafe environment and illegal activities of neighbours at the first home that the family was allocated, which caused significant distress for her daily until her family was rehomed. She first accessed our food pantry last year due to immense financial pressures and trying to provide her children with all the essentials. She told us it was her first time ever accessing a service and she was extremely embarrassed and nervous as she felt she did not deserve assistance.

Andy only came twice in the first 2 months but as we spoke to her more and she became more comfortable with staff, we told her about other programs at our centre. We registered her and her youngest child for Gymbaroo, and she has been a consistent member of the group for a year.

We also helped Andy get her two eldest children into sports through the Every Chance program. Andy is a regular client who accesses our food pantry and she always expresses her gratitude for our service. She has told staff she is so happy she made the first step to come into our Centre and she doesn't know what she would have done without us.

**Name changed for privacy*



Housing and cost of living pressures

Stable, secure housing is fundamental to individual and community wellbeing — supporting health, safety, workforce participation, and educational outcomes. Yet in the ACT, access to affordable housing has become increasingly out of reach, especially for people on low or fixed incomes. **The housing crisis remains the single largest driver of cost-of-living pressures in the Territory.**

Recent data confirms that rental affordability in the ACT remains unaffordable for those on the lowest incomes:

- The 2025 Anglicare Rental Affordability Snapshot shows that not a single rental was affordable for someone on JobSeeker, and options were just as bleak for single parents, young people, and people with disability. Even full-time minimum wage earners can only afford 1% of listings.²⁸
- Essential workers such as aged care staff, educators, and nurses face rents consuming up to 70-78% of their income, pushing even moderate-income earners into rental stress.²⁹ This situation risks driving key workers away from the ACT.
- The Productivity Commission reports that in 2025, the ACT has the highest rate of rental stress among CRA recipients. Half (50.3%) of these households were paying more than 30% of their income on rent, and over a quarter (26.9%) were paying more than 50% of their income on rent.³⁰

These figures reflect a broader structural failure: the private rental market is not designed to meet the needs of low-income Canberrans. With high average incomes and strong population growth, ACT rents are among the most expensive in the country.

Income support payments remain well below what is needed to secure a private rental, and the ACT's public housing is chronically stretched to capacity. As of 31 March 2025, the average wait time for priority housing in the ACT is 220 days, over 7 months.³¹ This is an increase from 180 days in October 2024, when ACTCOSS highlighted the issue during Anti-Poverty Week.³²

28 Anglicare Australia, [Rental affordability snapshot](#), Regional reports, 16th edition, pg 3, 2025.

29 Everybody's Home, [Priced Out](#), Everybody's Home, April 2023

30 Productivity Commission, [Report on Government Services 2025: Part G Housing and Homelessness, Section 18 Housing](#), Australian Government, 10 June 2025.

31 ACT Government, [Waiting list for public housing](#), accessed 28th May 2025.

32 Bowles, D (2024) Why the ACT for Community campaign matters, *Region Canberra*, 18 October 2024 ([Why the ACT for Community campaign matters | Region Canberra](#)).



Waiting list	Approved applications	Average waiting time (days)
Priority housing	58	220
Hight needs housing	1,920	1,086
Standard housing	1,211	1,886

Source: Community Services Directorate (2025) Waiting lists for public housing, ACT Government. Accessed 13 April 2025: Waiting lists for public housing - ACT Government.

Although the ACT Government has committed to building 400 new public homes by 2027, plus another 1000 by 2030, current investment settings risk falling short of what's required to reduce wait times.³³ According to the latest RoGS, 100 per cent of new public housing allocations over the past five years have gone to those in greatest need — indicating the system has no room for lower-priority applicants.³⁴

If current trends continue:

- The Territory risks failing to meet its Supply and Confidence Agreement commitment to increase the proportion of all housing which is public housing and community housing; and
- Downstream impacts on homelessness services, family violence supports, and emergency health and justice services will intensify.

33 ACT Government, [Budget 2024-25: Housing Budget Statement](#), ACT Government, June 2024; ACT Labor, [More Homes to Build, Buy and Rent](#), ACT Labor, 2024.

34 Greatest need households are defined by the Productivity Commission as households that at the time of allocation are homeless, in housing inappropriate to their needs, in housing that is adversely affecting their health or placing their life and safety at risk, or have very high rental housing costs.

Productivity Commission, [Report on Government Services 2025: Part G Housing and Homelessness, Section 18 Housing](#), Australian Government, 30 January 2025.



CASE STUDY: Supporting victims of domestic violence

Domestic Violence Crisis Service (DVCS) is a non-government, not-for-profit specialist domestic and family violence service that seeks to reduce violence and abuse in relationships. We provide crisis and long-term support services to help break the domestic and family violence cycle. We are here to support people, both during and after crisis situations.

Hannah* had experienced significant physical, sexual, emotional and financial abuse and coercive control, perpetrated by her partner Steven*. She had three children in her care. Her youngest child, Alexa*, was in the care of Alexa's father in Canberra, with family law proceedings underway to determine parenting orders.

Hannah had been living with the older children in public housing interstate but moved to Canberra to be closer to Alexa. She had no emotional or financial supports available to her in Canberra.

In addition to repeated physical abuse, Steven had stolen money from Hannah's bank account and cancelled her credit cards. Her car was not driveable and required substantial repairs. As a result, Hannah was in severe financial hardship.

After a significant incident of sexual and physical violence, DVCS met with Hannah and her children. DVCS supported Hannah and her family into short-term hotel crisis accommodation in a secure location that Steven was not aware of. She was provided with a MyWay bus card, vouchers and financial support to repair her car, and connected to other services that could provide clothing and other relief.

Hannah was seeking longer term accommodation in the ACT to provide a secure home for all her children and to stay close to Alexa during the family law proceedings. However, the cost of private rentals, and long waits for public housing meant she had few options. The age of her children and the size of their family proved prohibitive, and Hannah was unable to be placed in longer term crisis accommodation in the ACT. Hannah eventually relocated to housing provided by a women's service in Queanbeyan after several weeks in DVCS-brokered hotel accommodation.

**Names changed for privacy*



CASE STUDY: The health impact of secure housing

St Vincent de Paul Society Canberra/Goulburn

When we met Cameron*, an Aboriginal man in his 50s, he had previously experienced significant trauma through the loss of his wife and daughter. Hopeful for a fresh start, he moved to the ACT in 2023 after securing a job opportunity. Following the breakdown of a relationship marked by domestic violence, his circumstances quickly changed. As a victim of abuse, Cameron's mental health deteriorated, ultimately leading to the loss of his employment.

When Cameron was referred to Vinnies' Street to Home program by OneLink, he had been evicted from his temporary accommodation and lived in his car. He worked part-time and faced significant barriers to securing private rental housing due to his limited income. Cameron was assessed as high needs by ACT Housing, but with wait times stretching up to five years he faced the grim prospect of long-term homelessness without immediate accommodation support.³⁵ In April 2025, Street to Home offered him a transitional housing unit — a turning point in his journey.

With the stability of secure housing, Cameron has been able to focus on his recovery. He has increased his working hours and is now actively exploring affordable and private rental options as a long-term exit from transitional accommodation. The support he received has not only provided him with a roof over his head but also restored his sense of dignity and hope.

**Name changed for privacy*

35 Reported wait time communicated by ACT Housing officials to the potential applicant. The wait times captured on the ACT website is not disaggregated by gender and relationship status.



These challenges are clearly complex. Systemic reform is required to both land release and housing policy. The ACT's land release program must reserve at least 15% of new sites specifically for social and affordable rentals in perpetuity, rather than relying on discounted home purchases alone. Currently, much of the "social and affordable housing" target of the program is met by one-off discounted home sales, which are beneficial for a small number of buyers. However, this measure does not expand long-term supply of affordable rental options.

Additionally, under current policy settings, after 15 years the affordable rental properties will revert to market rents, exposing the ACT to a housing affordability cliff. With no evidence that demand for affordable housing will decline, this policy is building a time-bomb into the ACT's budget process which is set to detonate in 15 years. By dedicating a share of each new land release to *permanent* affordable rentals, the ACT can meaningfully increase the supply of housing that remains accessible to those on the lowest incomes, help to alleviate waitlists and reduce the risk of homelessness.

Without urgent and ambitious action, rental affordability will remain a fiction for low-income households, and housing insecurity will continue to compound disadvantage across health, education, and employment.

Recommendations:

- Commit to annual, demand-driven investment in social housing, aligned with the [Supply and Confidence Agreement](#), that increases the proportion of all housing which is public and community housing, by the end of this term of government.
- Increase the share of social housing allocated under the land release program target, with at least 15% to apply only to social and affordable housing for rent in perpetuity.



Strengthening the frontline safety net and targeted relief

Canberra's community organisations are the first responders when rising rents, utility bills and grocery prices push households into crisis. The recent ACT Government announcement of an additional \$10 million in funding to the community sector over the next two financial years is very welcome. While it does not address historic underfunding due to lack of adequate consideration of growing demand, population growth and complexity of need, it provides the sector and ACT Government with time to rebalance funding to strengthen sustainability. Increased funding to account for increased costs should be made permanent, with an assurance that it will continue to adapt to evolving need and rising demand.

Many households still rely on targeted cost-of-living measures introduced during COVID-19 and the years of high inflation that have followed since. Rolling these programs back now would widen, not close, the gap for people who remain in acute stress — especially low-income renters, for whom Canberra rents remain woefully unaffordable, and who now face another round of utility price hikes.³⁶

The recent announcement to make a \$50 Covid-era boost to the Electricity Gas and Water Rebate permanent and increase the total rebate to \$800 for all eligible households provides welcome certainty, yet the net benefit may be muted: federal Energy Bill Relief Fund will decrease from \$300 to \$150 in the 2025-26 ACT Budget, and no commitment has been made to continuing the Utilities Hardship Fund.³⁷ With regulated electricity tariffs rising 10.11 percent and water charges 7.6 percent, the combined assistance package is unlikely to keep pace with households' actual bills.

Shortfalls in utilities support will compound financial strain and deepen housing precarity when targeted rent relief expires on 30 June 2025. The Rent Relief Fund has already issued more than 1400 grants since April 2023 (about two every day) to low-income renters, at an annual cost of just \$1.7 million.³⁸ Extending the program would cost less than half the \$3.8 million in revenue expected from the new short-term-accommodation levy and would keep vulnerable households housed and connected with broader support services while longer-term social and affordable-housing solutions are progressed.

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- 36 From 1 July 2025, utility costs will rise on two fronts: ActewAGL's regulated electricity standing-offer rates jump by an average 10.1 per cent (about 7 per cent in real terms), adding roughly \$214 a year to a typical household bill, while Icon Water's regulated water and sewerage charges climb 7.6 per cent, a further \$102 a year for a household using 200 kL.
- 37 CT Government, [ACT Budget 2025-26: Targeted Cost of Living Support for Canberrans](#), *ACT Government*, 16 June 2025;
ACT Revenue Office, [Energy Bill Relief Fund](#), ACT Government, 2025.
- 38 The program offers up to four weeks' rent (maximum \$2,500) paid directly to landlords, helping renters stabilise their housing and connect with broader support services.



Recommendations:

- Maintain cost of living supports for the lowest income households.
 - All effective temporary cost of living and COVID-19 economic relief measures should remain for those in poverty or on the lowest incomes.
- Improve targeted assistance to those in chronic energy hardship.
- Increase community sector funding to cover *all* costs including workforce and service delivery costs and monitoring and evaluation, particularly outcomes reporting.



Conclusion

This report highlights that despite easing inflation and recent cuts to interest rates, cost-of-living pressures remain acute for Canberra's low-income households. Years of disproportionate increases in the prices of essentials have deeply eroded the financial resilience of those already in poverty or living on the margins. For many, modest improvements to income support have not offset sustained price hikes, leaving thousands of ACT residents unable to meet their basic needs without impossible trade-offs.

Housing remains the most pressing challenge, with rental affordability for low-income households at record lows and public housing unable to meet demand. Similarly, targeted relief such as the Electricity, Gas and Water Rebate risks being inadequate due to rising utility costs and decreasing federal support. The anticipated expiry of the Rent Relief Fund further jeopardises housing stability for vulnerable renters, underscoring the urgent need for its renewal.

Crucially, Canberra's frontline community organisations, which provide essential support to those experiencing acute financial hardship, require sustainable funding to continue their critical work. Without increased investment, the safety net that prevents financial stress from turning into entrenched poverty will unravel, undermining the wellbeing and social cohesion of our community.

ACTCOSS therefore urges the ACT Government to maintain and strengthen cost-of-living supports, expand social and affordable housing investment, and ensure sustainable funding for community sector organisations. At the Federal level, urgent action is needed to increase income support payments, enhance targeted supplements, and significantly lift Commonwealth Rent Assistance.

Together, these recommendations form a cohesive strategy to alleviate immediate hardship and build long-term resilience, ensuring that no Canberran is left behind.

Thank you

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