



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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**SELECT COMMITTEE ON COST OF LIVING PRESSURES IN THE ACT**  
Mr Johnathan Davis MLA (Chair), Dr Marisa Paterson MLA (Deputy Chair)  
Ms Nicole Lawder MLA

## Submission Cover Sheet

### Inquiry into Cost of Living Pressures in the ACT

**Submission Number: 026**

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Select Committee on Cost of Living Pressures in the ACT  
ACT Legislative Assembly, GPO Box 1020, Canberra ACT 2601  
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20 March 2023

Dear Mr Davis MLA (Chair), Dr Paterson MLA and Ms Lawder MLA

#### INQUIRY INTO COST OF LIVING PRESSURES IN THE ACT

The ACT Council of Social Service (ACTCOSS) welcomes the opportunity to make a submission to the Inquiry into Cost of Living Pressures in the ACT. ACTCOSS advocates for social justice and is the peak body representing the ACT community sector. We have attached our [2022 ACT Cost of Living Report](#) and [Poverty Factsheet](#) which provides significant detail on the cost of living crisis and rising inequality in the ACT region. We are in the process of developing our 2023 ACT Cost of Living Report, with preliminary research suggesting that statistics relating to CPI increases, as well as housing unaffordability have only worsened since 2022. ACTCOSS endorses the submissions made to this inquiry by our members, many of whom are confronting the cost of living crisis in their day to day service delivery.

Results from the forthcoming ACOSS Community Sector Survey show that two thirds of organisations in the ACT saw increased demand and increased complexity of need in 2022, with 56% of organisations reporting that levels of poverty and disadvantage in the Canberra community have increased. As we note in the 2022 Cost of Living Report, the removal of the Coronavirus supplement saw the rate of poverty in the ACT almost double, with more than 38,000 Canberrans now living below the poverty line.

#### **Cost of living pressures faced by low and moderate income households that are not currently alleviated by ACT or Commonwealth Government assistance programs**

There are some ACT and Commonwealth Government assistance programs that are aimed at alleviating cost of living pressures. However, ACTCOSS is concerned that these programs are not adequate.

For Canberrans on Commonwealth income support payments their level of income below the poverty line means they are unable to afford the fundamentals of a healthy life including housing, food, transport, healthcare, and energy. As of March 20, 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.
- A single parent with two children, on JobSeeker has an income \$115 below the poverty line of \$783 per week.

Consultation with our members indicates that some key cost of living issues for Canberrans relate to housing, energy and healthcare.

### High cost and inadequate support for housing

Canberra continues to have the most expensive overall median rent prices<sup>1</sup> and is the least affordable jurisdiction in the country for people on low incomes.<sup>2</sup> This effects people in the lowest income quintile the most, as they spend the highest proportion of their income on housing costs. The ABS estimated that Canberrans in the lowest income quintile spent over 40% of their income on housing in 2019-20.<sup>3</sup> The latest Report on Government Services (ROGS) showed that over half of Commonwealth Rent Assistance recipients and over 60% of private renters in the ACT were experiencing rental stress in 2022 (paying more than 30% of their income on rent).<sup>4</sup>

The stress of extremely high cost of housing in the ACT, compounded by the shortfall of 3,100 social housing properties, means that there are over 3000 applications waiting for social housing and at least 1,600 people who are homeless.<sup>5</sup> The average wait time for standard social housing is now 4.9 years, leaving people in crisis situations for too long. Building more social and affordable housing is a critical responsibility of both levels of government in providing stability, safety and shelter. Clearly current ACT and Commonwealth Government programs are not alleviating cost of housing pressures.

### High cost and inadequate support for energy

Current energy supports are also inadequate and entrench inequality between those who can afford energy or energy efficiency measures and those who can't. The Commonwealth energy supplement for a single adult on the age pension or disability support pension (DSP) is just \$14.10 per fortnight. For a single parent on JobSeeker it is \$9.50 per fortnight and for a student on Youth Allowance it is \$7 per fortnight. Example budgets of people on the DSP and of low income families show that the Commonwealth energy supplement does little to assist with the cost of energy. These examples can be viewed in our [Poverty Factsheet](#).

ACTCOSS acknowledges the ACT Utilities Concession and Utilities Hardship Fund. However, on top of the high cost of energy and limited energy supplement payments, some people who should receive concessions do not. There is a gap in who is eligible for energy concessions and who actually receives those concessions of about 31%. This means that approximately three out of ten eligible Canberrans are not receiving concessions where they should.<sup>6</sup>

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<sup>1</sup> N Field, [Most Affordable & Expensive Capital Cities For Rent In Australia](#), Canstar website, 2023, accessed 16 March 2023.

<sup>2</sup> SGS Economics & Planning (SGSEP), [Rental Affordability Index](#), SGSEP, 2022, accessed 17 March 2023.

<sup>3</sup> Australian Bureau of Statistics (ABS), [Table 12.23 Housing costs as a proportion of gross household income, Selected household characteristics, Australian Capital Territory, 1994-95 to 2019-20](#), ABS website, 2022, accessed 16 March 2023.

<sup>4</sup> Productivity Commission, [Report on Government Services 2023: G Housing and homelessness](#), Productivity Commission, Australian Government, 2023, accessed 17 March 2023.

<sup>5</sup> J Lawson, H Pawson, L Troy, R van den Nouwelant and C Hamilton, [Social housing as infrastructure: an investment pathway](#), AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, 2018, p 63, accessed 22 June 2021.

<sup>6</sup> BM Hobbs, [Mind the Gap: Identifying the gap between energy concession eligibility and concessions received](#), Consumer Policy Research Centre, 2022, accessed 17 March 2023.

Furthermore, if the equity implications of the ACT's electrification transition are not properly planned for, people on low incomes and those who have limited ability to upgrade their homes will be made worse off by the expected rise in gas prices. Our members report that energy stress and inability to afford more energy efficient options are among some of the most frequent issues raised by their clients. While we acknowledge that there are initiatives in place to assist Canberrans to upgrade their appliances and homes, these have narrow eligibility criteria and programs such as zero interest loans still require people to have the ability to pay back a loan. ACT and Commonwealth Government assistance programs do not go far enough in alleviating the pressure of energy costs for the people on the lowest incomes.

#### Lack of affordable healthcare

Chronic disease makes up most of our spending on healthcare and people in the lowest income quintile, as well as Aboriginal and/or Torres Strait Islander peoples are much more likely to suffer from chronic disease.<sup>7</sup> To prevent chronic disease, people must be able to see a doctor before their illness becomes dire. 40% of Canberrans have a long term health condition.<sup>8</sup> However, there is a distinct lack of affordable primary healthcare in the ACT.

HealthEngine.com.au lists four bulk billing general practices (GPs) in the ACT, but there is variation in who these clinics choose to bulk bill. HotDoc.com.au lists three fully bulk billing GPs in the ACT and the ACT Disability, Aged and Carer Advocacy Service (ADACAS) lists seven.<sup>9</sup>

The ACT has the lowest rates of bulk billing GPs in the country, with less than 40% of people likely to see a bulk billing GP and 20% of people saying they are never bulk billed.<sup>10</sup> When they do see a doctor, people on low incomes are more likely to wait longer for an appointment.<sup>11</sup> The ACT also has the highest out of pocket costs in the country for GP, specialist and allied health appointments.<sup>12</sup> The lack of ACT and Commonwealth Government assistance for people to access healthcare means that health costs continue to contribute to cost of living pressures.

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<sup>7</sup> P Breadon, L Fox, O Emslie, [The Australian Centre for Disease Control \(ACDC\): Highway to health](#), Grattan Institute, 2023, accessed 17 March 2023.

<sup>8</sup> ABS, [Region summary: Australian Capital Territory](#), ABS website, n.d., accessed 24 February 2023.

<sup>9</sup> ACT Disability, Aged and Carer Advocacy Service (ADACAS), [Bulk Billing General Practitioner clinics](#), ADACAS website, n.d., accessed 2 March 2023.

<sup>10</sup> N Chrysanthos and A Dow, '[Bulk-billing data reveals where you're most likely to find a free doctor](#)', *The Sydney Morning Herald*, 20 February 2023, accessed 2 March 2023; M Davey, '[Almost impossible to get bulk billed: patients avoid seeing doctors due to out-of-pocket costs](#)', *The Guardian*, 12 May 2022, accessed 2 March 2023.

<sup>11</sup> N Chrysanthos and A Dow, [Bulk-billing data reveals where you're most likely to find a free doctor](#); M Davey, [Almost impossible to get bulk billed: patients avoid seeing doctors due to out-of-pocket costs](#).

<sup>12</sup> Productivity Commission, [Report on Government Services 2023: 10 Primary and community health](#) [data set], Productivity Commission, Australian Government, 2023, accessed 17 March 2023.

## **Advice and ideas on how the ACT Government can further help address cost of living pressures**

The ACT and Commonwealth Governments must ensure that cost of living assistance is targeted to those that have the least and does not inadvertently benefit wealthier people who are not impacted by the cost of living crisis.

Seeing that most Australians believe that support payments should ensure no one lives in poverty,<sup>13</sup> the ACT government could join the call for the Federal government to [Raise the Rate](#) of income support payments to at least \$76 a day so everyone can afford the basics. However, acknowledging the ACT Government's limited ability to change Commonwealth policy, ACTCOSS considers that there are a range of indirect measures the ACT Government can take to reduce the cost of living in Canberra.

### Consider further rent controls and investigate housing supply issues

To address the cost of living crisis the ACT Government should investigate the use of some sort of price mechanism that alleviates the high cost of renting in Canberra. This could take the form of further controls on rent above and beyond the current rent increase limits.<sup>14</sup> Short term rent control would provide current renters protection from unaffordable rent increases and allow families to remain in place and build lasting connections in their local community.<sup>15</sup>

Additionally, in a housing affordability crisis, governments should do all they can to house people in need where appropriate and able. As stated in our [submission](#) to the Inquiry into Housing and Rental Affordability, the ACT Government should investigate how many vacant residential properties and short term rentals there are in the ACT and if these could be used to increase the supply of housing in Canberra and/or house people who are homeless or at risk of homelessness.

### Implement percentage based energy concessions and expand energy efficiency schemes

To mitigate the high costs of energy the ACT Government should provide percentage based concessions. The current concessions model means that the proportion of a household's energy bill that is covered by concessions varies significantly depending on the characteristics of the household. Modelling shows clear advantages of percentage based concessions. It would improve equity across households, be more responsive to changes in price and circumstances and would cost the ACT Government less.<sup>16</sup>

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<sup>13</sup> The Australia Institute (TAI), [Polling – Perspectives on poverty](#), TAI, 2022, accessed 17 March 2023.

<sup>14</sup> H Pawson, C Martin, F Aminpour, K Gibb and C Foye, '[COVID-19: Housing market impacts and housing policy responses - an international review](#)', ACOSS/UNSW Sydney Poverty and Inequality Partnership Report No 16, ACOSS and UNSW, 2022, accessed 17 March 2023.

<sup>15</sup> R Diamond, [What does economic evidence tell us about the effects of rent control?](#), The Brookings Institution, 2018, accessed 17 March 2023.

<sup>16</sup> D Lombard, K Caught and R Law, [Reforming electricity concessions to better meet need](#), ACOSS and SACOSS, 2022, accessed 17 March 2023.

The ACT Government should expand the eligibility to include renters and reduce administrative barriers of accessing the Home Energy Support program. This would allow more people on low incomes the ability to upgrade their home and receive the cost benefits of energy efficiency.

ACTCOSS welcomes recent reform to implement minimum energy efficiency standards for rental homes. However, we reiterate our stance that this is not enough. We call on the ACT Government to commit to adding measures in the next stage including draught proofing, double glazing and curtaining to ensure the benefits of ceiling insulation are fully realised. It is also critical that there is an effective system for enforcing this regulation. Tenants should not be solely responsible for ensuring that their landlord does the right thing. Further detail can be found in our [submission](#) to the minimum energy efficiency standards for rental homes in the ACT consultation paper.

#### Provide targeted, affordable and accessible primary healthcare

The ACT Government should prioritise investment in early intervention and disease prevention for people on low incomes and Aboriginal and/or Torres Strait Islander people.<sup>17</sup> Forty percent of chronic illness is preventable, so the government needs to provide healthcare that prevents people from becoming chronically ill.<sup>18</sup> To ease the cost of living and ensure everyone in our community is healthy, the government should make it easier and cheaper to see a doctor when you need to.

#### Provide vulnerable families and their children with food

We know that of the estimated 38,300 Canberrans living in poverty, approximately 9,000 of those are children.<sup>19</sup> As the cost of living increases, more Canberrans will be plunged into poverty if the ACT Government does not respond. Research shows that children living in poverty often do not have access to the fundamental basics of life, such as food and secure housing.<sup>20</sup>

A way to alleviate the cost of living pressures on families is to provide children with food. The ACT Government said in 2020 that they will conduct a trial school meals program, but so far this has not happened.<sup>21</sup> ACTCOSS recommends that this be implemented urgently. Providing meals to children in school on a needs basis means that children in families impacted by the rising cost of living will be guaranteed a meal at school. However, universal provision of food at schools would prevent stigma and enable all children to achieve their potential unencumbered by hunger.<sup>22</sup>

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<sup>17</sup> P Breadon, L Fox, O Emslie, *The Australian Centre for Disease Control (ACDC): Highway to health*.

<sup>18</sup> Australian Institute of Health and Welfare (AIHW), [One-third of disease burden caused by modifiable risk factors](#) [media release], AIHW, 18 August 2021, accessed 17 March 2023.

<sup>19</sup> ACTCOSS, [Factsheet: Poverty and COVID-19 in the ACT](#), ACTCOSS, 2021, accessed 2 May 2022.

<sup>20</sup> S Bessell, [‘We asked children how they experienced poverty. Here are 6 changes needed now’](#), *The Conversation*, 18 August 2022, accessed 17 March 2023.

<sup>21</sup> A de Rozario, [‘Helping ACT looks to expand free school breakfast program’](#), *Canberra Weekly*, 14 February 2023, accessed 17 March 2023.

<sup>22</sup> H Connolly, [‘Going hungry in SA’](#), *Medium*, 19 October 2022, accessed 17 March 2023.

Another way the ACT government can provide food to vulnerable Canberrans, and their children is by funding charities and organisations running voucher, food pantry and free meal programs.

#### Provide people with period products to avoid period poverty

The impacts of period poverty are exacerbated for Canberran women, girls, transgender and non-binary people on low incomes given the increasingly high costs of living in the ACT. The effects of period poverty are also felt by people in vulnerable positions including those experiencing family violence and those without stable housing. The high cost of living in the ACT means that people are becoming increasingly vulnerable to period poverty.

The need to fund the community sector to provide period products is particularly vital given that community organisations are a likely contact point for vulnerable people and Canberrans on low incomes. The ACT Government should fund front line services to provide period products for people affected by the cost of living and take measures to address period poverty, including ensuring that menstrual products are available through community organisations and facilities (including schools). Further detail can be found in our [submission](#) to the Inquiry into the Period Products and Facilities (Access) Bill 2022.

### **Recommendations to help inform the considerations of the Expenditure Review Committee of Cabinet in the Budget process**

The community sector plays a vital role in assisting vulnerable Canberrans who are affected by our high cost of living. Community service organisations help to improve vulnerable people's lives, advocate for their active engagement in the community and challenge disadvantage. However, the ACTCOSS report [Counting the Costs](#) found that 80% of community sector organisations do not find their ACT Government funding adequate.<sup>23</sup>

To ensure that we can continue to deliver services and advocate for vulnerable Canberrans the ACT Government must review funding streams and increase sector funding to cover all costs including staffing, engagement in commissioning and policy process and monitoring and evaluation. Further detail will be provided in our submission to the 2023-24 ACT Budget.

### **Longer term recommendations on cost-of-living trends to inform the development of future budgets**

There are a range of longer term actions to address cost of living pressures that the ACT Government could consider in current and future budgets.

#### Invest in public transport, active travel infrastructure and a just transition

Climate change will continue to increase the costs of living and it is people who can not afford to adapt who will be worse off. In the long term, the ACT Government's efforts to address climate change will also alleviate cost of living pressures, if done equitably.

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<sup>23</sup> N Cortis, M Blaxland and E Adamson, [Counting the Costs: Sustainable funding for the ACT community services sector](#), UNSW Social Policy Research Centre, 2021, accessed 2 March 2023.

Making public transport free for all, always, would reduce cost of living pressures for everyone, but especially vulnerable Canberrans. Research shows that when public transport is free, usage increases<sup>24</sup>, mostly in the cohort of people who usually walk, ride,<sup>25</sup> or otherwise would not have travelled.<sup>26</sup> Free public transport would also aid the ACT Gov to meet the transport goals of its Climate Change Strategy.

Increasing cycling infrastructure would similarly lower the cost of transport and emissions. To do so the ACT Government must invest in paths, roads and lanes that make it easy and safe for people to ride, as well as encourage and incentivise the uptake of smaller electric vehicles such as e-bikes and e-scooters.<sup>27</sup> Further detail can be found in our [submission](#) and [testimony](#) at the Inquiry into electric vehicle (EV) adoption in the ACT.

To assist all Canberrans with the cost of energy, the ACT Government must commit to a just and equitable transition to net zero emissions by 2045. It is vitally important to mitigate and adapt to climate change. However, equity must be front and centre of the phasing out of fossil-fuel gas and the pathway to electrification to avoid leaving vulnerable people behind. Further detail can be found in our report [A Just Gas Transition in the ACT](#) and will be included in our upcoming responses to the regulation to prevent new gas connections and the Integrated Energy Plan.

Invest in social and affordable housing, reform the ACT planning system, make renting more affordable and secure  
Taking a long term view of housing, urban planning and city design is important and the ACT Government must balance the cost of housing with access to services and amenities.<sup>28</sup>

In our submission to the ACT Planning System Review and Reform Project, we called on the ACT Government to invest in affordable housing and update Canberra's planning regulations to allow for more housing to be built. ACTCOSS endorses the campaign by [Missing Middle Canberra](#) for the introduction of more medium density housing to make our city more affordable, liveable and sustainable and commends the Chief Minister for their support in this area.<sup>29</sup>

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<sup>24</sup> N Fearnley, '[Free Fares Policies: Impact on Public Transport Mode Share and Other Transport Policy Goals](#)', *International Journal of Transportation*, 2013, 1(1), doi:10.14257/ijt.2013.1.1.05.

<sup>25</sup> O Cats, YO Susilo and T Reimal, '[The prospects of fare-free public transport: evidence from Tallinn](#)', *Transportation*, 2017, 44, doi:10.1007/s11116-016-9695-5.

<sup>26</sup> E Papa, '[Would you ditch your car if public transport was free? Here's what researchers have found](#)', *The Conversation*, 6 March 2020, accessed 24 February 2023.

<sup>27</sup> A Crowe, '[Garden City Cycle Route plans progress ahead of inner north rollout](#)', *The Canberra Times*, 19 March 2023, accessed 20 March 2023; S Copland, '[Get serious about driving down cost of living](#)', *The Canberra Times*, 20 March 2023, accessed 20 March 2023.

<sup>28</sup> B Coates, [Designing better suburbs](#), Grattan Institute, 2022, accessed 17 March 2023.

<sup>29</sup> J Lindell, '[Housing Industry Association welcomes Barr's call for more 'missing middle' housing in ACT](#)', *The Canberra Times*, 18 March 2023, accessed 20 March 2023.



A key area of investment that will alleviate cost of living pressures, is the provision of public housing. ACTCOSS welcomes the opening of 21 new public housing units in Dickson.<sup>30</sup> However, the ACT Government's commitment of adding 400 new homes to the social housing portfolio by 2024 is not enough.<sup>31</sup> An additional 8,500 social housing dwellings are needed by 2036 to meet the ACT's current and projected need.<sup>32</sup> This would mean delivering over 650 homes a year for the next 13 years. The ACT Government must do a lot more to meet Canberra's level of need for housing.

As well as investing in social and affordable housing, the ACT Government should take steps to make renting in Canberra more affordable and secure. There needs to be a better balance of regulations around tenant, landlord and real-estate agent relationships, so renters have more power and autonomy in their housing choices. The government should also strongly consider the use of rent control to stabilise prices and aid vulnerable renters while protecting long term rental supply.

The ACT Government should also do more to disincentivise excessive property ownership through measures such as a vacancy tax, limiting the number of short term rentals on platforms like AirBnB, mandating construction rates of affordable and build to rent homes and properly enforcing the newly introduced minimum energy efficiency standards in rental properties.

#### Review and update the ACT Targeted Assistance Strategy

The ACT [Targeted Assistance Strategy](#) is over a decade old. Economic conditions have evolved significantly since this strategy was created and it needs updating.

As we have highlighted, Canberra's cost of living crisis means many of the current ACT and Commonwealth Government assistance programs do not go far enough in alleviating cost of living pressures on people with low incomes. The updated strategy must be relevant to the current economic situation and able to be adapted as conditions change. The strategy must allocate assistance appropriately and acknowledge that increasing numbers of people are finding themselves in need of support. Finally, the strategy must ensure that assistance is both given to and received by all who are eligible.

We also know that socioeconomic disadvantage and cost of living pressures disproportionately impact marginalised and oppressed community groups, particularly Aboriginal and/or Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, people with disability, people aged 65 years and older, and women. Those at an increased risk of experiencing poverty and cyclical disadvantage need to be meaningfully

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<sup>30</sup> A Crowe, '[Dickson public housing project adds 21 new dwellings](#)', *The Canberra Times*, 20 March 2023, accessed 20 March 2023.

<sup>31</sup> Housing ACT, [Housing ACT Strategy - Growing and Renewing Public Housing](#), Community Services Directorate, ACT Government, 2022, accessed 17 March 2023.

<sup>32</sup> J Lawson, H Pawson, L Troy, R van den Nouwelant and C Hamilton, [Social housing as infrastructure: an investment pathway](#), AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, 2018, p 63, accessed 22 June 2021.

consulted and considered in approaching cost pressure alleviation policies. The accessibility, useability and effectiveness of services and strategies relies on active consultation with marginalised community members.

In summary, to alleviate cost of living pressures faced by low and moderate income households in the ACT, the ACT Government should reduce the cost of essential services like medicine, healthcare, childcare, aged care, education, energy, housing, transport, etc.<sup>33</sup> and ensure their assistance is targeted to those who need it the most.

Yours sincerely

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Interim CEO  
ACT Council of Social Service

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<sup>33</sup> M Grundnoff, [How to fight inflation and give cost of living relief](#) [media release], The Australia Institute, 27 October 2022, accessed 17 March 2023.