



**LEGISLATIVE ASSEMBLY  
FOR THE AUSTRALIAN CAPITAL TERRITORY**

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**SELECT COMMITTEE ON FUEL PRICING**

Ms Tara Cheyne MLA (Chair), Mr Mark Parton MLA (Deputy Chair), Mr Andrew Wall MLA

# Submission Cover Sheet

## Inquiry into the Select Committee on Fuel Pricing

**Submission Number: 18**

**Date Authorised for Publication: 25 February 2019**

**From:** [REDACTED]  
**To:** [Committees](#)  
**Cc:** [REDACTED]  
**Subject:** Select Committee on Fuel Pricing: ACTCOSS Submission to Inquiry into Fuel Pricing  
**Date:** Tuesday, 12 March 2019 10:31:34 AM  
**Attachments:** [actcoss\\_submission\\_2019\\_inquiry\\_into\\_fuel\\_pricing.pdf](#)  
[actcoss\\_submission\\_2019\\_inquiry\\_into\\_fuel\\_pricing.docx](#)

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**ATTN: The Committee Secretary, Select Committee on Fuel Pricing, Legislative Assembly for the ACT**

Dear Andrew,

Thank you for the opportunity to make a submission to the Select Committee on Fuel Pricing's Inquiry into Fuel Pricing. Please find attached the ACTCOSS submission in Word and PDF formats. Our submission refers to four attachments, links are provided in the submission and are listed below:

[Attachment 1: ACTCOSS, Full data report: ACT cost of living report: transport, ACTCOSS, Canberra, April 2016](#)

[Attachment 2: ACTCOSS, Snapshot: ACT cost of living report: transport, ACTCOSS, Canberra, April 2016](#)

[Attachment 3: ACTCOSS, Transport: a 'wicked problem' we have the strengths and assets to solve, ACTCOSS, Canberra, September 2016](#)

[Attachment 4: ACTCOSS, 2016 Election Statement – Transport, September 2016](#)

ACTCOSS would be available to appear before the committee at a public hearing to provide oral evidence.

If you have any questions in relation to our submission, please don't hesitate to contact Geoff Buchanan, Senior Policy Officer, ACTCOSS on 6202 7222 or [geoff.buchanan@actcoss.org.au](mailto:geoff.buchanan@actcoss.org.au)

Kind regards,

Geoff (on behalf of Susan Helyar, Director, ACTCOSS).

--

**Geoff Buchanan**

Senior Policy Officer (Research & Data) | ACT Council of Social Service Inc. (ACTCOSS)

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Please note I work Mon-Thurs.

ACTCOSS is committed to reconciliation, acknowledges the traditional custodians of the land and pays respect to elders past and present.



**Submission:**

**Select Committee on Fuel Pricing**

**Inquiry into Fuel Pricing**

**March 2019**

# About ACTCOSS

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 Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations and people living with disadvantage in the Australian Capital Territory.

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' 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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March 2019

ISBN [xxx-x-xxxxxx-xx-x] (electronic version or print version)

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## Table of contents

<b>Acronyms</b> .....	<b>4</b>
<b>Recommendations</b> .....	<b>5</b>
<b>Introduction</b> .....	<b>6</b>
<b>Fuel prices and expenditure in the ACT</b> .....	<b>7</b>
Price changes .....	7
Fuel expenditure for low-income households.....	10
<b>Conclusion</b> .....	<b>14</b>
<b>Attachments</b> .....	<b>15</b>

## Acronyms

ABS	Australian Bureau of Statistics
ACTCOSS	ACT Council of Social Service Inc.
CPI	Consumer Price Index
HES	Household Expenditure Survey

## Recommendations

### ACT Government

- Undertake a study of transport costs to examine how individuals on low and fixed incomes meet costs of vehicle operation and maintenance and if and to what extent this involves reliance on sub-prime loans. Measures should then be developed to address findings on the broader relationship between transport costs, indebtedness and infringements (e.g. driving unregistered) for people on low and moderate incomes
- Improve the fairness and adequacy of transport related concessions. This should include: concessions for learner, probationary and restricted driver's licenses and aligning the discount on license fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%)
- Investigate transport gaps for people experiencing social disadvantage and funding any improvements in transport coverage and frequency required to meet the needs identified
- Undertake comprehensive needs assessment, policy, design and planning work to ensure transport design, planning, integration and implementation addresses the needs of those with transport disadvantage across both on-demand and mass transit systems. This work should ensure that transport investments keep up with urban infill, growth and group centre redesign and that this is done with lived experience input from those with the greatest level of transport disadvantage. User testing by people with lived experience of transport disadvantage (related to mobility, affordability and/or accessibility) should be routine in transport re-design processes.
- Identify strategies for electrification of vehicles that will prioritise growing the second-hand market for electric vehicles and considering grey fleets in the community sector as a space to test the viability and affordability of electric vehicles
- Ensure the incentives for adoption of electric vehicles do not include penalties in fees and charges related to vehicle registration to low- and middle-income households who continue to drive internal combustion engine vehicles.

### Australian Government

- Raise the rate of Newstart, Youth Allowance and other working age allowances for single people by a minimum of \$75 a week
- Increase Family Tax Benefit for older children to meet rising costs and introduce a Single Parent Supplement to reduce child poverty.

## Introduction

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations and people living with disadvantage in the Australian Capital Territory. This submission is primarily concerned with ‘the impact of fuel prices on the ACT community’ – particularly on people living in low-income households and experiencing disadvantage.

Fuel pricing is fundamentally a cost of living and transport issue. Transport is a significant and essential area of expenditure for households and automotive fuel makes up a significant component of household transport costs. Transport is also a social determinant of health. Local research has found that transport disadvantage can exacerbate food insecurity and impede access to primary health services.<sup>1</sup> Other research shows that when people cannot afford to cover the costs of privately-owned transport their broader social and economic outcomes are negatively affected.<sup>2</sup>

Over the past year, fuel prices in Canberra have increased by 15% - and by almost 30% over the past decade. This rate of price increase is higher than that experienced by any other Australian capital city. This creates a significant challenge for households without enough income to cover sudden and substantial price increases.

We urge the Select Committee on Fuel Pricing to view the impact of fuel prices on the ACT community within this broader perspective of transport as a social determinant of health.

Policies and subsidies implemented to reduce carbon emissions from internal combustion vehicles are supported by ACTCOSS, but policies and subsidies should ensure people living on low incomes and others who experience transport disadvantage can benefit from these changes. There is a risk that transition to Electric Vehicles (EV) will expose people living on low incomes and others who experience transport disadvantage to high costs because they are unable to afford the up-front costs of an EV.

The inquiry should prioritise the identification of measures that would improve the affordability of fuel – and transport more broadly – for low-income households in the ACT.

---

<sup>1</sup> See for example ACTCOSS, *Food security, food assistance and the affordability of healthy food in the ACT*, ACTCOSS, Canberra, forthcoming; ACTCOSS, *Transport: a ‘wicked problem’ we have the strengths and assets to solve*, ACTCOSS, Canberra, September 2016, viewed 6 March 2019, <[https://www.actcoss.org.au/publications/advocacy-publications/position-paper-transport-‘wicked-problem’-we-have-strengths-and-;](https://www.actcoss.org.au/publications/advocacy-publications/position-paper-transport-‘wicked-problem’-we-have-strengths-and-) Anglicare ACT & Red Cross, *Mapping food insecurity in the ACT*, Anglicare ACT & Red Cross, Canberra, 2013, p.28; ACT Medicare Local, *Connecting Care: A Comprehensive Needs Assessment 2014: Major Issues and Key Points*, ACT Medicare Local, Canberra, accessed 16 June 2016, <<https://www.chnact.org.au/sites/default/files/CNA%20Major%20Issues%20and%20Key%20Points.pdf>>, 2014.

<sup>2</sup> See for example J Dodson, N Buchanan, B Gleeson & N Sipe, ‘Investigating the Social Dimensions of Transport Disadvantage—I. Towards New Concepts and Methods’, *Urban Policy and Research*, vol. 24, 4, 2006, pp.432-453; J Hine, ‘Transport and Social Exclusion’ in R Kitchin & N Thrift (eds), *International Encyclopedia of Human Geography*, Elsevier Ltd, Oxford, 2009, pp. 429-434.

This submission draws on three key pieces of research and advocacy that ACTCOSS produced in relation to addressing transport disadvantage in the ACT in 2016. These documents are included as attachments to this submission:

- [ACT Cost of Living Report: Transport, April 2016 \(Full data report & Snapshot\)](#)
- [Transport: a 'wicked problem' we have the strengths and assets to solve, September 2016](#)
- [2016 Election Statement – Transport, September 2016.](#)

In addition, we have undertaken a preliminary analysis of the latest fuel price and expenditure data produced by the Australian Bureau of Statistics (ABS).

## Fuel prices and expenditure in the ACT

### Price changes

Petrol prices in the ACT have been the subject of much public concern and media commentary in recent months. The latest Consumer Price Index (CPI) figures show that in the past year petrol prices increased by 14.8% – a higher rate than any other Australian capital city and well above the national increase of 6.7%. Analysis of changes in the CPI for fuel over a range of time periods shows that while this increase in fuel prices in Canberra appears to be a departure from the long-term trend, this trend has been characterised by significant price fluctuations over time. These price fluctuations are in themselves a potential cause of financial stress and concern – especially for people living on low incomes and who may be on fixed incomes.

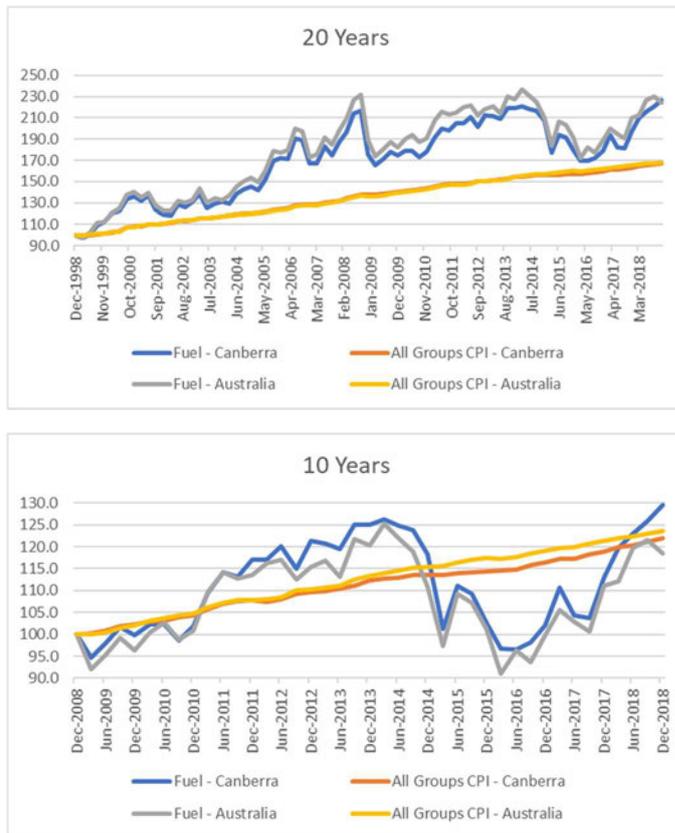
What is of greatest concern is that rapid and significant increases in the price of an essential expenditure items impacts hardest on low-income households. The volatile nature of fuel prices has long presented a challenge in terms of household budgeting, particularly for households without enough income to cover sudden and substantial price increases.

The CPI data shows that changes in ACT fuel prices have largely followed the national trend (see Figure 1). At the same time, fuel prices in the ACT have increased more than the national rate over a range of time periods (see Figure 2). Looking back from the Dec 2018 quarter we see that, compared to other capital cities, Canberra has experienced the highest rate of fuel price increase over the past quarter (2.9%), year (14.8%), 5 years (3.5%), and decade (29.3%). The significant variation in these rates highlights both the fluctuating nature of fuel prices and the need for caution in analysis of fuel price changes over time and across jurisdictions – the selection of a different baseline quarter and/or a different period of analysis can result in a significantly different picture of price trends. For example, while the latest CPI data shows that Canberra

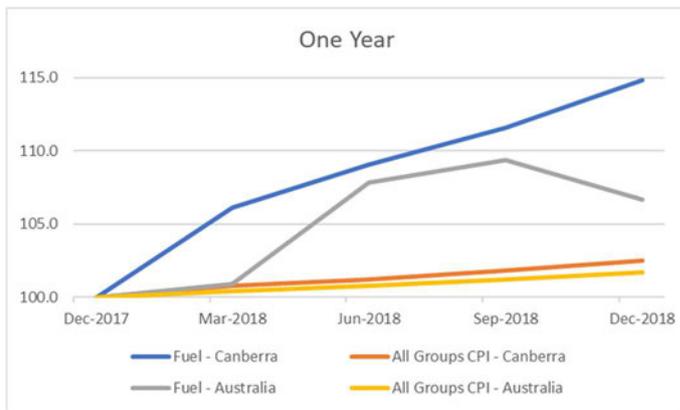
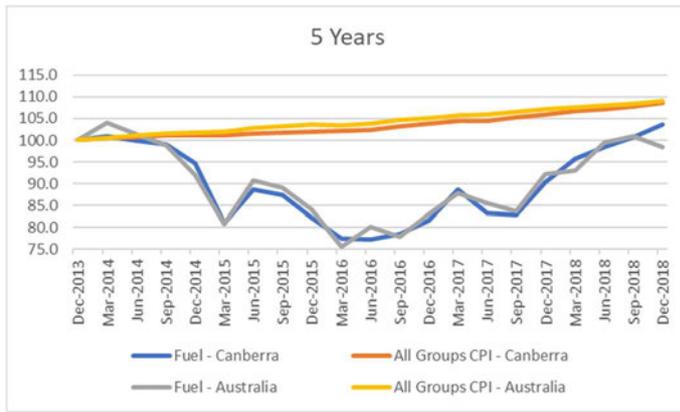
fuel prices rose by 14.8% between Dec 2017-Dec 2018, our 2016 ACT Cost of Living Report found that fuel prices had fallen by 13.1% from Dec 2014-Dec 2015.

At that time the ABS noted that falls in world oil prices continue to influence domestic fuel prices. Between the September 2018 and December 2018 quarters the fuel price fell nationally (-2.5%) but rose locally (2.9%). The ABS again noted that, nationally, this was 'due to falls in world oil prices flowing through to petrol prices'.<sup>3</sup> This raises the question as to why Canberra fuel prices were not responsive to falls in the world oil price in the most recent quarter.

**Figure 1 Changes in CPI for automotive fuel and All Groups CPI, Canberra and Australia, to Dec 2018 quarter**

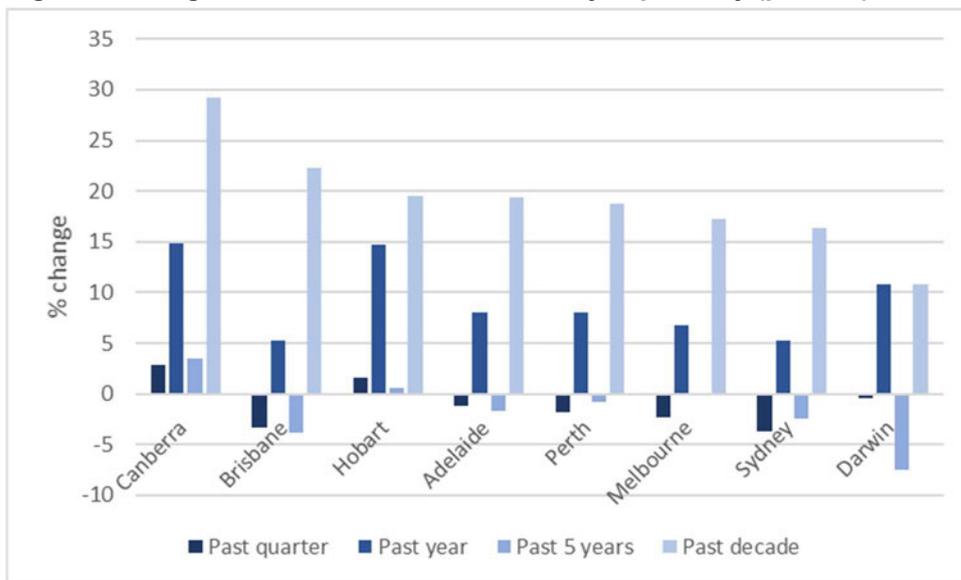


<sup>3</sup> ABS, *Consumer Price Index, Australia, Dec 2018*, cat. no. 6401.0, ABS, Canberra, 30 January 2019, Summary – Main contributors to change.



Source: ABS, *Consumer Price Index, Australia, Dec 2018*, cat. no. 6401.0, ABS, Canberra, January 2019, Table 11, Data 5 & 6.

**Figure 2 Changes in CPI for automotive fuel by capital city (percent)**



Source: G Jericho, 'Inflation growth remains lower than Reserve Bank wants. How will it act?', *The Guardian*, 31 January 2019, using ABS, *Consumer Price Index, Australia, Dec 2018*, cat. no. 6401.0.

## Fuel expenditure for low-income households

Based on detailed analysis of the ABS's 2009-10 Household Expenditure Survey (HES), ACTCOSS found that:

- The proportion of household expenditure which goes to fuel is fairly standard across all categories, but it is notable that welfare recipient households spend more on fuel than other low-income households both in absolute terms and as a proportion of their total expenditure.
- Households with people receiving disability and carer payments pay above the national average as a proportion of their income on fuel (4.2% versus 4.1%). It is noteworthy also that people on unemployment and study benefits (4.6%) and family support payments (4.3%) also pay above the national average.<sup>4</sup>

At that time we noted:

With a single age pensioner receiving around \$498 per week, a single unemployed person receiving around \$330 per week and a young person receiving \$260 per week, transport costs are going to be felt more keenly and, in particular, any rises in transport costs for these households will put immediate pressure on weekly budgets. Even a single person working full-time and earning the minimum wage (\$656 per week) is earning around \$1700 per week under the ACT average. All of these households have to pay the same bus fare and taxi fare rates (unless they are eligible for a concession or subsidy) or cost of petrol at the bowser (for which there are no concessions).<sup>5</sup>

This means that, when there are fuel price increases (which is not applicable currently but could again be an issue sometime in the future), people on Newstart and Youth Allowance would be particularly impacted by future price rises because of their weekly expenditure on fuel and the low incomes that they have to budget on.<sup>6</sup>

Newstart and other working age allowances are not adequate to meet the basic costs of living – the rate of Newstart, for example, has not been increased in real terms for 25 years (see Figure 3). At the same time, the living costs for people living on Newstart have increased at a greater rate than the CPI (see Figure 4). The current rate of \$40 per day is too low to give people the support they need to meet the basic costs of living and to cope with unexpected expenses such as a car breaking down. Instead of supporting people, the current Newstart rate forces them into a cycle of debt, social isolation and humiliation that undermines their efforts to get and keep a job and exacerbates

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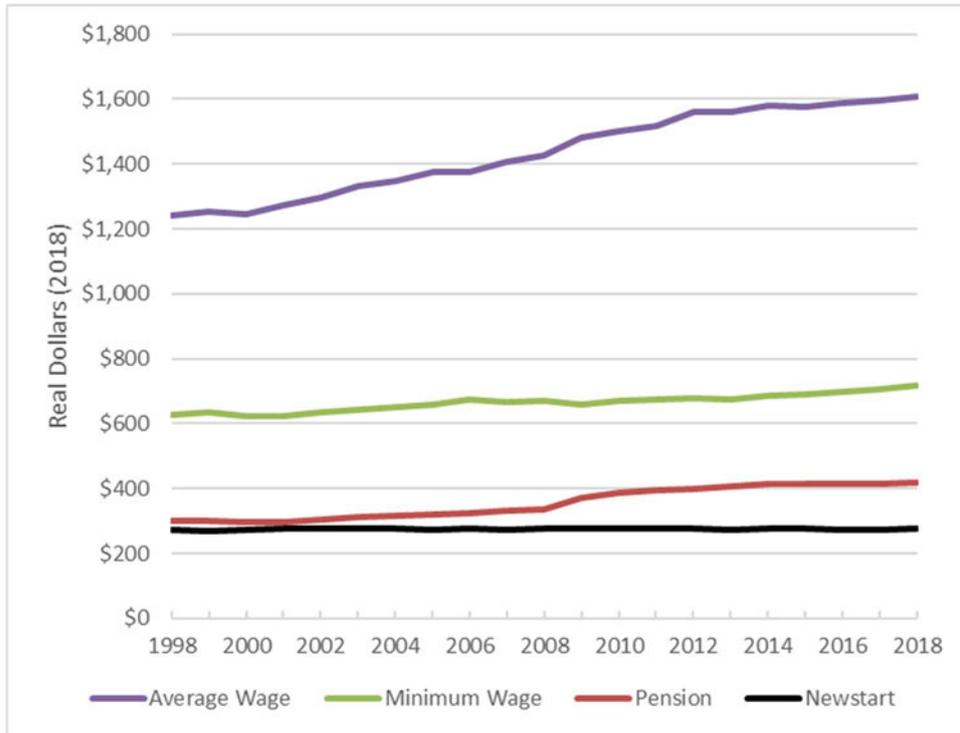
<sup>4</sup> ACTCOSS, *Snapshot: ACT cost of living report: transport*, ACTCOSS, Canberra, April 2016, viewed 6 March 2019, pp. 4-5, < <https://www.actcoss.org.au/publications/advocacy-publications/act-cost-living-report-transport-2016>>.

<sup>5</sup> ACTCOSS, *Full data report: ACT cost of living report: transport*, ACTCOSS, Canberra, April 2016, p. 27, viewed 6 March 2019, < <https://www.actcoss.org.au/publications/advocacy-publications/act-cost-living-report-transport-2016>>.

<sup>6</sup> ACTCOSS, *Full data report: ACT cost of living report: transport*, ACTCOSS, Canberra, April 2016, viewed 6 March 2019, p. 48, < <https://www.actcoss.org.au/publications/advocacy-publications/act-cost-living-report-transport-2016>>.

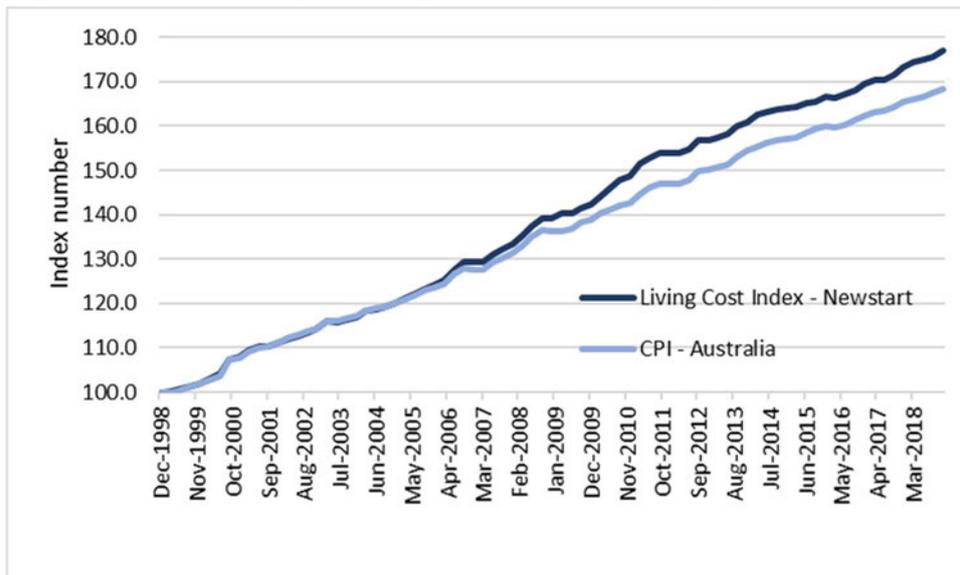
the risk of getting trapped in a cycle of inadequate income, debt and long term poverty.

**Figure 3 Newstart versus pensions and wages (\$2018)**



Source: ACOSS, Raise the Rate Briefing Note, ACOSS, Sydney, 2018.

**Figure 4 Relative change in living cost for Newstart recipients, 1998-2018**



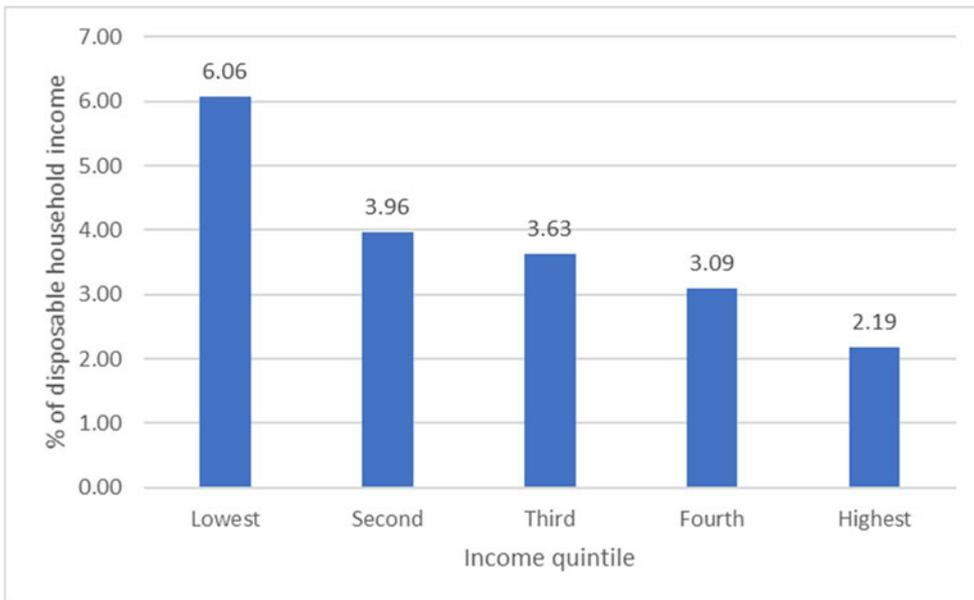
Source: ACTCOSS' own analysis, derived from ABS, *Consumer Price Index, Australia, Dec 2018*, cat. no. 6401.0, ABS, Canberra, 2019, Table 11, Data 6; and ABS, *Selected Living Cost Indexes, Australia, Dec 2018*, ABS, Canberra, 2019, Table 2, Data 1.

In preparing this submission, we have undertaken a preliminary analysis of the 2015-16 HES data on household expenditure on automotive fuel. The 2015-16 HES found that the three largest contributors to household spending in the average Australian household are housing, food, and transport costs. In the ACT, the third largest contributor to household spending in the average household (and in higher-income households) is recreation, followed by transport – and these average and above-average income households spend more on motor vehicle purchase than fuel. However, in low-income households in the ACT, transport is the third largest component of expenditure and automotive fuel – primarily petrol – is the most significant component of household transport costs.

As with other essential expenditure items, fuel costs are regressive and account for a larger portion of disposable income in low-income households.

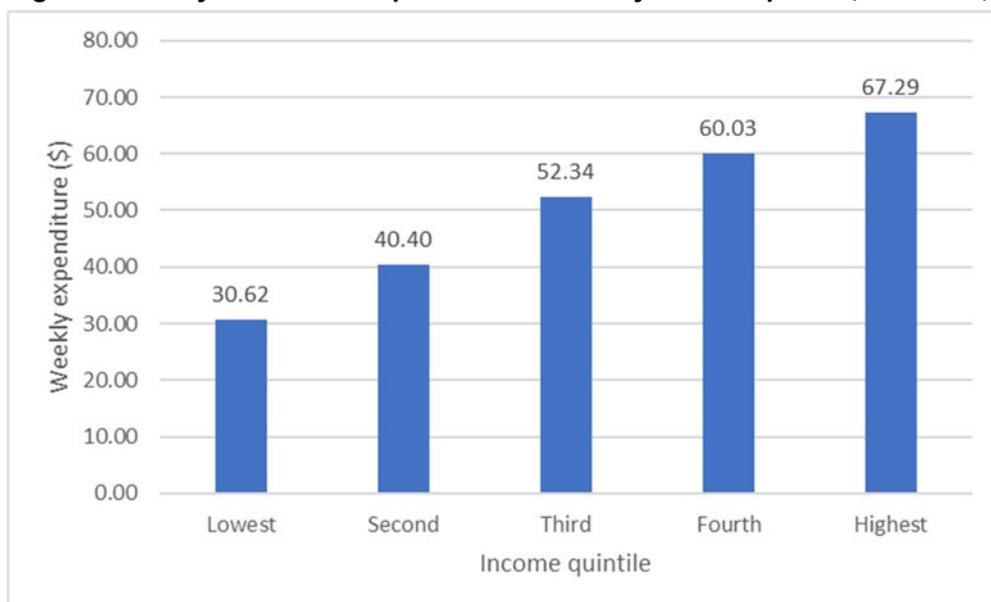
While the average household spends more money on fuel than low-income households per week, fuel takes up a greater proportion of the household budget in low-income households (see Figures 5 & 6). In low-income households fuel accounts for a similar proportion of income spent on other essentials such as energy and telecommunications.

**Figure 5 Fuel expenditure as a proportion of weekly disposable household income, by income quintile, Australia, 2015-16**



Source: ACTCOSS analysis derived from ABS, *Household expenditure survey, Australia, Summary of results, 2015-16*, ABS, Canberra, 2017, Tables 3.2 & 3.3A.

**Figure 6 Weekly household expenditure on fuel by income quintile, Australia, 2015-16**



Source: ABS, *Household expenditure survey, Australia, Summary of results, 2015-16*, ABS, Canberra, 2017, Tables 3.3A.

Electrification of vehicles is seen to be an important component of the transition to a zero emission economy by 2045. ACTCOSS is working with the ACT Government to identify strategies for electrification of vehicles that will prioritise growing the second-hand market for electric vehicles and considering grey fleets in the community sector as a space to test the viability and affordability of electric vehicles. We are also advocating against penalties in fees and charges related to vehicle registration to low- and middle-income households who continue to drive internal combustion engine vehicles. This includes people with limited choices and capacities to upgrade to newer vehicles such as people on low incomes and people with disability access and vehicle adaption requirements not compatible with electric vehicle models.

Low-income households may face a poverty premium in relation to private transport if they cannot afford to purchase fuel- or energy-efficient vehicles (e.g. hybrid/electric vehicles) which provide longer-term savings in terms of fuel consumption costs.

Another poverty premium relating to private vehicle operating costs exists in relation to vehicle registration where those who can afford to pay for a full year of registration pay less annually than those who can only afford to pay for a shorter-term registration.

## Conclusion

Over the past year, fuel prices in Canberra have increased by 15% - and by almost 30% over the past decade. This rate of price increase is higher than that experienced by any other Australian capital city. This creates a significant challenge for households without enough income to cover sudden and substantial price increases.

In assessing the impact of fuel prices on the ACT community it is necessary to prioritise the identification of measures that would improve the affordability of fuel – and transport more broadly – for low-income households in the ACT.

Fuel pricing is fundamentally a cost of living and transport issue. Transport is a significant and essential area of expenditure for households and automotive fuel makes up a significant component of household transport costs. Transport is also a social determinant of health.

ACTCOSS is supportive of the Select Committee's exploration of regulatory and legislative solutions and barriers and its consideration of best practice approaches and initiatives that have a meaningful impact on reducing fuel prices. At the same time, we encourage the Select Committee and all members of the ACT Legislative Assembly to view fuel pricing as just one element that needs to be addressed as part of a comprehensive response to transport disadvantage in the ACT.

We recommend that the ACT Government:

- Undertake a study of transport costs to examine how individuals on low and fixed incomes meet costs of vehicle operation and maintenance and if and to what extent this involves reliance on sub-prime loans. Measures should then be developed to address findings on the broader relationship between transport costs, indebtedness and infringements (e.g. driving unregistered) for people on low and moderate incomes
- Improve the fairness and adequacy of transport related concessions. This should include: concessions for learner, probationary and restricted driver's licenses and aligning the discount on license fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%)
- Investigate transport gaps for people experiencing social disadvantage and funding any improvements in transport coverage and frequency required to meet the needs identified
- Undertake comprehensive needs assessment, policy, design and planning work to ensure transport design, planning, integration and implementation addresses the needs of those with transport disadvantage across both on-demand and mass transit systems. This work should ensure that transport investments keep up with urban infill, growth and group centre redesign and that this is done with lived experience input from those with the greatest level of transport disadvantage. User testing by people with lived experience of transport disadvantage (related to mobility, affordability and/or accessibility) should be routine in transport re-design processes.

- Identify strategies for electrification of vehicles that will prioritise growing the second-hand market for electric vehicles and considering grey fleets in the community sector as a space to test the viability and affordability of electric vehicles
- Ensure the incentives for adoption of electric vehicles do not include penalties in fees and charges related to vehicle registration to low- and middle-income households who continue to drive internal combustion engine vehicles.

We recommend that the ACT Government actively lobby the Australian Government to:

- Raise the rate of Newstart and Youth Allowance for single people by a minimum of \$75 a week
- Increase Family Tax Benefit for older children to meet rising costs and introduce a Single Parent Supplement to reduce child poverty.

## Attachments

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## ACT Cost of Living Report: Transport



Full Data Report  
April 2016

## About ACTCOSS

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ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion.

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 receives funding from the ACT Government.

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

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April 2016

ISBN 978-1-876632-26-7 (electronic version)

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**ACTCOSS acknowledges the work of the South Australian Council of Social Service (SACOSS) and the Northern Territory Council of Social Service (NTCOSS) whose Cost of Living Reports have informed the development of this ACTCOSS Cost of Living Report.**

## Table of contents

<b>Acronyms</b> .....	<b>5</b>
<b>Introduction</b> .....	<b>6</b>
<b>Transport overview</b> .....	<b>8</b>
<b>Key findings</b> .....	<b>10</b>
Other issues.....	10
<b>Cost of living changes in Canberra (ACT) 2015</b> .....	<b>12</b>
An examination of the Selected Living Cost Index .....	12
Cost of living changes over the past year (December 2014 quarter to December 2015 quarter).....	12
Cost of living changes over the December 2015 quarter .....	13
Tracking changes in the price of key goods and services: CPI figures ....	14
Income support recipients: cost of living changes.....	17
<b>In-depth analysis of transport costs in Canberra (ACT) and impacts on low-income households</b> .....	<b>19</b>
Introduction .....	19
Poverty and disadvantage in the ACT: the broader context .....	20
National and ACT transport expenditure: a comparison .....	21
Disaggregated CPI and HES categories .....	22
National and Canberra (ACT) expenditure on transport: a comparison.....	24
Car ownership in the ACT .....	28
Summary of transport cost movements in Canberra over the past year ..	29
Summary of transport cost movements in Canberra over the longer term.....	31
Longer-term trends in the CPI for transport .....	33
Cost of buying a motor vehicle .....	34
Fuel prices.....	35
Price increases in other transport categories .....	36
Maintenance and repair costs .....	37
Other services in respect of motor vehicles.....	38
Urban transport fares.....	40
Transport costs: impact on household budgets .....	43
Expenditure by income quintiles .....	45
Expenditure patterns of welfare recipients.....	47
Fuel prices and welfare recipients' expenditure.....	49

Public transport and welfare recipients' expenditure .....	49
Taxis and welfare recipients' expenditure.....	50
Transport concessions .....	51
Taxi fare rates and the ACT Taxi Subsidy Scheme .....	51
Motor vehicle registration and concessions .....	57
ACT patient travel scheme .....	61
Conclusion .....	62
<b>Reference list.....</b>	<b>64</b>
<b>Appendix: Explanatory notes.....</b>	<b>70</b>
1. CPI and Living Cost Indexes.....	70
2. Limitations of the Selected Living Cost Indexes .....	70
3. Socio-Economic Index for Individuals .....	71
4. Pension, Newstart and Family Tax Benefit calculations for Table 2.....	72
5. How pension rates are adjusted.....	73
6. Weekly payments: welfare recipients and minimum wage earners .....	74
7. Guide to CPI and HES categories.....	74
8. Summary of transport concessions in the ACT .....	77
Concessions on public bus fares .....	77
ACT Isolated Patient Travel Assistance and Accommodation Scheme.....	77
ACT Taxi Subsidy Scheme.....	78
Motor vehicle related concessions.....	80
Commonwealth Mobility Allowance .....	80

## Acronyms

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service Inc.
ACT	Australian Capital Territory
ACTCOSS	ACT Council of Social Service Inc.
CD	Collection District
CPI	Consumer Price Index
CTPI	Compulsory third party insurance
FTB	Family Tax Benefit
HES	Household Expenditure Survey
ICRC	Independent Competition and Regulatory Commission
IPTAAS	Isolated Patient Travel Assistance and Accommodation Scheme
LCIs	Living Cost Indexes
MTAWE	Male Total Average Weekly Earnings
NSW	New South Wales
NT	Northern Territory
NTCOSS	Northern Territory Council of Social Service Inc.
PBLCI	Pensioner and Beneficiary Living Cost Index
PBS	Pharmaceutical Benefits Scheme
SACOSS	South Australian Council of Social Service
SEIFI	Socio-Economic Index for Individuals
SEIFA	Socio-Economic Index for Areas
SLCIs	Selected Living Cost Indexes
TSS	Taxi Subsidy Scheme
TPI	Totally and Permanently Incapacitated
NATSEM	National Centre for Social and Economic Modelling

## Introduction

This Cost of Living Report tracks changes in the cost of living, particularly for vulnerable and disadvantaged households in the Australian Capital Territory (ACT). It builds on previous ACTCOSS work on costs of living in the ACT, including the *ACT Cost of Living Report October 2012*, the *ACT Cost of Living Report: Tracking Changes in the Cost of Living, Particularly for Vulnerable and Disadvantaged Households in the Australian Capital Territory April 2015* and the *Analysis of Changes in the Cost of Housing in the ACT April 2015*.

This report adopts the methodology used by Councils of Social Service in other jurisdictions which have tracked the costs of living in South Australia and the Northern Territory (NT).

The report draws on figures from the Australian Bureau of Statistics (ABS) Selected Living Cost Indexes (SLCIs) (ABS 2016a) and Consumer Price Index (CPI) (ABS 2016d; ABS 2016e) to show changes in the cost of living in the last quarter, the last 12 months and over the longer term.

The Living Cost Indexes (LCIs) have been designed to answer the question: 'By how much would after tax money incomes need to change to allow households to purchase the same quantity of consumer goods and services that they purchased in the base period?' (ABS 2016a).

The SLCIs disaggregate expenditure into a number of different household types – for example, age pensioners, other government transfer recipients, employees and self-funded retirees (ABS 2016c), which is different from the methodology used for the CPI.<sup>1</sup>

The SLCIs do have some limitations in terms of tracking cost of living changes for the above groups;<sup>2</sup> however, they do provide a 'robust statistical base, a long time series, and quarterly tracking of changes – all of which provide useful data for analysis' (SACOSS 2013, p.i). This report also puts a dollar value on the percentage changes in the SLCI figures for the period of the last year.

'As a summary measure, the Selected Living Cost Indexes are preferred over the better known Consumer Price Index (CPI) because the CPI is technically not a cost of living measure' (SACOSS 2013, p.i). The CPI tracks changes in the price of a specific basket of goods; however, not all of the goods and services included in the CPI basket are part of the expenditure of all households and, in particular, not all are part of the expenditure of low-income households (restaurant meals, for example).<sup>3</sup>

The make-up of the CPI basket is important when considering the cost of living 'because if expenditure on bare essentials makes up the vast bulk (or entirety)

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1 See Appendix: Explanatory note 1, 'CPI and Living Cost Indexes'.

2 See Appendix: Explanatory note 2, 'Limitations of the Selected Living Cost Indexes'.

3 Adapted from SACOSS 2013, p.i.

of expenditure for low income households, then price increases in those areas are crucial' (SACOSS 2013, p.i). Increases in the prices of bare essentials could be hidden in the generic CPI by changes (either increases or decreases) in the prices of other goods and services in the CPI basket, some of which may be discretionary items and as a result would be less pertinent to low-income households (adapted from SACOSS 2013, p.i).

CPI figures only relate to the eight capital cities and for Australia as a whole. All references to CPI throughout the report refer to Canberra, even though the population of Canberra is essentially the population of the ACT.

This report focuses primarily on Age Pension and 'other government transfer recipient' figures, as these are the household types which are likely to represent the more disadvantaged households, but it also includes some figures on employees to serve as a point of comparison with the other households.

The 2011–12 Household Expenditure Survey (HES) (ABS 2011a) is also a source of data for this report. HES data for Canberra and the ACT is identical. However, the 2011 Census QuickStats data refers to the 'Remainder of ACT' and counts a population of 425 people.

This report focuses on low-income and disadvantaged households in the ACT because these households have the least capacity to cope with rises in the cost of essential goods and services.

This report has a significant focus on the cost of transport, particularly for disadvantaged households and households on low incomes in the ACT. Identifying changes in the costs of transport helps to illuminate the effects of cost of living pressures for disadvantaged people and will inform ACTCOSS advocacy on policy settings, regulation and programs.

## Transport overview

At the fundamental level, transport is a social determinant of health, and ensuring appropriate access to transport is a key goal of ACTCOSS' advocacy work.

The existing ACT public transport system provides effective services along major commuter routes, but its capacity to meet demands of people travelling east to west and/or within suburban areas is limited. Transport must be accessible, affordable and fit for purpose in order to focus not only on mass transport needs during peak travel hours but also east-to-west travel needs and travel within neighbourhoods inside and outside of peak hours (ACTCOSS 2015, p.4).

ACTCOSS believes that an integrated transport system provides the best mechanism for addressing the transport needs of the ACT. Several new developments are now occurring, including light rail connecting Civic with Gungahlin, the launch of the Active Travel and the Flexibus initiatives. It is crucial that these developments are interconnected and integrated into an overarching vision for the future of transport in the ACT that enables all people living in Canberra to be involved and engaged socially and economically (ACTCOSS 2015, p.6).

Public and community transport options within the ACT are limited. Public buses are fairly irregular on weekends, with some areas only having hourly services and buses generally stopping at 7 pm on weekends. ABS data on car ownership suggests Canberra households are heavily reliant on cars, with the ACT having the third highest rate (603 per 1000) of car ownership amongst all states and territories, behind only South Australia (612) and Victoria (607) and well above the national average of 565 (ABS 2013). Limited public transport options may be one of the reasons for the relatively high rate of car ownership.

The community transport sector in the ACT is funded by government and run by community not-for-profit providers with a mix of minibuses and other vehicles. One additional service is the Flexibus (minibus service), which is run by government and operates from 9 am to 3 pm on weekdays. This service is only available to older people and people living with disability.

The transport needs of people living with disability are a particular focus of this report. People living with disability who do not drive currently face limited choices when it comes to accessible travel options in the ACT. In particular, people living with disability have a heightened reliance on non-private transport options such as taxis and therefore have a heightened need for an affordable, accessible, high-quality and safe taxi system. Advocacy groups and community organisations report that the transport needs of people living with disability far exceed current service capacity. Accessible transport options are a key cost of living factor for people with disability and other people unable to drive, and it

impacts on access to work; health care; services; and social, community and other events and opportunities (see, for example, Gough 2015, p.12).

## Key findings

The impacts of price reductions and rises in different areas of transport expenditure are not felt evenly across the community (see below under 'Price increases in other transport categories', p.36). The various price increases have also had a disproportionate impact on some low-income households for the following reasons:

- Money spent on transport reduces money available for other essential goods and services, further exacerbating poverty and social exclusion for people who are on low incomes and already face significant poverty and disadvantage.
- Expenditure that is less discretionary, such as registration licence and parking fees and other charges, has risen faster than the expenditure areas where there is more flexibility to reduce expenditure (for example, vehicle purchase).
- People with disability use taxis more than other low income earners and are therefore particularly impacted by increases in taxi fares, which have also gone up faster than the CPI.

## Other issues

- Households whose primary source of income is Newstart or a study payment spent proportionately more than other households on public transport, the costs of which have risen faster than CPI (see Figure 19 below).
- Those on unemployment and study payments spend nearly twice as much on public transport as those on disability and carer payments and more than three times more than age pensioners.
- People who receive disability and carer payments (15.4 percent) pay close to the national average (15.6 percent) and above the lowest second, third and fourth income quintile average proportion of household expenditure figures.
- The proportion of household expenditure which goes to fuel is fairly standard across all categories, but it is notable that welfare recipient households spend more on fuel than other low-income households both in absolute terms and as a proportion of their total expenditure.
- The urban transport fares CPI category has very limited weight in the overall CPI transport price index. However, as not all households use public transport, the CPI average figures underestimate the expenditure on public transport for many households.

- Households with people on disability and carer payments pay above the national average as a proportion of their income on fuel (4.2 percent versus 4.1 percent). It is noteworthy also that people on unemployment and study benefits (4.6 percent) and family support payments (4.3 percent) also pay above the national average (ABS 2011c).
- The greater expenditure of those on Newstart and Youth Allowance is significant because those payments are much lower than the Age Pension and Disability Support Pension, suggesting that any increase in public transport prices will impact proportionately more on unemployed people and students than any other low-income group.
- For peak rates, Canberra has:
  - the highest flag fall rate
  - the third highest distance per kilometre rate
  - the third highest waiting time per hour rate
  - the equal third highest airport rank fee (Taxi Fare Calculator 2016).

While not as high, the general off-peak rates for Canberra are still some of the highest in the country (ranking second to fourth in the corresponding categories above).

- The ACT has the highest expenditure on vehicle registration in the country (\$38.75). It is far higher than any other jurisdiction in the country (27 percent higher than the next highest, New South Wales (NSW)) and 36 percent higher than the national average (\$28.57) (ABS 2011a).
- Registration and compulsory third party insurance (CTPI) costs have risen (28.7 percent combined) at a rate well above the generic CPI (11.9 percent) and well above (five times) the transport CPI (6.4 percent) for Canberra over the last six years (data derived from ACT Government 2003, p.1; NRMA 2009, p.1; ACT Government 2009c, p.4, 10; ACT Government 2015c, p.3; ACT Government 2016d; ABS 2016e, Data).

# Cost of living changes in Canberra (ACT) 2015

## An examination of the Selected Living Cost Index

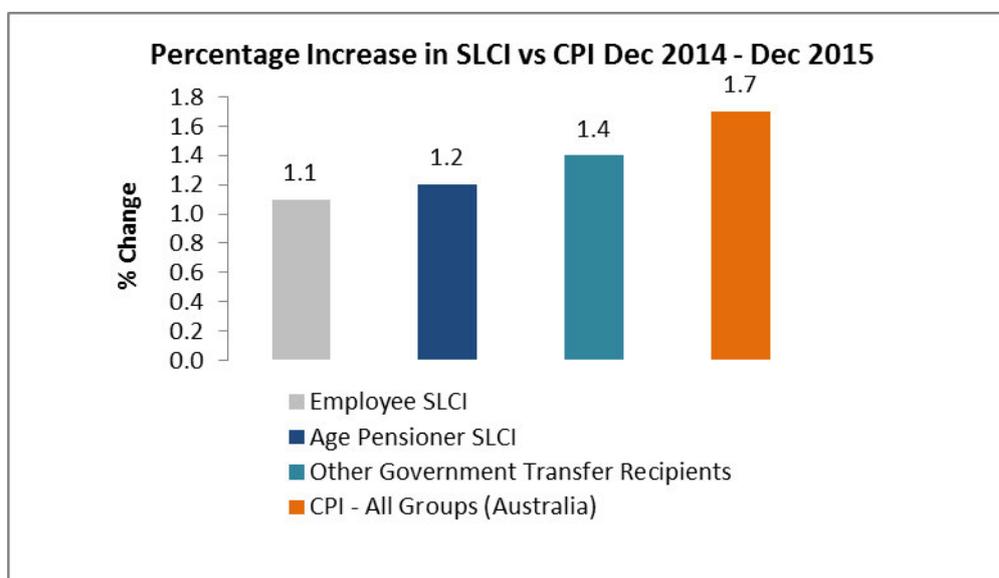
### Cost of living changes over the past year (December 2014 quarter to December 2015 quarter)

During the last year, the SLCIs for age pensioners increased by 1.2 percent and for other government transfer recipients it increased by 1.4 percent. Nationally, the CPI rose by 1.7 percent, while in Canberra the CPI rose by 0.7 percent in this 12-month period – well below the national increase (ABS 2016a; ABS 2016e, Data 5), as shown in Figure 1 below.

During the last year, the cost of living for both other government transfer recipients (1.4 percent) and age pensioners (1.2 percent) increased at a rate lower than the national generic CPI increase (1.7 percent) but twice or nearly twice as high as the generic CPI for Canberra (ABS 2016e, Data 5).

It is also notable that the living costs of employees (1.1 percent) rose less steeply than for other government transfer recipients over the past year and they were under the rate of the generic national and Canberra CPI rises (ABS 2016a; ABS 2016e, Data 5).

Figure 1: Increases in living costs – national figures for the past year (December 2014 – December 2015)



Sources: ABS 2015; ABS 2016e, Data 5.

There is a different basket of goods and services used to measure price rises for the different population groups covered by the SLCI data. This means that the goods and services measured in the SLCI for people on Newstart (part of the 'other government transfer recipient' category) is different to that used for

employees, for example; due to the fact their expenditure patterns are different. Newstart households are more likely to be paying rent, than paying off a mortgage. Therefore changes in rent prices will impact the basket of goods measured for other government transfer recipients more so than employees, whose SLCI will be impacted more by changes in the price of paying off a mortgage.

An examination of the SLCI data shows that prices for the items that make up the basket of goods and services bought by a large proportion of the population who can least afford them – for example, people on Newstart or Youth Allowance – are rising faster than prices of the goods and services purchased by other sections of the population that have higher incomes.

### **Cost of living changes over the December 2015 quarter**

In the December 2015 quarter, the cost of living at the national level (as measured by the ABS SLCIs) increased only marginally for age pensioners (0.2 percent), while it increased by 0.6 percent for other government transfer recipients. In the same period, the generic CPI rose by 0.4 percent nationally and increased by 0.4 percent in Canberra (ABS 2016a; ABS 2016d, Data 5, 6).

During the quarter, the cost of living for other government transfer recipients increased at a rate higher than both the national and Canberra generic CPI increases, while the increase for age pensioners was below both of these rates. The increase in SLCIs for both employees (0.5 percent) and self-funded retirees (0.7 percent) was above the generic CPI figures as well (ABS 2016a).

#### **Age Pension recipients (+0.2 percent increase)**

##### **Contributors to the rise in SLCIs**

- Recreation and culture (+1.4 percent) contributed to the rise in SLCIs, mainly due to a rise in domestic holiday travel and accommodation due to the October school holiday period and the lead-up to the peak holiday period (ABS 2016b).
- Alcohol and tobacco (+2.3 percent) contribute to the rise, due largely to a rise in the cost of tobacco – due to flow on effects from the federal excise tax increase effective from 1 September 2015 (ABS 2016b).

##### **Contributors to the offsetting movement**

- Health (-1.8 percent) contributed the most significant offsetting movement this quarter, driven by a fall in expenditure on pharmaceutical products mainly due to the cyclical effect of a greater proportion of consumers exceeding the Pharmaceutical Benefits Scheme (PBS) safety net (ABS 2016b).

- Transport (-1.7 percent) also partially offset the rises, largely driven by a fall in the price of automotive fuel as falls in world oil prices continue to influence domestic fuel prices (ABS 2016b).

### **Other government transfer recipient payments (+0.6 percent increase)**

#### **Contributors to the rise in SLCIs**

- Recreation and culture (+1.1 percent), mainly driven by a rise in domestic holiday travel and accommodation, contributed to the rise in the SLCIs (ABS 2016b).
- Alcohol and tobacco (+4.9 percent) mainly due to a rise in the cost of tobacco, as per above (ABS 2016b).

#### **Contributors to the offsetting movement**

- Transport (-1.9 percent) contributed the most significant offsetting movement this quarter, driven by a fall in the price of automotive fuel as falls in world oil prices continue to influence domestic fuel prices (ABS 2016b).

While the fall in health prices for age pensioner households gives some relief, as these households spend a relatively higher proportion of their income on health when compared with the general population, the fall in prices is cyclical, with prices usually rising in the March and June quarters each year.

## **Tracking changes in the price of key goods and services: CPI figures**

The generic CPI figure covers a large number of goods and services (12 major categories, with over 100 individual goods and services part of the CPI basket (ABS 2016d, Table 2), and there can be wide variations in the CPI for specific goods and services, which can have implications for particular population groups.

These overall figures can be separated into their component parts in order to allow for the tracking of changes in the price of key basic goods and services in Canberra and nationally. Figure 2 below compares price changes in a number of basic necessities in Canberra with the price changes at the national level. These figures are shown, covering the last quarter (September–December 2015) as well as the last year (ending December 2015). Local variations in prices that may have occurred, however, are not reflected in these figures.

During the past year there were upward trends in some key areas of expenditure and downward trends in others, reflected in Canberra figures as well as nationally.

As an example, over the past year overall transport costs in Canberra decreased by 1.7 percent, with a similar trend seen across the country (-1.4 percent decrease). The very significant fall in the price of fuel of 13.1 percent in Canberra appears to be the single biggest contributor to the fall in Canberra's transport costs. There was a decrease in the fuel price nationally as well (-8.7 percent), although it was not as significant as the drop in Canberra prices. The fall in the price of fuel can be attributed largely to a drop in overseas oil prices (ABS 2016e, Data 5, 6; ABS 2016b).

Not all costs associated with transport in Canberra experienced a decrease, with the cost of spare parts and accessories increasing by 5.4 percent and urban transport fares increasing by 2.4 percent over the past year (ABS 2016e, Data 5).

Electricity prices in Canberra decreased significantly (-4.6 percent), which was much greater than that seen at the national level (-0.1 percent), although gas and other household fuel prices rose (+4.7 percent), which offset the electricity decrease (ABS 2016e, Data 5).

Health costs rose in Canberra (+5.0 percent) at a similar rate to the increase at the national level (+5.3 percent), with the rise in these costs largely driven by an increase in the CPI for hospital, medical and dental services (ABS 2016e, Data 5).

Insurance costs increased in Canberra over the past year by 1.3 percent, although it was not as high as the rate of increase at the national level, which was 3.8 percent. The CPI for housing in Canberra went down by 0.2 percent, whereas at the national level there was an increase of 2.2 percent (ABS 2016e, Data 5, 6).

Figure 2: CPI changes for key household expenditure areas – Canberra versus Australia, December 2015 quarter and for the past year

Cost of living area	Canberra CPI Dec. 2015 qtr change %	National CPI Dec. 2015 qtr change %	Canberra CPI Dec. 2014 – Dec. 2015 change %	National CPI Dec. 2014 – Dec. 2015 change %
<b>Clothing and footwear</b>	-0.2	1.6	-0.9	0.5
<b>Food (&amp; non-alcoholic beverages)</b>	0.2	0.3	-0.4	0.4
<b>Housing (includes utilities)</b>	0.1	0.1	-0.2	2.2
<b>Health</b>	-0.9	-0.4	5.0	5.3
<b>Insurance and financial services</b>	0.3	0.8	-0.8	1.8
• Insurance	1.2	2.1	1.3	3.8
<b>Transport</b>	-1.3	-1.4	-1.7	-1.4
• Private motoring	-1.4	-1.4	-1.9	-1.2
• Motor vehicles (incl. purchase & long-term lease/hire)	-0.4	-0.3	0.5	0.8
• Spare parts and accessories	0.5	0.1	5.4	3.3
• Automotive fuel	-6.0	-5.7	-13.1	-8.7
• Maintenance and repair	1.2	1.7	1.4	3.2
• Other services in respect of motor vehicles	0.0	0.5	4.8	3.0
• Urban transport fares (public transport)	1.3	-0.3	2.4	-3.4
<b>Utilities</b>	0.0	-0.3	-0.5	0.7
• Water & sewerage	0.0	0.0	0.1	2.3
• Electricity	0.0	0.0	-4.6	-0.1
• Gas & other household fuels	0.0	-1.2	4.7	1.0
<b>CPI all groups</b>	0.2	0.4	0.7	1.7

Sources: ABS 2016d, Data 4, 5, 6; ABS 2016e, Data 4, 5, 6.

## Income support recipients: cost of living changes

Income support recipients have very low incomes and, given this, it is considered to be difficult to save any of the weekly benefit (unless a household has additional income to supplement their income support payments). The following figures are based on scenarios for people in receipt of the base level of benefits (for the relevant payments) with an assumption that all of their income is spent in a given period. Based on this assumption, calculations have been made to demonstrate the dollar value of changes in cost of living over the past year.

Figure 3: Cost of living change for income support recipients, Australia, December quarter 2014 – December quarter 2015

	Base rate benefit per week (31 Dec. 2014) \$	Base rate benefit per week (31 Dec. 2015) \$	Selected Living Cost Index change %	Amount per week increase in 'cost of living' \$	Amount per week increase in base payment rates \$
Age pensioner	427.15	433.50	1.2	5.13	6.35
Newstart single – no children	262.20	266.10	1.4	3.67	3.90
Newstart single – 2 children & FTB A & B*	542.72	551.26	1.4	7.60	8.54

Sources: derived from Centrelink 2014, pp.3, 6, 14, 27, 33; Centrelink 2015, pp.2, 5, 13, 25, 33; ABS 2016a.

\* Family Tax Benefit A and B.

Note that, for simplicity, Rent Assistance and some supplements are not included in Figure 3, as these can vary for each person. See Appendix: Explanatory note 4, 'Pensions, Newstart and Family Tax Benefit calculations for Table 2'.

Figure 3 highlights the following:

- For **age pensioners**, the cost of living over the last year increased by \$5.13 per week, which was again covered by the increase in the base rate of the pension of \$6.35 per week over the same period (Centrelink 2014, p.14; Centrelink 2015, p.13).
- For **single people on Newstart**, the cost of living rose by \$3.67 per week, while the base Newstart rate rose by \$3.90 per week, just covering the increase in living costs, for the third quarter in a row (Centrelink 2014, p.27; Centrelink 2015, p.25).
- For **sole parents with two children**, receiving Newstart and Family Tax Benefit (A & B), the cost of living rose by \$7.60 per week. This cost of

living increase was also covered, with their payment rate rising by \$8.54 per week, also for the third quarter in a row (Centrelink 2014, pp.3, 6, 27; Centrelink 2015, pp.2, 5, 25).

What these figures indicate is that, for households that rely on income support payments, the payments are just managing to keep up with the rising costs of living, slightly easing cost of living pressures. This does represent some good news.

For people on Newstart and Youth Allowance, however, it must be noted that these recipients are starting from an already inadequate base rate, so, while their payments are currently keeping up with the increase in costs of living, their low income means that difficult decisions have to be made constantly about what living expenses can met.

On Newstart, for example, living on \$262.20 per week means that there are very few discretionary expenditure items. Housing, food, transport, health and utilities bills all have to be squeezed into a very small payment, which is approximately \$400 under the minimum wage (\$656.90 per week). This means that, if there is an unexpected medical bill or a need to replace a broken mobile phone, some other essential items might have to be forgone (for example, paying an electricity bill late and risking disconnection or having to spend less money on food) in order to meet the unexpected expense.

These figures also underline the importance of the current method of indexation used for adjusting pension rates every six months, where payments are pegged to Male Total Average Weekly Earnings (MTAWE) and prices (CPI) to ensure that pensioners' incomes do not drop behind society averages (see Appendix: Explanatory note 5, 'How pension rates are adjusted').

The inadequate indexing system for Newstart and other base-level benefit allowances, which are pegged to CPI only, means that increases in allowances cannot always keep up with the cost of living, even though they are doing so at the moment.

# In-depth analysis of transport costs in Canberra (ACT) and impacts on low-income households

## Introduction

Many people in our community can generally cover price rises or unexpected expenses by reducing spending on more discretionary items – for example, eating out less often. For a low-income household, however, which may be living pay check to pay check, there may not be any room to move in their household budgets. Making any adjustments to spending in these circumstances is not an easy task.

When low-income households experience pressure from rising household costs, making ends meet is particularly challenging and many compromises have to be made about what not to spend money on. These compromises can directly impact on health and wellbeing for household members and can contribute to worry and stress.

The weekly transport expenditure and rising costs in some expenditure areas discussed in this report represent one dimension of the problems faced by low income earners in attaining affordable and accessible transport – with many disadvantaged and low-income ACT households experiencing difficulties with transport costs. The weekly costs, however, do not reflect anything about the access to transport services, the regularity of those services or safety and quality issues.



It is critical, therefore, that the federal government commit to **increase Newstart and other base-level payments by \$50 per week.**



With the low base payments for allowances, and with increases in payments being pegged to CPI only, **Newstart payments lag further behind pensions – currently \$167 per week lower.**

## Poverty and disadvantage in the ACT: the broader context

While income levels are high in the ACT, with average weekly incomes in fact the highest in the country (\$2537 per week) (ABS 2015a, Table 18; see Figure 10 below), living costs in the ACT across the board are also high. A comparison of capital cities across the country shows that Canberra's cost of living per year (\$72,266) is on a par with Sydney (\$72,914) and Darwin (\$72,398) as the highest in Australia for a capital city. Adelaide is the city with the lowest cost of living (\$68,092)<sup>4</sup> according to a National Centre for Social and Economic Modelling (NATSEM) report (Phillips 2013, quoted in Tanton et al. 2013, p.3).

'In the ACT in 2011, there were 21,528 people living in poverty; 9910 households experiencing housing stress; 14,148 people experiencing financial stress; 1785 experiencing homelessness; and 28,639 disadvantaged people according to the ABS SEIFI Index' (Tanton et al. 2013, p.iii; see also Appendix: Explanatory note 6). 'Many of these people will be the same people, so there will be a number of people experiencing multiple disadvantage (for example, in poverty and homeless; or in poverty, in financial stress and in housing stress)' (Tanton et al. 2013, p.iii).

While poverty rates in the ACT are lower than the national average, in terms of suburb-level data, there were suburbs that experienced worse poverty, housing stress and financial stress than the Australian average. The suburb with the highest poverty rate in the ACT (25.9 percent) had a rate that was similar to the maximum in other states. 'So while there is a difference in the averages, there is little difference in the extremes' (Tanton et al. 2013, p.3).

The Socio-Economic Index for Individuals (SEIFI) is a particularly useful tool with which to examine the situation in the ACT. It is an index calculated by the ABS which is similar to the Socio-Economic Index for Areas (SEIFA); however, it measures disadvantage at the level of the individual and not geographic area. The SEIFI reveals the hidden disadvantage masked by SEIFA figures. For example, the SEIFI shows that there are 28,639 ACT residents in the most disadvantaged 20 percent of Australians, which is 12.6 percent of all ACT residents (cited in Tanton et al. 2013, p.iii). Many of these people are living in areas that are not disadvantaged according to SEIFA figures. The high average incomes in the ACT effectively conceal individual disadvantage when measured at the area level. This then shows up the problem of 'hidden disadvantage', which appears unique to the ACT – as 'the most disadvantaged people according to SEIFI don't live in disadvantaged areas, they are in less disadvantaged areas' (Tanton et al. 2013, p.14).

SEIFA measures mask the extent of disadvantage in the ACT because there is economic advantage in the same areas where there is disadvantage. When

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4 Figures taken from Figure 1: Capital City cost of living, \$ per year, June 2013, in Tanton et al. 2013.

data is averaged out, it does not reflect the reality for households that are disadvantaged and struggling. 'The disadvantaged households are masked when looking at averages by overall lower disadvantaged households in our [Canberra] suburbs' (Tanton et al. 2013, p.15). Indeed, research by the ACT Government has highlighted that 'the ACT has one of the highest proportions of "diverse" suburbs/collection districts (CDs), where diverse suburbs/CDs have high numbers of both the most and the least advantaged individuals living side by side. This is highly unique to the ACT and, as a result, the averaging effects of SEIFA chronically under-reports disadvantage' (ACT Government 2012a, p.3).

## National and ACT transport expenditure: a comparison

In terms of capital cities, based on the most recent ABS HES (ABS 2011a, Table 23A) Canberra and Darwin have by far the highest expenditure on transport amongst capital cities in the country. From the survey figures, which relate to the 2009–10 period, Darwin expenditure was \$233.78, with Canberra only marginally behind on \$232.23.

In terms of the proportion of household income expended on transport, Canberra sits at third highest (spending 15.1 percent of weekly expenditure), behind Darwin and Melbourne. Only housing (19.6 percent) and food (15.4 percent) constitute greater expenditure areas for Canberra households (ABS 2011a, Table 23A). In fact, Canberra households spend almost as much on transport (\$232) as they do on food (\$235) (ABS 2011a, Table 23A). Apart from Darwin (and the NT as a whole), where expenditure on transport in fact does exceed expenditure on food, all other capital cities spend between \$15 and \$40 more per week on food than on transport (ABS 2011a, Tables 231, 27A).<sup>5</sup>

Figure 4: Mean transport costs – expenditure and proportion of income – comparison of states and territories – 2009–10 household expenditure figures

	Sydney	Melb.	Brisb.	Adel.	Perth	Hobart	Darwin	Canb.	Ave of capital cities
2009–10 figures (weekly) \$	193.01	200.42	201.45	165.28	192.62	156.86	233.78	232.23	194.44
% Household Expend.	14.4	15.4	14.9	14.6	14.7	13.8	16.0	15.1	14.8

Sources: derived from ABS 2011a, Table 23A.

<sup>5</sup> In terms of states/territories, as compared to capital cities, the gap between the expenditure on food and transport is much narrower – in the NT transport expenditure is greater than food expenditure; and in Queensland food expenditure is only \$1 more than transport expenditure. The narrower gap in states and territories partly reflects the increased costs of transport in states/territories with larger remote populations (ABS 2011a, Table 27A).

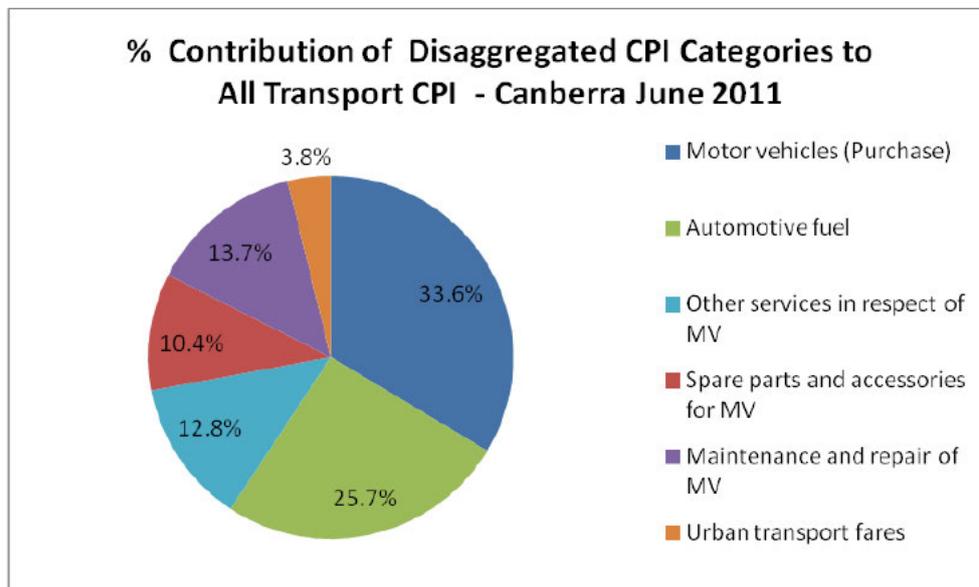
Expenditure on transport in Canberra is almost the highest in the country in terms of both actual expenditure and proportion of income.

### Disaggregated CPI and HES categories

Figures 5 and 6 show the contribution of the different disaggregated transport CPI categories towards the overall transport CPI, which is important for understanding the impact of price rises in different areas. As the figures show, it is significant changes in the price of motor vehicles and fuel which will have the greatest impact on the transport CPI, contributing around 59 percent to the overall CPI (Figure 5). Significant changes in these areas will have an impact, therefore, on the budgets of Canberra households.

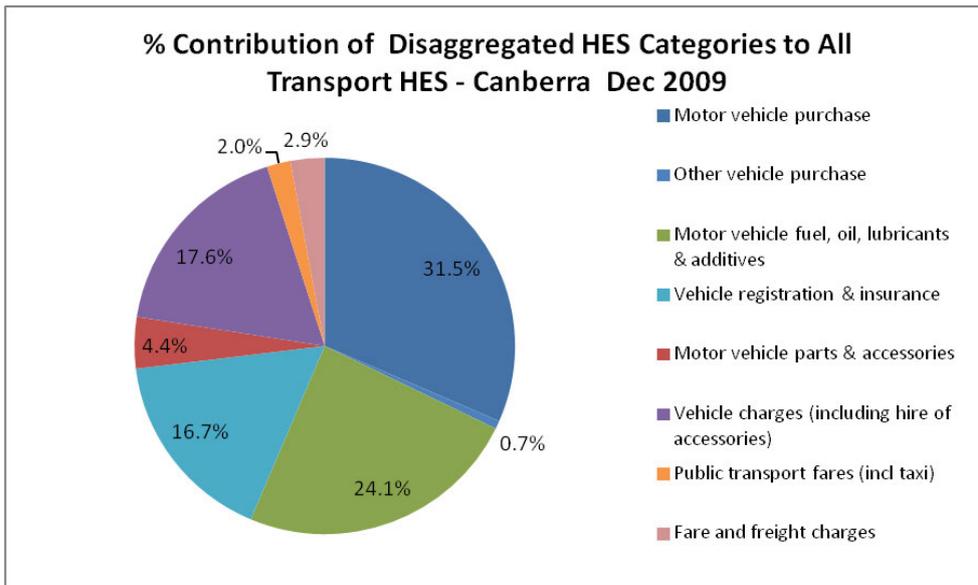
Large changes in the costs of other services (for example, motor vehicle registration, drivers licence fees) and maintenance and repairs will also have an impact on the overall transport CPI. An increase in the cost of public transport or taxi fares, for example, will not have a dramatic impact on the overall transport CPI but could still have a major impact on the weekly budget of a low-income household.

Figure 5: CPI – disaggregated CPI transport categories as % of transport CPI



Source: derived from ABS 2011d, Table 2.

Figure 6: Disaggregated HES transport categories as % of HES



Source: derived from ABS 2011a, Table 23A.

It is also useful to examine the HES data and the way the various subcategories of transport expenditure contribute to the overall transport expenditure figure. While there are some differences in the way the CPI and HES categories are defined, the HES figures are broadly consistent with the way the CPI transport subcategories influence the CPI. This is important, as this report uses 2009–10 HES figures indexed to CPI changes over the last six years to approximate current expenditure patterns.

It can be seen in Figure 6, for example, that motor vehicle purchase and motor vehicle fuel and oil et cetera are the two largest components of household expenditure (56 percent combined). The next two largest contributors are vehicle charges (vehicle servicing and drivers licences) and vehicle registration and insurance, similar to the pattern seen in the contribution of the CPI subcategories to the overall transport CPI.

Compulsory CTPI for motor vehicles makes up the bulk of motor vehicle registration fees (around 65 percent in the ACT) (ACT Government 2016c, p.3).<sup>6</sup>

CTPI comes under the CPI category of insurance (under insurance and financial services) rather than under a transport (CPI) subcategory. This means that it is not possible to index the HES figure for registration and insurance to one CPI category in order to give an approximation for current expenditure on motor vehicle registration and insurance.

In addition, the CPI insurance category includes comprehensive insurance for dwellings as well as motor vehicles and compulsory third party motor vehicle

<sup>6</sup> The 65 percent calculation is based on GIO CTPI costs of \$568.60 and overall motor vehicle registration costs (including CTPI) of \$874.70 (from ACT Government 2016c).

insurance service, so it is not even possible to provide a separate figure on CPI for motor vehicle insurance.

The way the CPI insurance category is structured is significant because it means that, while CTPI is a large component of overall motor vehicle registration costs, constituting 63.1 percent of registration costs in the ACT, the existing CPI data does not enable the specific tracking of price rises in CTPI. Any CTPI price rises that may be impacting on low-income and disadvantaged Canberra households will not be evident in the CPI data. A separate examination of CTPI charges from the last six years shows that there has in fact been a 26.6 percent increase in CTPI in the ACT (NRMA 2009, p.1; ACT Government 2015c, p.3; see also Figure 31 of this report). This rise is significant, as it is well above the rise in the generic CPI (11.9 percent) and the transport CPI (6.4 percent) for Canberra for the same period.

### National and Canberra (ACT) expenditure on transport: a comparison

Figure 7: Comparison of national and ACT household expenditure on transport, 2009–10

	Australia		Canberra (ACT)	
	Ave weekly expend. \$	% of H/hold expend.	Ave weekly expend. \$	% of H/hold expend.
All transport	192.87	15.6	232.23	15.1
Motor vehicle purchase	47.16	3.8	73.08	4.8
Other vehicle purchase	1.07	0.1	1.63	0.1
Motor vehicle fuel, oils etc.	51.02	4.1	56.02	3.6
Vehicle registration & insurance	28.57	2.3	38.75	2.5
Motor vehicle parts & accessories purchased separately	10.48	0.8	10.32	0.7
Vehicle charges (including hire of accessories)	42.39	3.4	40.94	2.7
Public transport fares	4.95	0.4	4.66	0.3
Taxi fares	2.29	0.2	2.81	0.2
Fare and freight charges (excl. holidays and public transport and excl. taxi fares – separated for the purpose of this table)	*7.61	0.6	**4.02	0.3

Sources: derived from ABS 2011a, Table 27A.

\*Estimate has a relative standard error of 25%–50% and should be used with caution.

\*\*Estimate has a relative standard error greater than 50% and is considered too unreliable for general use.

The 2009–10 HES expenditure figures are used in the table above rather than an estimate of 2015 expenditure (that is, 2009–10 indexed to the CPI), as not all HES transport categories directly correlate with the CPI transport categories.

When the above disaggregated 2009–10 HES figures are examined, they show that expenditure on transport in Canberra (figures identical for the ACT) is either the highest or second highest in several key categories of transport expenditure when compared with the other state/territory and national figures.

The notable expenditure figures for the ACT are as follows:

- **Vehicle registration and expenditure was highest** – \$38.75 per week – which was far higher than any other jurisdiction in the country (27 percent higher than the next highest, NSW (\$30.42)) and 36 percent higher than the national average (\$28.57).
- **Taxi fares expenditure (\$2.81 per week) were the second highest** in the country (behind only NSW (\$3.05)).
- **Public transport fares (\$4.66 per week) were the third highest** (behind only NSW (\$6.68) and Victoria (\$5.37) and close to the national average (\$4.95)).
- **Fuel expenditure (\$56.02 per week) was the second highest**, just behind the NT (\$56.89).
- **Motor vehicle purchase (\$73.08 per week) was the highest by a large margin** – 29 percent above the next highest (NT) of \$56.83 and well above the national average of \$47.16 as well (ABS 2011a, Table 27A).

The ACT topped the list of highest expenditure of states and territories on vehicle registration and insurance as well as motor vehicle purchases.

Figures 8 and 9 highlight the high rate of expenditure for the ACT in terms of motor vehicle purchase and vehicle registration and insurance costs – both in terms of the weekly amounts and as a proportion of weekly expenditure.

Figure 8: Motor vehicle purchase – expenditure and proportion of income – comparison of states and territories – 2009–10 household expenditure figures

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
<b>Weekly \$</b>	47.20	47.62	45.08	35.76	53.11	50.33	56.83	73.08	47.16
<b>%</b>	3.7	3.9	3.6	3.4	4.1	4.7	3.8	4.8	3.8
<b>Household expend</b>									

Source: derived from ABS 2011a, Table 27A.

**Figure 9: Vehicle registration and insurance costs – expenditure and proportion of income – comparison of states and territories – 2009–10 household expenditure figures**

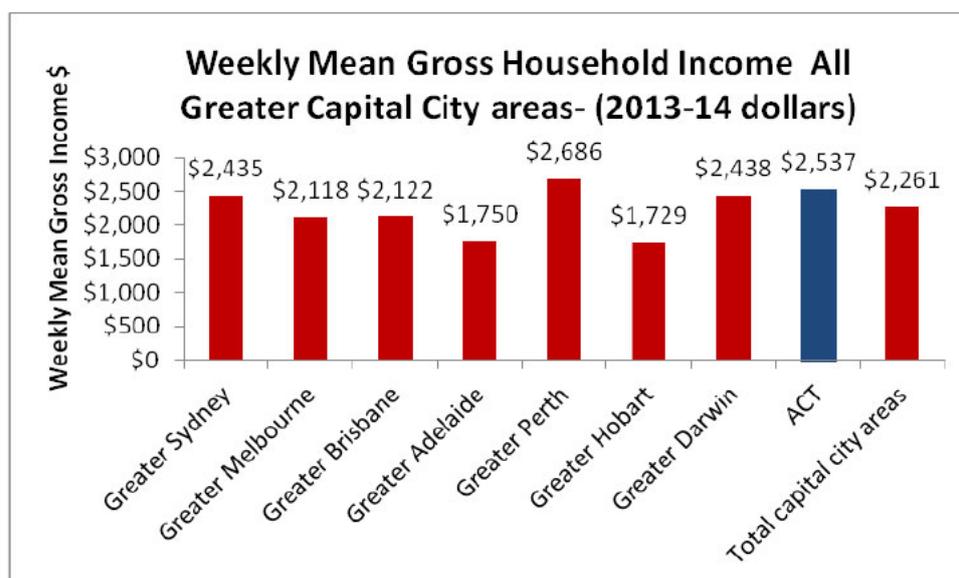
	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
<b>Weekly \$</b>	30.42	27.80	29.24	27.69	24.25	22.33	24.29	38.75	28.57
<b>% Household expend.</b>	2.4	2.3	2.4	2.7	1.9	2.1	1.6	2.5	2.3

Source: derived from ABS 2011a, Table 27A.

While households in the ACT spend significantly more (\$40) per week than the national expenditure on transport, ACT households also have the second highest average income levels in the country (\$2537 per week) when compared with greater capital city areas across the country, behind only greater Perth (\$2686) (ABS 2015a, Table 18<sup>7</sup>), as shown in Figure 10.

On average, ACT households spend \$40 more per week on transport costs than the average Australian household.

**Figure 10: Mean gross household income (in 2013–14 dollars), states and territories**



Source: ABS 2015a, Table 18.

'Total capital city areas' is referred to by the ABS as 'Total greater capital city areas'.

Despite their high average income, Canberra households still have the third highest expenditure on transport in terms of the proportion of the weekly household budget when compared with all capital cities (ABS 2011a, Table 23A), which indicates that transport costs are high, as shown in Figure 4.

<sup>7</sup> The average incomes for the greater capital city areas (and the ACT) refers to 'Mean gross household income (in 2013–14 dollars)' (ABS 2015a).

On average, Canberra households spend the third highest proportion of their income on transport when compared with other capital cities in the country.

It is also important to bear in mind that the expenditure figures above are averages and do not reflect the reality of transport costs for all households in the ACT, particularly low-income households. Many low-income households – for example, households with people on disability and carer payments – would pay above 15.1 percent of their weekly income in transport costs and face very real pressures because of this (see discussion below under ‘Expenditure patterns of welfare recipients’, p.47ff.).

In addition, the income figures do not reflect the reality for all households in the ACT, as not all ACT households earn anywhere near \$2537 per week. And, as the SEIFI figures have demonstrated, there are pockets of households experiencing enormous financial stress, even amid the high average incomes in ACT suburbs. Higher median weekly incomes may also act as an inflationary pressure on costs of living in Canberra – for example, on housing, food, health and transport.

A household with one full-time worker earning the minimum wage and one part-time (0.5) worker earning the minimum wage would be earning \$1403.37 per week – nearly \$1134 under the ACT average household income for 2013–14 (Fair Work Commission 2016; Centrelink 2015, pp.2, 5) (refer also to Appendix: Explanatory note 6, ‘Weekly payments: welfare recipients and minimum wage earners’).

A sole-parent household, with two children, relying on Newstart (see also Figure 3) would be receiving \$627.14 per week (Centrelink 2015, pp.2, 5, 25). Yet these households have to pay the same fuel prices, vehicle registration costs and taxi fares as the highest income earners.

With a single age pensioner receiving around \$498<sup>8</sup> per week, a single unemployed person receiving around \$330 per week<sup>9</sup> and a young person receiving \$260 per week, transport costs are going to be felt more keenly and, in particular, any rises in transport costs for these households will put immediate pressure on weekly budgets. Even a single person working full-time and earning the minimum wage (\$656 per week<sup>10</sup>) is earning around \$1700 per week under the ACT average. All of these households have to pay the same bus fare and taxi fare rates (unless they are eligible for a concession or subsidy) or cost of petrol at the bowser (for which there are no concessions) (Centrelink 2015, pp.2, 5, 13, 25).

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8 See Appendix: Explanatory note 6, ‘Weekly payments: welfare recipients and minimum wage earners’.

9 See Appendix: Explanatory note 6, ‘Weekly payments: welfare recipients and minimum wage earners’.

10 See Appendix: Explanatory note 6, ‘Weekly payments: welfare recipients and minimum wage earners’.

## Car ownership in the ACT

The ACT has one of the highest rates of passenger vehicle ownership as a percentage of the population (612 per 1000), behind only South Australia (622) and just ahead of Victoria (611) (ABS 2015b), as per Figure 11 below.

**Figure 11: Passenger vehicle numbers for states and territories, including per 1000 of population, 2015**

	No of passenger vehicles 2015	% increase in passenger vehicle registrations since 2010	Passenger vehicles per 1000 population 2015 (No)	% increase in passenger vehicles per 1000 population since 2010
<b>New South Wales</b>	4,050,873	10.2	537	4.1
<b>Victoria</b>	3,581,815	10.2	611	2.3
<b>Queensland</b>	2,656,508	10.3	560	2.0
<b>South Australia</b>	1,050,246	7.4	622	3.3
<b>Western Australia</b>	1,566,574	14.4	605	0.7
<b>Tasmania</b>	312,993	7.6	608	6.3
<b>Northern Territory</b>	93,499	11.1	380	3.3
<b>Australian Capital Territory</b>	236,941	11.1	612	3.4
<b>Australia</b>	13,549,449	10.4	575	2.9

Source: ABS 2015b, Tables 1 and 2.

Rates for 2015 are calculated using Estimated Resident Population data at September 2014 and Motor Vehicle Census data at 31 January 2015. Rates for 2010 have been revised using the latest Estimated Resident Population data re-based on the 2011 Census at September 2014 (Australian Demographic Statistics – 3101.0, September 2014) (ABS 2015b, Summary Tab).

## Passenger vehicle use

According to the ABS Car Nation report (ABS 2013), in 2012 approximately seven in ten people (71 percent) aged 18 years and over travelled to work or full-time study primarily by passenger vehicle – either as a passenger or as a driver. Only 16 percent of Australians used public transport, while 4 percent walked and 2 percent cycled. The majority (88 percent) of Australians also used a passenger vehicle to get to places other than work in 2012, such as to go shopping or to visit family and friends (ABS 2013).

Figures from 2011 show that 83 percent of commuters going to work in the ACT used a passenger vehicle as part of their transport to get to work, behind only Tasmania (87 percent) and Queensland (85 percent) (ABS 2011 Census of Population and Housing, cited in ABS 2013).

In terms of public transport, a comparison of capital cities showed that only around 10 percent<sup>11</sup> of people commuting to work in Canberra used public transport, which was the third lowest percentage of all of the states and territories, with Sydney the highest at 25 percent (ABS 2013).

The ABS (2008) also noted that 'Public transport use is considerably higher in capital cities than in other parts of Australia' due in part to the relatively large populations in capital cities and the extensive public transport infrastructure.

The ABS Car Nation report (ABS 2013) highlighted that one of the major reasons for people commuting to work or study in a passenger vehicle is their inability to access public transport either 'at all, or at the right or convenient time'.

In addition, the Car Nation report highlighted that nearly half of all adults without access to a passenger vehicle felt they sometimes or often had difficulty getting to places, but only 10 percent of people with access to a vehicle reported these difficulties (ABS 2013).

For people who are unable to drive or have no access to a passenger vehicle, 'a city which is car dependent may restrict their access to services, employment, shops, social and other activities'<sup>12</sup> (ABS 2013).

The Car Nation report also highlighted figures from 2011 that revealed that 'households living in the most disadvantaged areas were more likely not to own a passenger vehicle compared with other households. In contrast, households in the most advantaged areas were more likely to have three or more cars per household' (ABS 2011 Census of Population and Housing, cited in ABS 2013).

## Summary of transport cost movements in Canberra over the past year

As well as examining actual weekly costs of transport in terms of affordability, the rate at which prices increase can have a significant impact on households. The CPI for all transport in Canberra over the last year actually decreased (-1.7 percent), which was below the 0.7 percent increase in CPI for all groups for Canberra (ABS 2016e, Data 5) and marginally below the national CPI for all transport of -1.4 percent (ABS 2016e, Data 6) (see Figure 2).

There was, however, significant variation in the way the individual components, which contribute to the overall CPI figure, changed. The purchase prices of new cars rose by only 0.5 percent, while cost of spare parts and accessories rose by 5.4 percent and cost of maintenance and repairs rose by 1.4 percent. The fuel

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11 An exact percentage figure was not available as, the figure was estimated from a graph: 'ALL METHODS(a) OF TRAVEL TO WORK(b) BY CAPITAL CITY, 2011' (in ABS 2013, Summary Tab).

12 The Car Nation report refers to the Australian Government's Liveable Cities program. A key goal is to improve accessibility and reduce dependence on private vehicles through improving transport options.

price dropped dramatically by 13.1 percent, which was the main driver of the overall 1.7 percent decrease in the CPI for transport, while urban transport fares increased by 2.4 percent (ABS 2016e, Data 5).

Other CPI price rises, while they may look relatively high (for example, 5.4 percent in spare parts and accessories: ABS 2016e, Data 5) have less of an impact on the overall CPI for transport, as they constitute a smaller proportion of transport expenditure (see Figures 5 and 6).

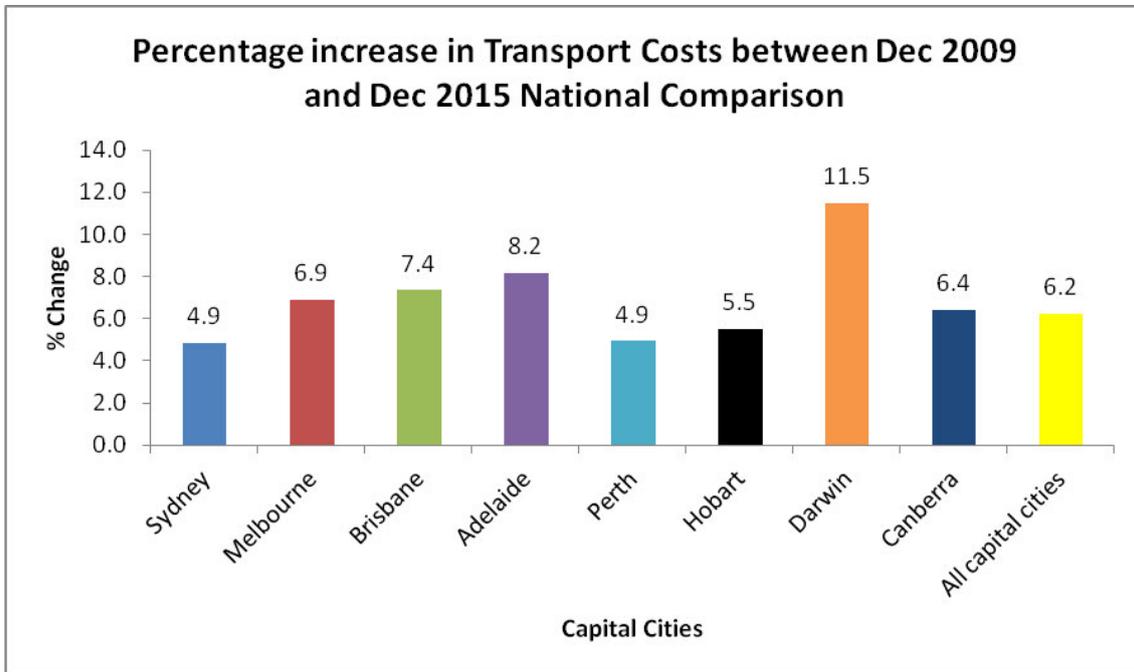
In terms of the impact that these price changes would have had on Canberra households, households which purchased a new vehicle in this period have benefited, particularly as a new vehicle generally requires limited servicing, while households which had to pay for maintenance, repairs and spare parts are now comparatively worse off compared with last year.

For households where people are reliant on public transport, the fare increases mean they are now worse off compared with last year. On the other hand, the significant reduction in fuel prices has benefited households that drive. Overall, with the price decreases in both the cost of a new vehicle and the price of fuel, there would have been a disproportionate benefit to households that bought newer cars.

While it is useful to note changes in the CPI over a 12-month period, it is also critical to look at longer-term movements to assess the impact these have on household budgets, especially those of low-income households. Any price increases disproportionately impact on low-income households.

## Summary of transport cost movements in Canberra over the longer term

Figure 12: Rate of increase in expenditure on transport (CPI) – capital cities, December 2009 – December 2015

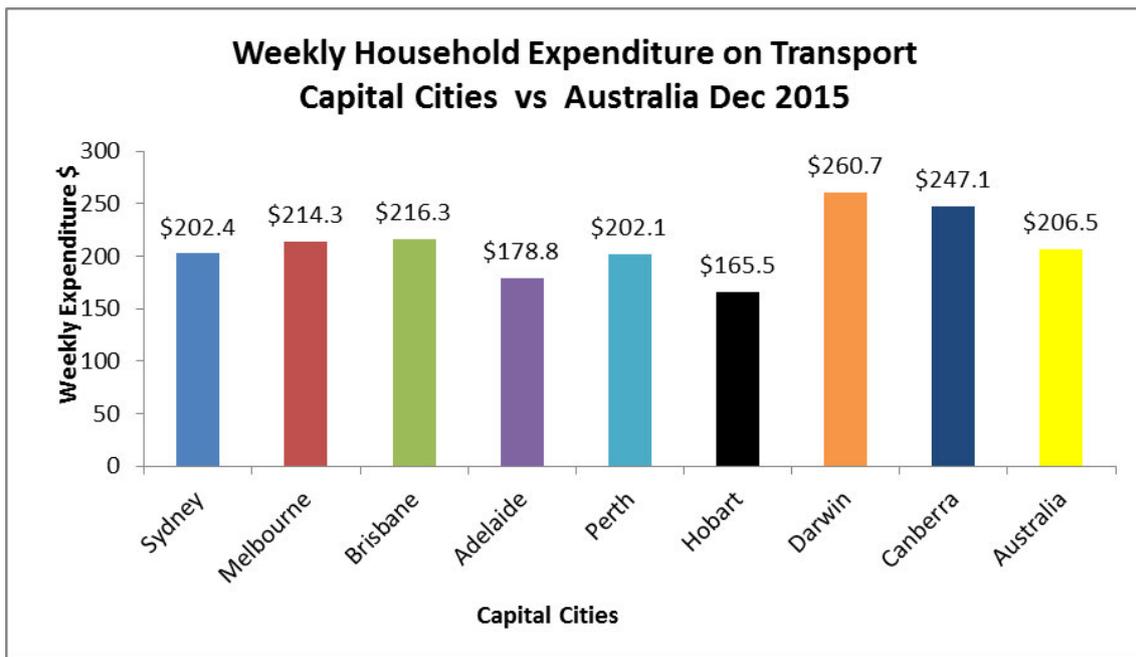


Source: derived from ABS 2016e, Data 1–6.

Figure 12 shows what has been happening in terms of transport prices over the last six years since the last HES figures were produced (2009–10), comparing each capital city and the national change in CPI for transport. It can be seen that the price rise for transport in Canberra households over the last six years (6.4 percent) has been the fifth highest in the country but still above the national average rise for transport of 6.2 percent (ABS 2016e, Data 5, 6).

If expenditure patterns had remained the same, Canberra households would now be spending \$247 per week on transport, which would still rank Canberra as the clear second highest, behind only Darwin households (\$260) in terms of expenditure and well ahead of the other six capital cities (ABS 2011a, Table 23; ABS 2016e, Data 1–6), as shown in Figure 13 below.

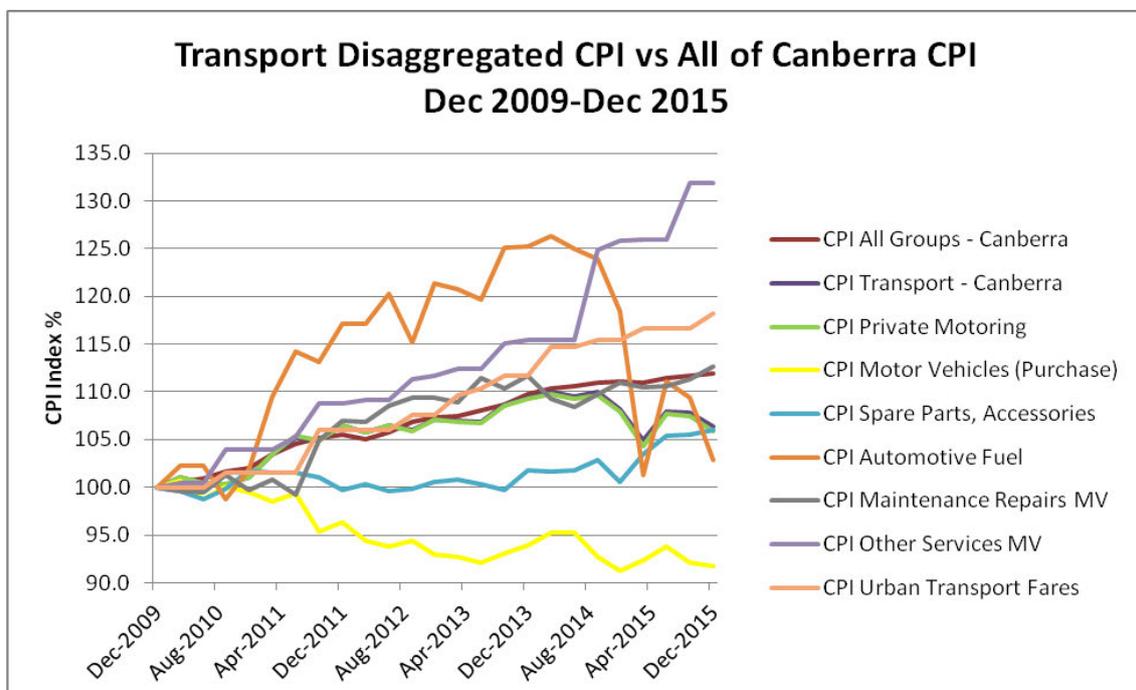
Figure 13: Weekly household expenditure on transport – capital cities, December 2015



Sources: ABS 2011a, Tables 23A, indexed to December 2015 Transport CPI (ABS 2016e, Data 1–6).

The changes in the prices of the different components of transport costs over a longer period are shown in Figures 14 and 15 below.

Figure 14: Disaggregated transport CPI versus all of Canberra CPI, December 2009 – December 2015



Source: derived from ABS 2016e, Data 5.

**Figure 15: Changes in individual CPI categories that make up the overall transport CPI versus Canberra CPI for various periods from December 2005 to December 2015**

CPI	CPI % Change			
	Last 10 years Since Dec. 2005	B/w Dec 2005 and Dec. 2009	Last 6 years Since Dec. 2009	Last year (to Dec. 2015)
<b>Transport Australia</b>	13.2	6.5	6.2	-1.4
<b>Transport Canberra</b>	13.3	6.5	6.4	-1.7
<b>Private motoring (97.85% of CPI)</b>	12.4	6.1	5.9	-1.8
<b>Motor vehicles (purchase)</b>	-6.8	1.6	-8.3	0.5
<b>Spare parts and accessories</b>	27.2	20.0	6.0	5.4
<b>Automotive fuel</b>	4.7	1.7	2.9	-13.4
<b>Maintenance and repair</b>	32.1	17.3	12.6	1.5
<b>Other services in respect of motor vehicles</b>	53.9	16.7	31.9	4.8
<b>Urban transport fares (2.14% of CPI)</b>	36.5	15.5	18.2	2.4
<b>All groups Canberra</b>	26.7	13.2	11.9	0.7
<b>All groups Australia</b>	29.5	12.4	15.2	1.8

Source: derived from ABS 2016e, Data 5, 6.

## Longer-term trends in the CPI for transport

Over the past six years, the transport CPI for Canberra (6.4 percent) has moved roughly in line with the national movement in the CPI for transport (6.2 percent). Both figures have been much lower than the generic CPI rises in Canberra (11.9 percent) and nationally (15.2 percent) (ABS 2016e, Data 5, 6).

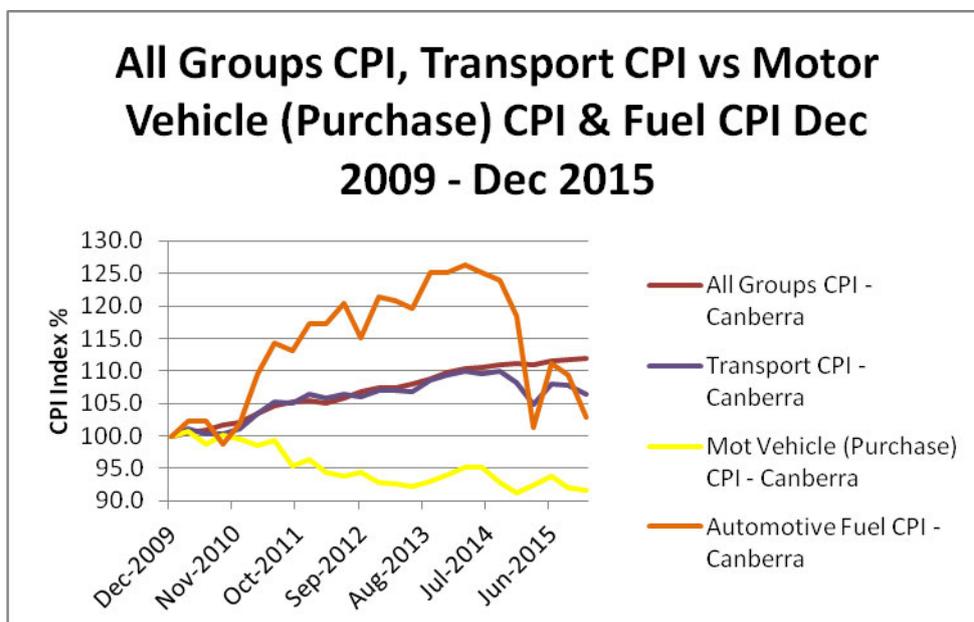
This trend in the transport CPI since 2009 mirrors the broader trends over the last ten years. Examination of Figures 14 and 15 (above) show that, over the last 10 years in Canberra, some of the components of transport prices have increased at a rate under the generic CPI (all groups) for Canberra, while others have increased more than the generic CPI (ABS 2016e, Data 5). The focus in this section is on changes over the last six years since the last HES was done.

Overall, the situation could appear to be quite 'healthy' for Canberra residents, with the Canberra transport CPI well below the rise seen in Darwin as well as below the rises seen in Adelaide, Brisbane and Melbourne (Figure 12).

Figure 16 shows how changes in CPI for the categories of motor vehicle purchase and fuel in Canberra have changed over the last six years. There has been a steady downward movement of the CPI for motor vehicle purchase as well as the general sharp rise in the price of fuel between 2010 and 2013 and the very significant dip in late 2013. The combination of the decrease in both of

these categories has contributed to the slow rise in the overall transport CPI for Canberra, particularly since December 2013 (ABS 2016e, Data 5).

Figure 16: Comparison changes in CPI for motor vehicle purchase and fuel, December 2009 – December 2015



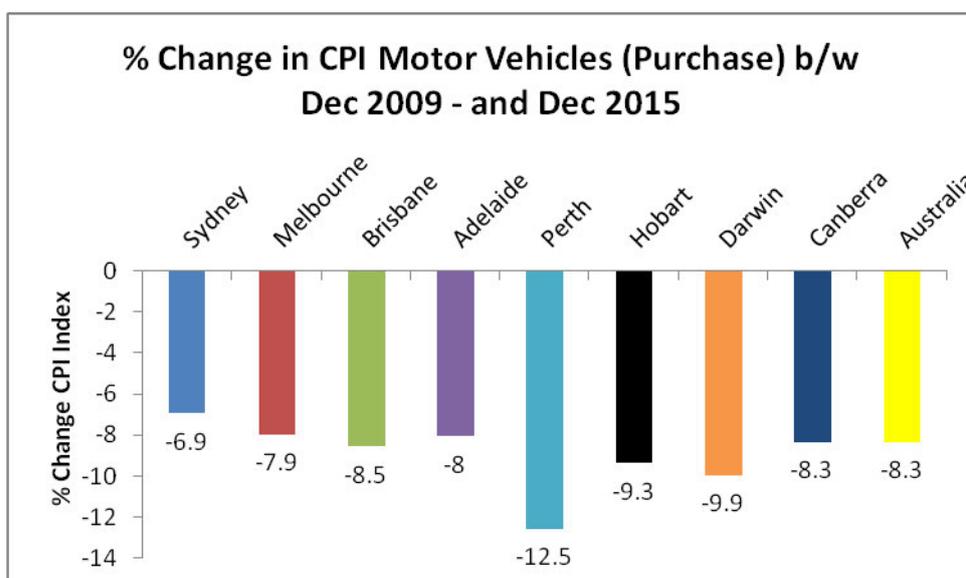
Source: derived from ABS 2016e, Data 5.

### Cost of buying a motor vehicle

The CPI figures reflect some good news for many Canberra households, with the price of buying a motor vehicle having come down steadily in Canberra against the trend of the generic CPI both in Canberra and nationally. The CPI for purchasing motor vehicles has dropped by 8.3 percent over the last six years (in line with the national figure for motor vehicles: ABS 2015, Data 5, 6) (see Figure 17). This translates into significant decreases in real prices once inflation and growing income are taken into account.

The purchase of a motor vehicle can be considered a discretionary item, as a lower-income household can choose to hang on to an existing vehicle rather than replace it or it can purchase a second-hand vehicle rather than a new one. This means that the drop in purchase price is more likely to benefit more affluent households.

Figure 17: Comparison of capital cities for CPI for motor vehicles (purchase), December 2009 – December 2015



Source: ABS 2016e, Data 1–6.

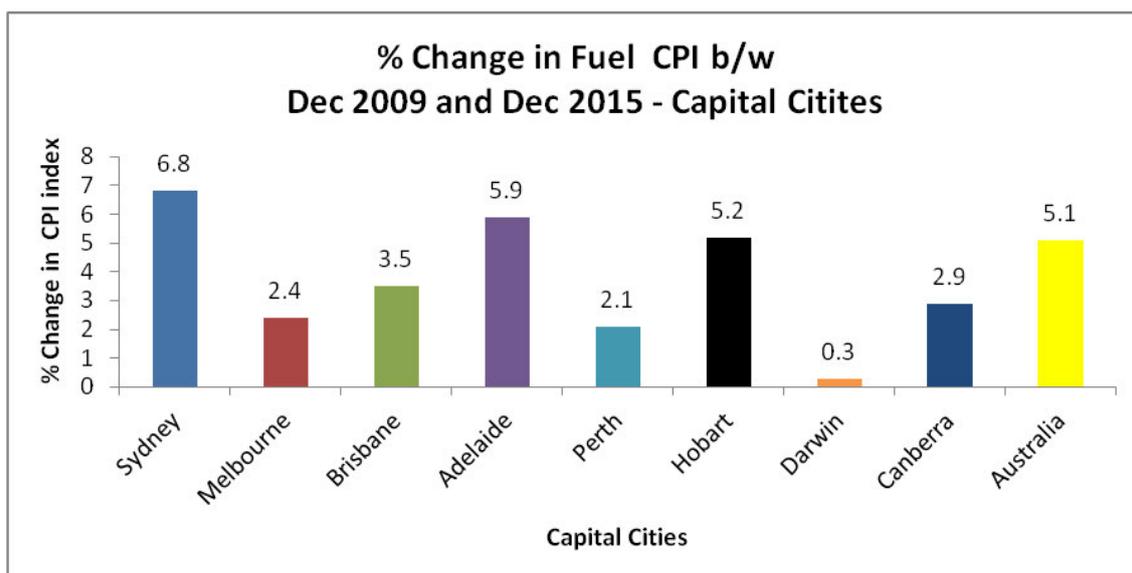
## Fuel prices

The price of fuel rose by only 2.9 percent over the past six years, primarily due to the 13.4 percent decrease for 2015 (due to a fall in global oil prices). Many Canberra households would be feeling the benefits of the drop in price. Fuel is not a discretionary item, so the benefits of the slowing in the fuel price and the more recent decreases will be felt by all households with a car.

More affluent households still stand to benefit disproportionately, as expenditure on fuel goes up with income, even though the proportion of household expenditure is fairly even across the five income quintile groups. National figures show that the highest income quintile households spent \$85 per week on fuel compared with \$34 per week for the second income quintile in the last HES in 2009–10 (see Figure 25) (ABS 2011b, Table 23A).

It is important to note that, while the CPI for fuel overall decreased by 13.4 percent in the past year (ABS 2016e, Data 5), this does not mean all Canberra households benefited from this price decrease, as those households without a car will have obtained no relief from this CPI decrease.

Figure 18: Rate of change in fuel CPI – capital cities, December 2009 – December 2015



Source: ABS 2016e, Data 1–6.

Furthermore, in examining the figures for the last ten years, it appears that the CPI for fuel has overall risen only very slowly – a 4.7 percent rise since 2005 (ABS 2016e, Data 5). There were periods, however, not visible in the overall figures, where the fuel price did rise actually – particularly a 26 percent rise between December 2005 and September 2008, which was more than double the generic Canberra CPI at the same time (ABS 2016e, Data 5). In addition, the CPI for fuel rose by 15 percent in 2011 (ABS 2016e, Data 5). So there have been periods over the last decade when Canberra motorists would have been feeling the effects of rising fuel prices. Since March 2014, however, when the fuel price started to dip significantly, lower prices have been sustained (ABS 2016e, Data 5).

### Price increases in other transport categories

The prices for fuel and the purchase of vehicles, however, tell only part of the story, because at the same time other CPI categories have risen above the transport CPI and the generic CPI for Canberra, namely:

- **maintenance and repair costs (12.6 percent)**
- **other services in respect of motor vehicles (31.9 percent)**
- **urban transport fares (18.2 percent)**  
(ABS 2016e, Data 5).

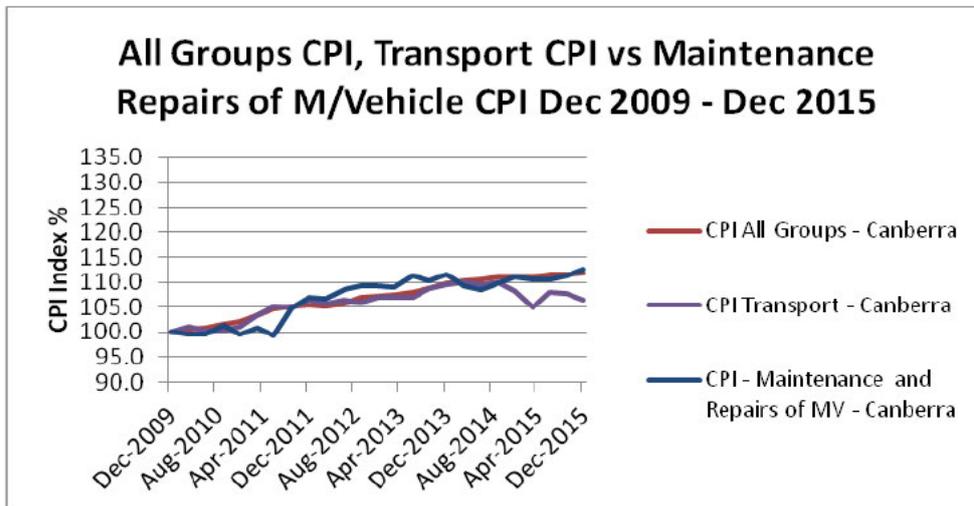
The impacts of price rises in different areas of transport expenditure are not felt evenly across the community. These three categories here also reflect non-discretionary expenditure areas, so price rises here will impact more on low-income households.

Over the last six years, some areas of transport expenditure in Canberra have risen by between 18 percent and 31 percent, while the general CPI for Canberra has risen by only 11.9 percent.

### Maintenance and repair costs

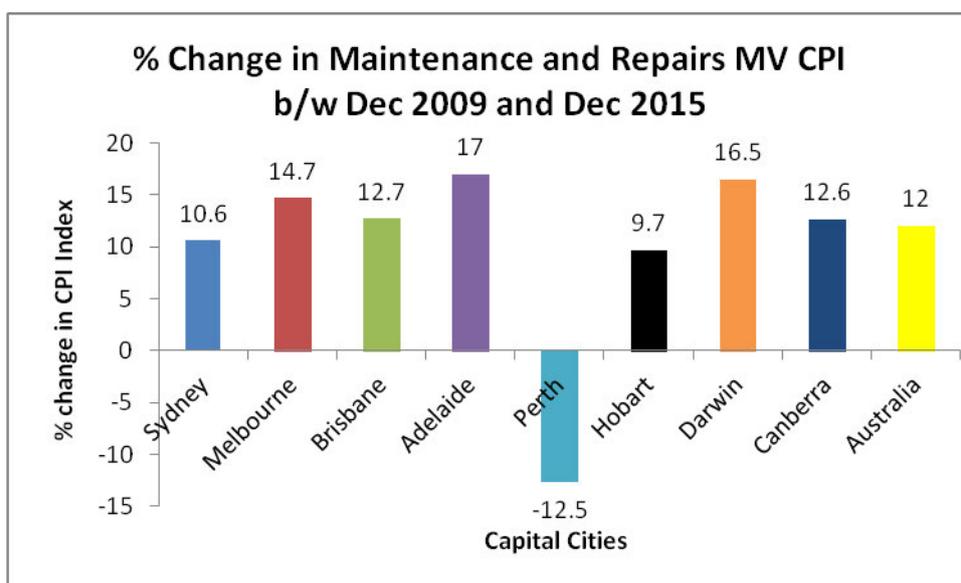
The maintenance and repair costs category constitutes services purchased for the maintenance and repair of motor vehicles (and includes the cost of labour and the cost of materials). While these costs impact on both high earners and lower income earners who own a vehicle, a price rise in this category will disproportionately impact on low-income households.

Figure 19a: CPI – rate of change in maintenance and repairs CPI versus transport CPI and all groups CPI, Canberra, December 2009 – December 2015



Source: derived from ABS 2016e, Data 5.

Figure 19b: CPI – percentage change in maintenance and repairs CPI, all capital cities, December 2009 – December 2015



Source: derived from ABS 2016e, Data 1–6.

While the cost of maintenance and repairs of a motor vehicle (12.6 percent) has risen above the transport CPI (6.4 percent) for this period, it has almost matched the generic CPI for Canberra (11.9 percent) and has been the fourth highest rise in the country in this category – similar to the average national rise for this category, as shown in Figures 19a and 19b (ABS 2016e, Data 5).

### Other services in respect of motor vehicles

The most dramatic rise in a transport category has been in the ‘other services in relation to transport’ CPI subcategory, which includes items of expenditure such as motor vehicle registration, roadworthiness tests, drivers licence fees, parking fees, driving lessons and tollway charges (ABS 2011e). This CPI subcategory has gone up by 31.9 percent – five times the rate of the transport CPI for Canberra and nearly three times the rate of the generic CPI for Canberra over the same time (ABS 2016e, Data 5).

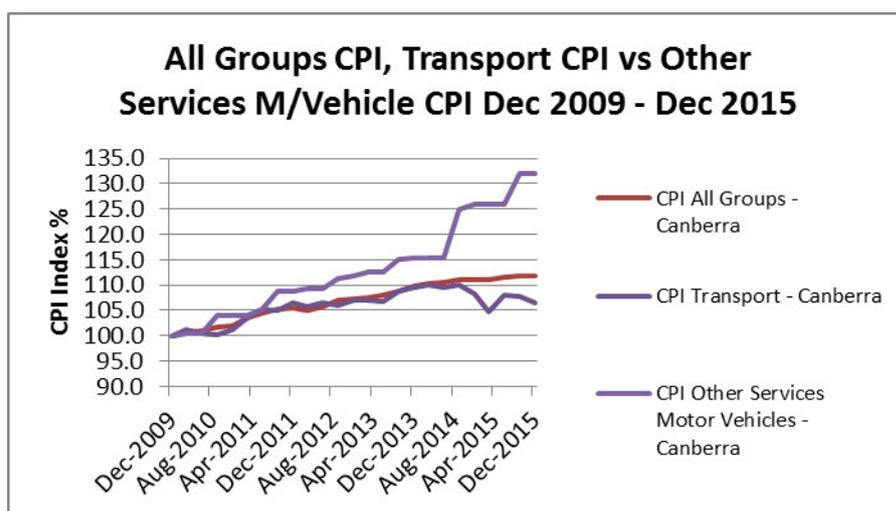
These costs are borne by both high income and lower income earners who own a vehicle and do not discriminate based on income (unless a vehicle owner is eligible for a concession on their motor vehicle registration or licence fees), so the 31.9 percent increase will also disproportionately impact on low-income households.

Concessions covering 100 percent of motor vehicle registration fees (and drivers licence fees) are restricted to pensioners and veterans, who hold the relevant pension concession card, as well as diplomats and privileged personnel. Those eligible receive a 100 percent discount on the registration component of their vehicle registration charges (but must pay the full fee for all

other charges, such as CTPI and road rescue fee et cetera) and also receive a 100 percent discount on drivers licence fees (ACT Government 2016d).

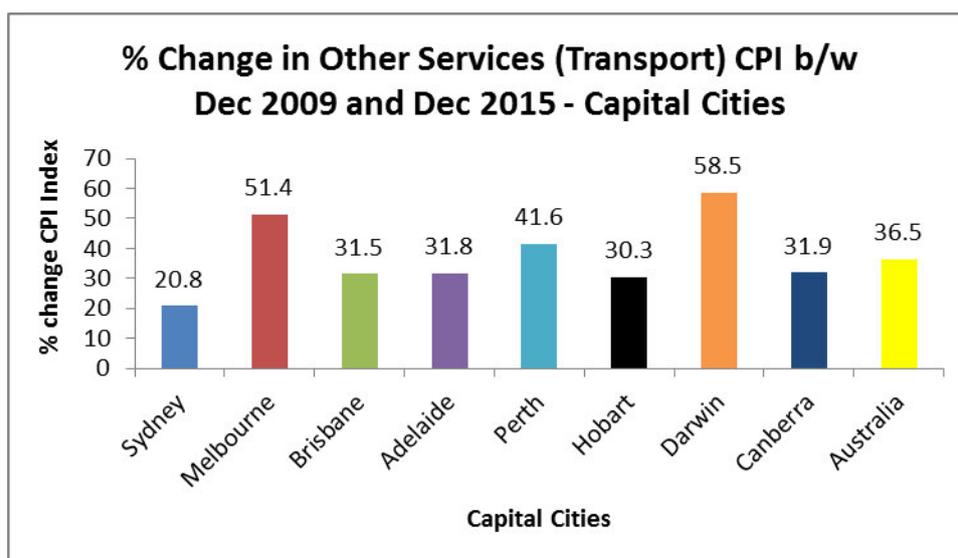
ACT Seniors Card holders are entitled to a much smaller concession – 10 percent off the registration component of their vehicle registration charges (but they must pay the full fee for CTPI et cetera). Holders of a Centrelink Health Care Card, however, are not entitled to any registration concessions (ACT Government 2016d). See below under ‘Motor vehicle registration and concessions’, p.57ff.

Figure 20a: Rate of change in other services versus transport and all groups CPI Canberra, December 2009 – December 2015



Source: derived from ABS 2016e, Data 5.

Figure 20b: CPI – percentage change in other services (transport) CPI, all capital cities, December 2009 – December 2015



Source: derived from ABS 2016e, Data 1–6.

The ‘other services’ (transport) category constitutes 12.8 percent of the weighting in terms of the overall transport CPI figure (ABS 2011b; see Figure 5

above), so the 31.9 percent rise over six years been one of the main reasons the transport CPI figure has continued to rise despite the recent dramatic drop in the price of fuel and the steady decline in the purchase price of motor vehicles (ABS 2016e, Data 6).

### Urban transport fares

Urban transport (public transport fares) constitute only a very small part of the average Canberra household's weekly expenditure. Lower-income families who do not own a motor vehicle, however, and rely on public transport where it is available will feel the effects of the nearly 20 percent price rise over the past six years in the CPI for urban transport fares. This price rise is 1.5 times the generic CPI rise and nearly three times the rise in the transport CPI for Canberra.

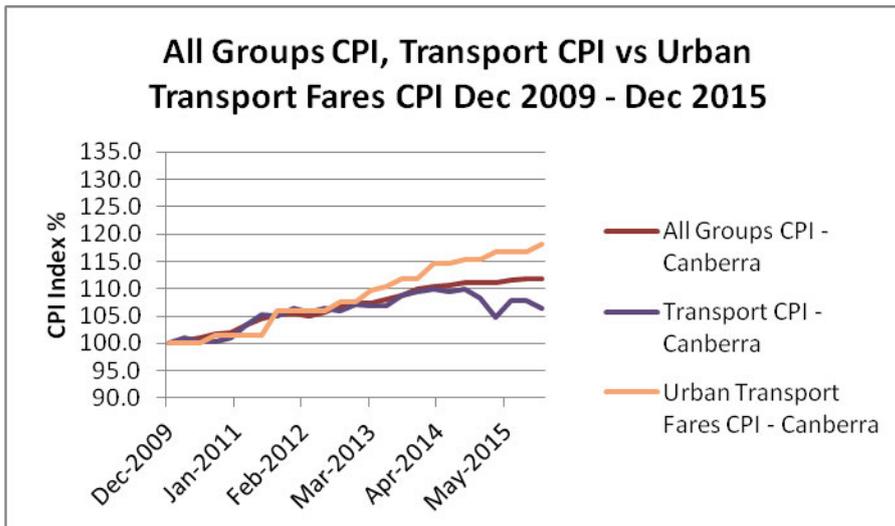
Concession are available for some people and include free bus travel for children aged five and under; ACT residents aged over 70; Department of Veterans Affairs Totally and Permanently Incapacitated (TPI) Gold Card holders; and passengers with a visual impairment (ACT Government 2016c).

Concession fares are also available to high school and college students, tertiary students and holders of a Pension Concession Card, Health Care Card or Gold Card (non-TPI). Weekday concession fares are 50 percent of the full adult fare, while the off-peak trip fare is around one-third of the full adult fare, with a slightly different fare structure for school students (ACT Government 2016c).

Low-income families who are not eligible for a low income (Centrelink) Health Care Card are not eligible for concession fares (ACT Government 2016c).

Urban transport fares have risen markedly in four other capital cities, so Canberra households are not alone in this area (see Figure 21b). While urban transport fares contribute only 3.8 percent of the CPI transport figure for Canberra (refer to Figure 5) and therefore have minimal overall impact on the Canberra transport CPI, this 18.2 percent rise is significant for low-income and vulnerable households (ABS 2016e, Data 5).

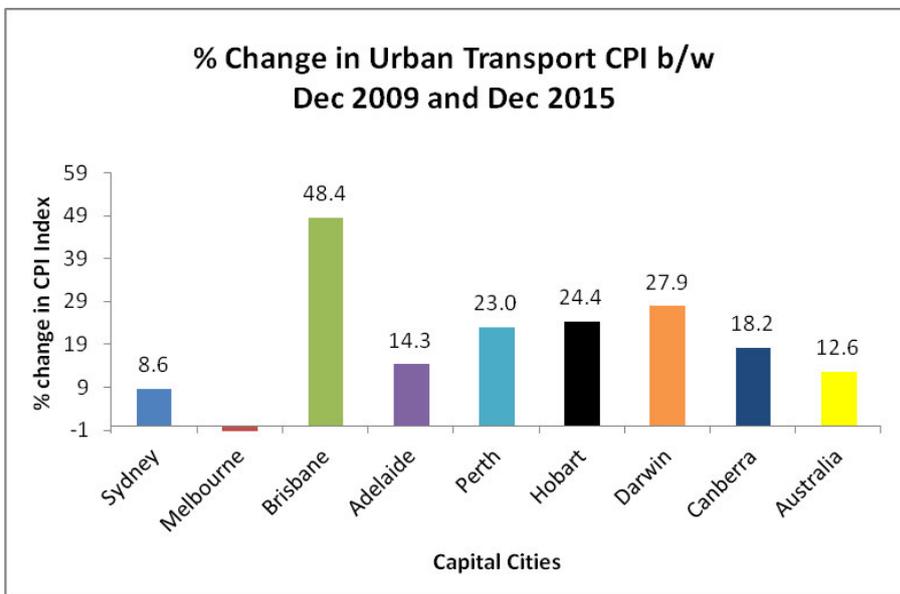
Figure 21a: Rate of change in urban transport fares CPI versus transport CPI and all groups CPI, Canberra, December 2009 – December 2015



Source: derived from ABS 2016e, Data 5.

As Figure 21a shows, urban transport fares in Canberra have increased well above the generic CPI and above the Canberra transport CPI. This CPI category includes public transport fares, rail fares, bus and tram fares, water transport, combined bus/tram/rail/water transport fares, and taxi fares (ABS 2011d).

Figure 21b: CPI – percentage change in urban transport fares CPI, all capital cities, December 2009 – December 2015



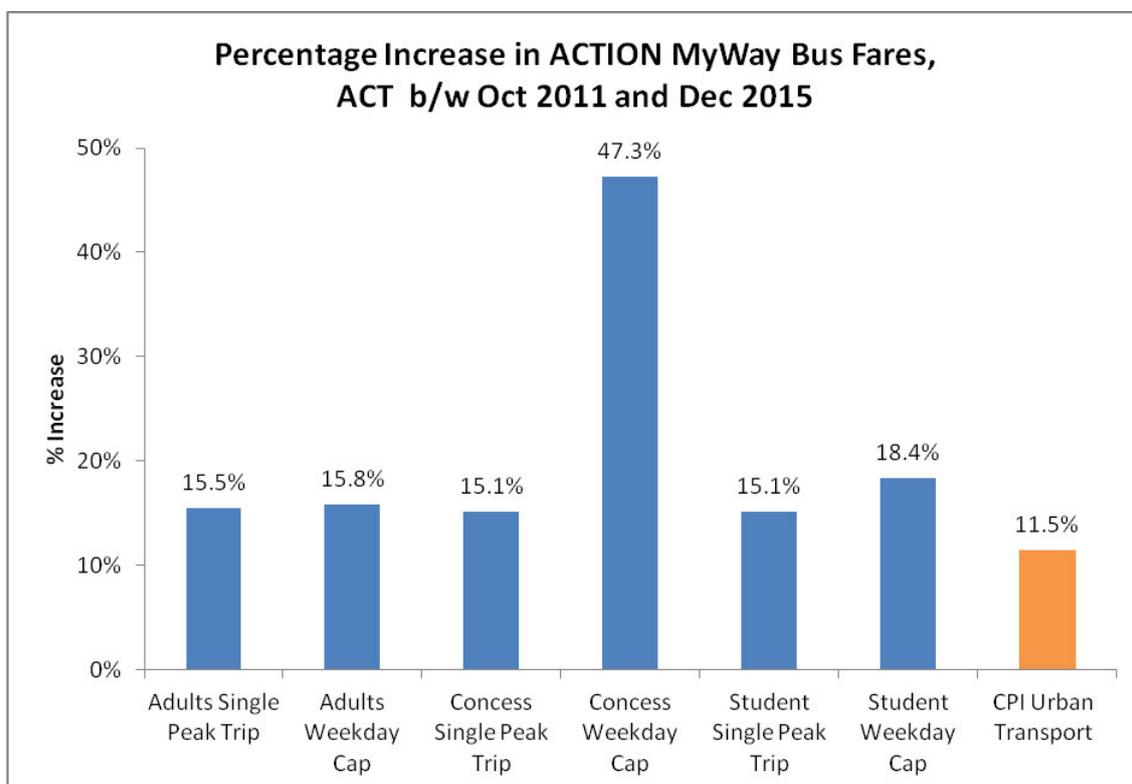
Source: derived from ABS 2016e, Data 1–6.

### Public bus fares in Canberra

Canberra’s public bus system – the ACTION bus system – offers both MyWay fares (a smart card prepaid ticketing system) and a cash fare system.

Figure 22a shows a comparison of increases in bus fares in relation to the CPI for urban transport fares over the last four years since the MyWay fare system commenced in 2011.

Figure 22a: Canberra public bus MyWay fares versus CPI, October 2011 – December 2015



Source: derived from ACT Government 2011b; ACT Government 2014e; ABS 2016e, Data 5.

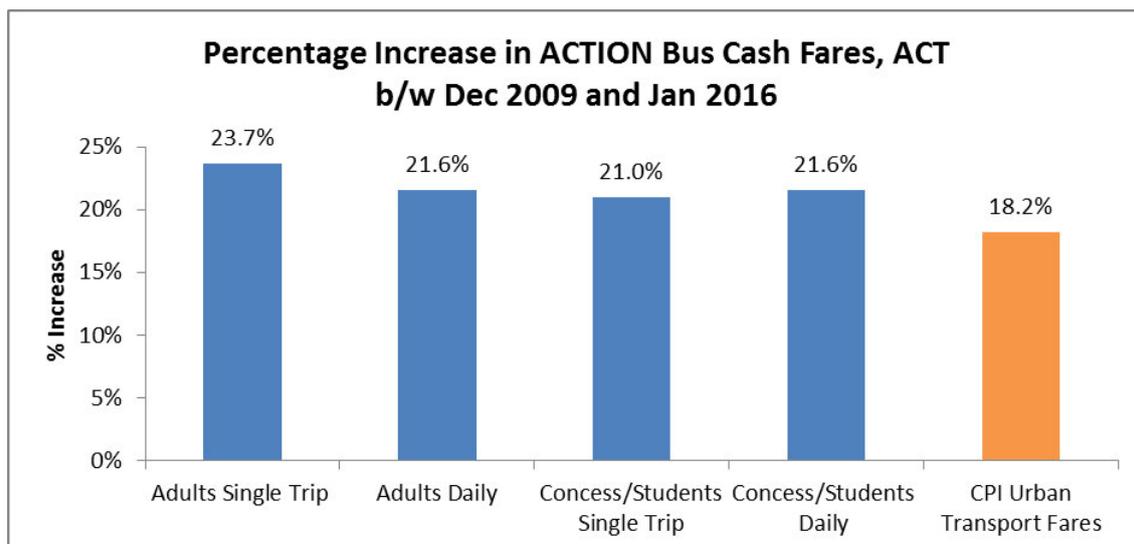
The reason for the increase above the urban transport fares CPI can be partly explained by the fact that there are a range of subcategories (bus, train, ferry, tram and taxi fares not for holiday travel) that contribute to the overall urban transport fares CPI – not just public bus fares.

Figure 22a shows that all MyWay fares have risen at a rate higher than the CPI for urban transport for Canberra during the last four years. The rise in the concession weekday cap fare has risen far higher than all of the other fares and the CPI for urban transport fares.

Over the last few years, most MyWay fares for ACTION buses have increased by around 2.5 percent each year. These increases are designed to ‘reflect continuing improvements to ACTION’s service, including new bus shelters, upgraded bus stops to comply with disability standards, new buses, as well as dedicated bus lanes and bus priority measures’ (ACT Government 2016b).

The dramatic increase in January 2015 in the concession weekday cap fare (on top of the regular increase applied to public bus fares each year) was a result of an additional increase ‘in line with the ACT Government strategy to progressively align concession entitlements with other jurisdictions, where concession fares are 50 percent of adult fares’ (ACT Government 2016b).

Figure 22b: Canberra public bus cash fares versus CPI, December 2009 – January 2016



Source: derived from ACT Government 2009a; ACT Government 2014e; ABS 2016e, Data 5.

The public bus cash fares increased by between 21 and 23 percent over the six-year period examined in Figure 19b. These increases grew at a similar rate to that of the MyWay fares (figures covering a period of four years only since its inception – see Figure 22a), with the cash fares also rising at a rate above the urban transport CPI for Canberra (18.2 percent) for the six-year period between December 2009 and January 2016.

### Transport costs: impact on household budgets

Figure 23 below shows some key transport HES expenditure areas and the impact that the corresponding CPI figure for those categories would have had on expenditure if expenditure on those items remained constant in the six years since the last HES.

The categories chosen are those which either constitute the greatest proportion of household expenditure on transport (motor vehicle purchase and vehicle fuel oil) or those which have seen a significant rise in CPI in the last six-year period since the 2009–10 HES – urban transport fares and maintenance and repair of motor vehicles.

As not all of the HES transport categories (Figure 6) are directly correlated with the CPI categories (Figure 2), it is not possible to index all of the HES transport figures to December 2015 CPI figures, including vehicle registration and insurance.

Figure 14, however, has calculations for a limited number of these categories to show 2015 prices. This table shows significant increases which have real impacts on weekly budgets.

Given that there is no CPI category that directly correlates with the HES category of motor vehicle registration and insurance and vehicle charges

(including hire of accessories), it was not possible to include the categories in the table below, even though they constitute significant areas of expenditure in the HES (that is, \$40.94 and \$38.75 per week respectively – see Figure 7) and even though many of the items that contribute to these expenditure areas would have been impacted by the large increase in the ‘other services in respect of motor vehicles’ CPI category of 31.9 percent (refer to Figure 20b above; see also Appendix: Explanatory note 7, ‘Guide to CPI and HES categories’, for an understanding of the complexities of correlating HES expenditure areas with CPI categories).

### What Canberra households are paying now

Figure 23: Increases in transport expenditure over the last six years, ACT

(ACT 2009–10 base figure \$)	ACT ave weekly expend. \$ (% transport expend.) Dec. 2009	Corresponding CPI category	CPI increase Canberra for each category % (Dec. 2009 – Dec. 2015)	ACT estimated current ave weekly expend. \$ Dec. 2015	Change in expend. per week \$ compared with Dec. 2009	Increase in yearly expend. compared with Dec. 2009
<b>Transport</b>	232.23 (100)	Transport	6.4	248.09	+15.86	826.94
<b>Motor vehicle purchase</b>	73.08 (31.5)	Motor Vehicles	-8.3	67.01	-6.07	-316.49
<b>Motor vehicle fuel, lubricants, etc.</b>	56.02 (24.1)	Automotive Fuel	2.9	57.64	+1.62	84.85
<b>Public transport fares and taxi fares combined*</b>	7.47 (3.2)	Urban Transport Fares	18.2	8.83	+1.36	70.91
<b>Vehicle servicing (including parts and labour)#</b>	15.65 (6.7)	Maintenance and repair of motor vehicles	12.6	17.62	+1.97	102.72

Source: derived from ABS 2011a, Table 27A; ABS 2016e, Data 5.

Note: Canberra CPI used as ACT CPI. 52.14 weeks x weekly expenditure figure is used to calculate the increase in yearly expenditure figures.

\*This figure is made up of public transport (\$4.66) and taxi fares (\$2.81), as CPI treats them as one category.

#This category is a subcategory of the HES expenditure category ‘vehicle charges (including hire of accessories)’.

Figure 23 shows that, based on 2009–10 expenditure patterns, ACT households would now be spending an estimated \$16.81 more on vehicle fuel and \$30.24 more on transport overall, per week, compared to the situation six years ago. In addition, the estimated average quarterly household expenditure on transport at December 2015 is approximately \$826 more per year than for the year ending December 2009.

As discussed above, it is more affluent households that are more likely to have been able to take advantage of the significant decrease in the purchase price of a motor vehicle, which has led to an estimated average saving per household of \$316 per year. However, this average saving per household of \$316 per year on

motor vehicle purchase is less likely to have been enjoyed by low-income households.

The estimated increase in yearly transport costs for low-income households, compared with costs six years ago, is therefore expected to be well above the average of \$826 per household.

These figures should be used with some caution, as expenditure patterns may have changed as a result of the changes to the price of fuel and motor vehicles.

## Expenditure by income quintiles

Figure 24a: Transport expenditure by household type, Australia, 2009

	Ave weekly expend. \$	% of H/hold expend.
Lowest income quintile	69.03	12.4
Second income quintile	114.45	14.0
Third income quintile	170.21	14.6
Fourth income quintile	226.28	15.3
Highest income quintile	384.19	17.8
Second and third deciles	103.12	13.6
All households	192.87	15.6
Welfare recipients	81.26	13.3
Age Pension	66.44	11.8
Disability and carer payments	111.57	15.4
Unemployment/study payments	84.87	11.9
Family support payments	104.32	12.5

Source: derived from ABS 2011a, Tables 3A, 11A; ABS 2011c, Table 5.

In examining the income quintile data, it is more useful look at the lowest two quintiles or second and third deciles, which removes the first decile<sup>13</sup> – rather than the lowest income quintile data – as indicative of lower income households. ‘The second and third deciles are used because studies have shown that households in the bottom income decile and with negative gross incomes tend to have expenditure levels that are comparable to those of households with higher income levels, suggesting that these households have access to economic resources such as wealth, or that the instance of low or negative income is temporary, perhaps reflecting business or investment start up’ (SA Government 2016b).

<sup>13</sup> ‘Deciles’ are groupings that result from ranking all households or persons in the population in ascending order according to their household income and then dividing the population into 10 equal groups, each comprising 10 percent of the estimated population (SA Government 2016).

Figure 24b: Transport expenditure by household type, ACT, December 2009 to December 2015

	Transport expenditure (ACT)		% of H/hold expend.
	Ave weekly expend. \$ Dec. 2009	Ave weekly expend. \$ Dec. 2015	
Lowest income quintile	52.13	55.46	7.7
Second income quintile*	107.95*	114.86	12.0
Third income quintile	122.33	130.16	12.1
Fourth income quintile	205.74	218.91	13.2
Highest income quintile	374.24	398.19	17.4
All households	232.23	246.09	15.1
Second and third deciles	*101.09	107.05	11.3

Source: derived from ABS 2011b, Tables 3, 5; ABS 2016e, Table 5.

Note: December 2015 figures based on 2009 figures indexed to Canberra CPI Figures (ABS 2016e).

\* Estimate has a relative standard error of 25% to 50% and should be used with caution.

Figure 24b above shows the amounts and percentage of household income spent on transport in the ACT – with the December 2009 figures as well as those figures indexed to transport CPI to give an indication of expenditure at December 2015.

On the whole, transport makes up proportionately less of the expenditure of low-income households, and this is true nationally and for the ACT as well. Nationally, for example, transport expenditure for the second and third income decile households is 13.6 percent and 14 percent for the second lowest income quintile, while it is up to 17.8 percent for the highest quintile (Figure 24a).

In the ACT, transport expenditure for the second and third income decile households is 11.3 percent and 12.0 percent for the second lowest income quintile (a more reliable indicator of low income), while it is up to 17.4 percent for the highest quintile (see Figure 24b).

High-income households in the ACT spend nearly seven times more on transport, on average, than the lowest income quintile: \$374 per week by comparison with \$52 per week (Figure 24b), which is similar to the national figures (Figure 24a).

This higher expenditure suggests that higher-income households are either travelling more or using more expensive means of transport (for example, more expensive cars) or that both scenarios apply. Transport price rises do not just impact on higher-income households, however, as some price rises impact more on low-income households, as discussed in the following section.

## Expenditure patterns of welfare recipients

As highlighted above, the impacts of price rises in different areas of transport expenditure are not felt evenly across the community (refer to 'Price increases in other transport categories' on p.36 of this report). Aspects of the various price increases have also had a disproportionate impact on some low-income households for the following reasons:

- Some, but not all, of the transport expenditure areas where there is less flexibility around expenditure (for example, registration, licence and parking fees and other charges) have gone up faster than some other expenditure areas where there is more flexibility to reduce expenditure (for example, vehicle purchase), as discussed earlier in 'Longer-term trends in the CPI for transport' on p.33. The exception to this trend is that fuel, which is generally a non-discretionary item, has only risen slightly and at a rate under the transport CPI for Canberra over the same time period.
- People with disability spend more on taxis than other low income earners (which is shown in Figure 25 below), which means that they are going to be especially impacted by increases in taxi fares. Taxi fares have also gone up faster (urban public transport CPI) than the transport CPI. This is also evident in Figure 27, which examines Canberra taxi fare rate increases over the past six years.
- Households whose primary source of income is Newstart or a study payment spent more on public transport, as a proportion of income, than other households. The CPI for public transport has risen faster (urban public transport) than the transport CPI and the generic CPI (see Figure 21a and also Figures 22a and 22b, which show the increases in actual public bus fare rates in Canberra).

Figure 24a shows that, on average, as a proportion of their income, welfare recipients as a whole group (13.3 percent) spend under the national all households average on transport – with people on an Age Pension, unemployment benefits, study payments or family support payments paying below the national average.

People in receipt of disability and carer payments (15.4 percent), however, pay close to the national average on transport (15.6 percent) and above the lowest second, third and fourth income quintile average proportion of household expenditure figures. This is telling information (ABS 2011a, Table 3A, 11A).

The transport needs of people with disability and carers are human rights issues and crucial to their access to critical services such as health, education and employment. Unfortunately, transport services are not always as accessible and available as required and they are not always appropriate to peoples' mobility needs. This can lead to people having to rely on more expensive forms of

transport such as taxis. These issues will be discussed in more depth in the following sections.

### National figures for expenditure on taxis, public transport and fuel

In looking at the national figures for expenditure on taxis by household type (Figure 25), it can be seen that households with people on disability and carer payments (0.17 percent as a proportion of weekly income) pay very close to the all household income average (0.18 percent) on taxis, which is similar to what age pensioner households spend (0.16 percent) but double the proportion spent by households where people receive unemployment and study payments or family support payments (both 0.08 percent).

Figure 25: Expenditure on public transport, fuel and taxis by household type, Australia, 2009

	Public transport		Fuel		Taxis	
	Ave weekly expend. \$	% of H/hold expend.	Ave weekly expend. \$	% of H/hold expend.	Ave weekly expend. \$	% of H/hold expend.
Lowest income quintile	1.92	0.34	20.69	3.7	1.02	0.18
Second Income Quintile	2.66	0.33	34.71	4.3	1.05	0.13
Third income quintile	5.29	0.45	51.28	4.4	1.57	0.13
Fourth income quintile	6.41	0.43	63.21	4.3	2.54	0.17
Highest income quintile	8.46	0.39	85.30	3.9	5.30	0.25
All households	4.95	0.40	51.02	4.1	2.29	0.18
Welfare recipients	1.49	0.24	24.93	4.0	0.80	0.13
Age Pension	0.99	0.17	22.41	4.0	0.88	0.16
Disability and carer payments	1.77	0.24	30.62	4.2	1.23	0.17
Unemployment/study payments	3.34	0.47	33.30	4.6	0.57	0.08
Family support	2.31	0.27	36.13	4.3	0.68	0.08

Source: derived from ABS 2011a, Tables 3A, 11A.

In addition, households with people on disability and carer payments pay above the national average as a proportion of their weekly income on fuel (4.2 percent versus 4.1 percent). It is noteworthy also that people on unemployment and study benefits (4.6 percent) and family support payments (4.3 percent) also pay above the national average (ABS 2011c).

These figures also show that households with people on unemployment and study payments pay the highest proportion of household income on public transport (0.47 percent as a proportion of weekly income) than any other income group in the country (with the all household average at 0.40 percent) and nearly double the proportion of other government transfer recipient groups.

These income figures further reinforce that the transport system struggles in terms of adequacy and affordability needs of people with disability and carers as well as people on unemployment and study payments.

### **Fuel prices and welfare recipients' expenditure**

In terms of fuel expenditure, there are differential impacts on different household types at the national level, with highest-income households spending less as a proportion of income than all other income levels (once the lowest income quintile has been removed – see earlier discussion under 'Expenditure by income quintiles' on p.45), as Figure 25 above shows. In addition, these figures also show that the proportion of expenditure on fuel by all welfare recipients (4.0 percent) is greater than that of the highest-income households (3.9 percent).

Some variations in spending within the categories of welfare payments, however, are evident, with households whose major source of income is unemployment benefits and study payments spending a greater proportion of their income on fuel than other households and spending more in absolute terms than most other low-income households – again, despite the fact that their benefit levels are significantly lower than other government income support payments.

This means that, when there are fuel price increases (which is not applicable currently but could again be an issue sometime in the future), people on Newstart and Youth Allowance would be particularly impacted by future price rises because of their weekly expenditure on fuel and the low incomes that they have to budget on.

The proportion of household expenditure which goes to fuel is fairly standard across all categories, but it is notable that welfare recipient households spend more on fuel than other low-income households – and as a proportion of total expenditure.

In addition, the proportion of expenditure on fuel by all welfare recipients is greater than that of the highest-income households.

### **Public transport and welfare recipients' expenditure**

Urban transport fares constitute only 3.8 percent of the weighting in terms of the CPI (ABS 2011d, Table 2; see Figure 5 above). This means that the CPI urban transport fares category has very limited weight in the overall CPI transport price index. Given that not all households use public transport, the CPI average figures underestimate the expenditure on public transport for many households. The figures are therefore averaged out over all households regardless of whether they use public transport and taxis. For instance, if only one-third of all

households use public transport regularly then the actual average expenditure of those households that use public transport would be triple the overall average expenditure figures.

Figure 25 shows the different weekly expenditure amounts on public transport according to household type. Low-income households spend less on public transport than the highest-income households and less in terms of proportion of income. However, people on unemployment benefits and Youth Allowance, for example, spend the greatest proportion of their weekly income on public transport fares – which may reflect in part the very low base rate of income support payments they receive as well as their need to rely on public transport, as they may not be able to afford a car.

Nationally, Newstart and Youth Allowance recipients spend more on transport per week than any of the other government transfer recipients. This is quite significant, as the base payment rate for them is much lower than the Age Pension and Disability Support Pension. It follows, therefore, that any increases in public transport prices will impact more on unemployed people and students than any other low-income group.

It is interesting to note that in 2012 SACOSS called for off-peak public transport to be free, which they argued would 'disproportionately benefit those on the lowest income support payments and relieve transport cost of living pressures for those who need to go to education, training, job interviews, doctors, shops or to maintain social and family connections in the middle of the day' (SACOSS 2012a, p.15).

As stated by the ABS (2008), 'Public transport systems supply a social welfare service by providing a relatively low cost method of travel for those who are unable to drive or do not have access to a private motor vehicle'.

### **Taxis and welfare recipients' expenditure**

The costs of taxi fares appears to make travel by taxi prohibitive for many people. Nationally, most income support recipients spend less on taxis both in weekly expenditure and as a proportion of household expenditure than other low-income households (see Figure 25). People on the Age Pension and Disability Support Pension and those on Carer Payment, however, are an exception, as they spend significantly more on taxis, as a proportion of income, than other low-income households (looking at the first three income quintiles in Figure 25).

This higher usage is also a reflection of the lack of accessibility of buses for people with disability and older people with mobility needs, who are forced to use more expensive means of transport – and, in the ACT, the limited availability of community transport options.

Money spent on transport reduces money available for other essential items, further exacerbating poverty and social exclusion for people who are on low incomes and already face significant poverty and disadvantage.

When taxi fares increase, this will impact disproportionately on carers and those with a disability. While high income earners are also impacted by rising prices, as they spend more than twice the average household on taxis, they have the capacity to absorb any price increases.

## Transport concessions

### Taxi fare rates and the ACT Taxi Subsidy Scheme

Figure 26a shows that taxi fare rates in the ACT are at the higher end of the scale when compared with the other states and the NT.

For peak rates, Canberra has:

- the highest flag fall rate
- the third highest distance per kilometre rate
- the third highest waiting time per hour rate  
(ACT Government 2016c, pp.2–3; Taxi Fare Calculator 2016).

While not as high, the general off-peak rates for Canberra are still some of the highest in the country (ranking second to fourth in the corresponding categories above).

**Figure 26a: Capital city taxi fare rates, December 2015**

Dec. 2015 figures	Syd.	Melb.	Bris.	Adel.	Perth	Hobart	Darw.	Canb.
<b>Peak rates (\$)</b>								
Flag fall	3.60	3.20	2.90	3.70	3.90	3.60	4.20	5.00
Distance rate km	2.19	1.617	2.14	1.77	1.59	1.94	1.488	2.06
Booking fee	2.50	2.00	1.50	0.00	1.50	0.00	0.00	0.00
Waiting time p/h	56.68	33.96	47.40	38.20	45.70	38.25	53.73	52.00
<b>Off-peak rates (\$)</b>								
Flag fall	6.10	3.20	6.30	4.90	5.70	3.30	5.00	5.00
Distance rate km	2.62	1.9404	2.14	1.94	1.59	2.32	1.83	2.37
Booking fee	2.50	2.00	1.50	0.00	1.50	0.00	0.00	0.00
Waiting time p/h	56.68	33.96	47.40	38.20	45.70	38.25	53.73	52.00

Sources: Canberra taxi fare rates from ACT Government 2015b, pp.2–3; for all other states and the NT, taxi fare rates taken from Taxi Fare Calculator (2015).

\*Perth: \$2.00 ultra-peak surcharge applies between midnight on Friday to 5 am on Saturday and midnight on Saturday to 5 am on Sunday.

As Figure 26b shows, as well as being high in the ACT, taxi prices have continued to increase in recent years, with the flag fall cost having gone up 13.6 percent and the distance per kilometre rates having gone up by nearly 18 percent over the past six years (ACT Government 2009b, pp.2–3; ACT Government 2015b, pp.2–3). While there is not a separate CPI category for taxi fares, the urban transport CPI (which incorporates public transport and taxi fares) has risen 18.2 percent over the last six years, which roughly correlates with these figures (ABS 2016e, Data 5).

**Figure 26b: Canberra taxi fare rates, December 2009 versus December 2015**

<b>Canberra taxi fare rates</b>			
Peak rates	December 2009	December 2015	Increase in price (%)
Flag fall	\$4.40	\$5.00	13.6%
Distance rate km	\$1.75	\$2.06	17.7%
Waiting time p/h	\$49.50 p/h	\$52.00 p/h	5.1%
Off-peak rates	December 2009	December 2015	Increase in price (%)
Flag fall	\$4.40	\$5.00	13.6%
Distance rate km	\$2.01	\$2.37	17.9%
Waiting time p/h	\$49.50	\$52.00	5.1%

Sources: Canberra taxi fare rates taken from ACT Government 2009b, pp.2–3; ACT Government 2015b, pp.2–3.

The ACT Taxi Subsidy Scheme (TSS) provides financial assistance to ACT residents with a disability or significant mobility restriction that prevents them

from using public and community transport. The TSS supports social inclusion and economic participation of community members who would otherwise be at risk of social isolation. The TSS is intended to assist members to attend essential activities such as medical appointments, employment commitments, and social and family gatherings. The TSS is not intended to meet all transport costs of its members (ACT Government 2012d).

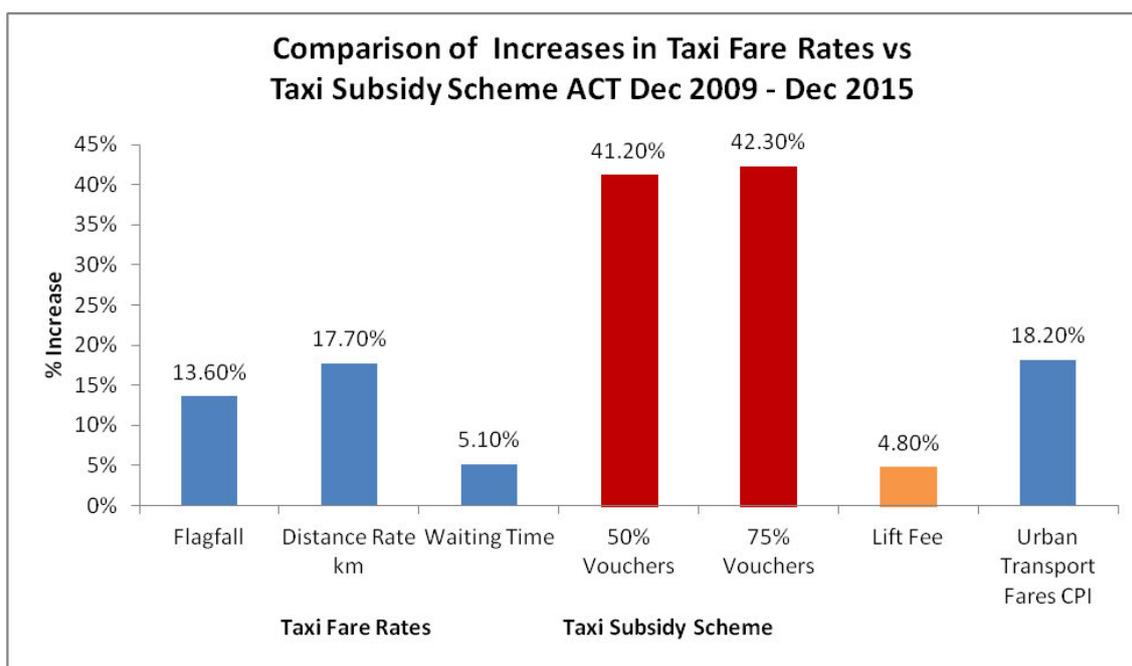
Figure 27 below shows the percentage increases in various aspects of taxi fare charges and compares these with the percentage increases in the taxi subsidy for the different eligibility categories (50 percent vouchers; 75 percent vouchers).

Currently people who meet the criteria for 50 percent vouchers can use up to \$24 from one voucher on a single trip and they have to pay the other half of the fare. For a taxi fare over \$48, the passenger will pay the difference after the \$24 voucher has been deducted. For people eligible for the 75 percent voucher, they can use up to \$37 on a voucher in a single trip (ACT Government 2012d). In 2014 the level of the maximum contribution towards a 50 percent voucher fare increased from \$17 to \$24 and for the 75 percent voucher fare it increased from \$26 to \$37 (ACT Government 2014a, p.3).

There is also a lift fee component to the TSS, which is 'an additional voucher issued in conjunction with the 50% Lift Fee category vouchers to cover the cost of the fee associated with the loading and unloading of a wheelchair or scooter into a taxi'. This lift fee component is also applicable to people eligible for the 75 percent voucher (ACT 2012d).

In addition, the lift fee is annually adjusted in line with the Independent Competition and Regulatory Commission (ICRC) determined increases in the waiting rate for taxis, which was put in place when the lift fee was introduced in July 2003 (ACT Government 2012d).

**Figure 27: Comparison of taxi fare rates and Taxi Subsidy Scheme in the ACT, December 2009 – December 2015**



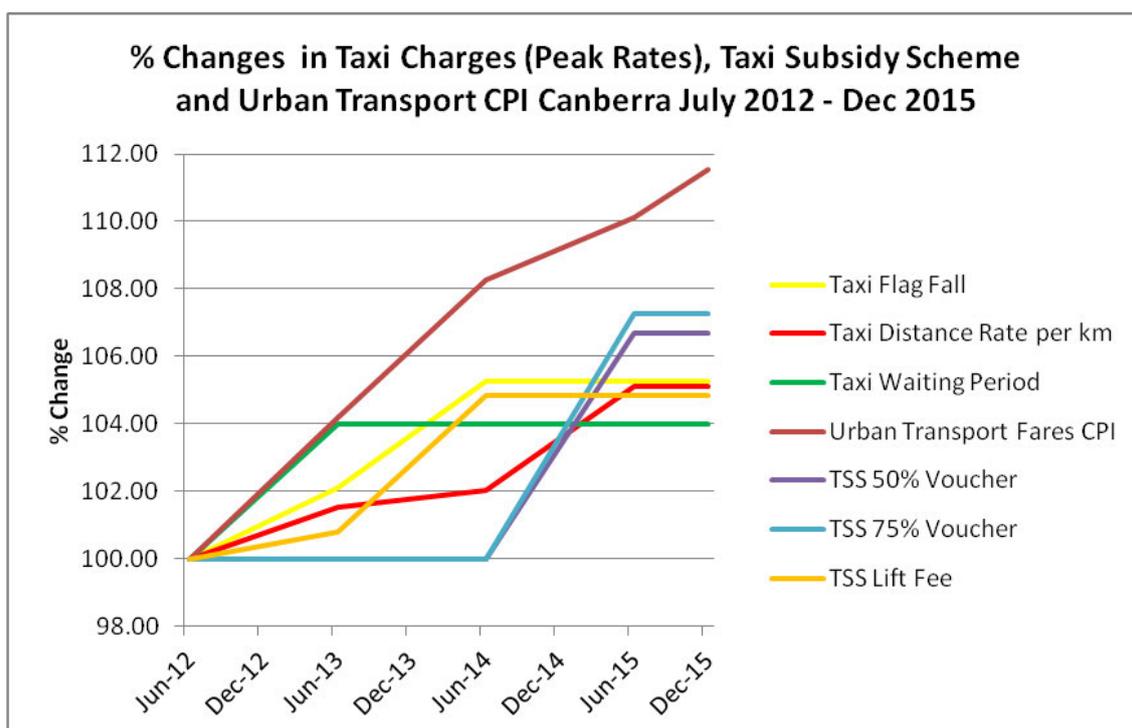
Sources: derived from ABS 2011e, Data 5; ACT Government 2009b, pp.2–3; ACT Government 2014a, p.3; ACT Government 2015b, pp.2–3; ACT Government 2012d.

These figures show that the increase in the voucher subsidy has risen at a greater rate than the increases in the various taxi charges since December 2009 – however, this was primarily due to a 32 percent increase on 1 July 2011 (ACT Government 2012d). Since then there has been an increase in only one of the last three years (with the last increase being in July 2014). There is a danger, therefore, that the TSS voucher subsidy rates could lag behind the increase in taxi fares and the CPI in the future.

While the voucher subsidies have increased above the CPI for urban transport fares in the last six years overall, the fact that there was no increase in the voucher subsidy in July 2015 means they will now be lagging behind the CPI for urban transport fares for the past year, which has continued to increase since July 2015 (see Figure 28).

The percentage increase in the lift fee (4.8 percent) over the last five years is marginally behind the increase in the waiting time (5.1 percent), but this may simply reflect a brief lag in adjustment of the lift fee.

**Figure 28: Comparison of percentage changes in taxi charges, Taxi Subsidy Scheme and urban transport CPI, Canberra, July 2012 – December 2015**



Sources: derived from ABS 2016e; ACT Government 2011a, pp.2–3; ACT Government 2012c, pp.2–3; ACT Government 2013a, pp.2–3; Government 2013b, pp.2–3; ACT Government 2014c, pp.2–3; ACT Government 2014d, pp.2–3; ACT Government 2015b, pp.2–3; ACT Government 2014a, p.3; ACT Government 2012d.

Figure 28 tracks the changes in taxi fare rates and voucher subsidies since the 32 percent increase in the voucher subsidies in July 2011. What this graph shows is that the 50 percent and 75 percent vouchers have managed to keep up with the price rises in taxi fares after the vouchers were increased by around 7 percent on 1 July 2014. However, if taxi fares increase again in July 2016, there is the possibility that the TSS vouchers may lag behind the taxi fare rates.

Given that the subsidy automatically adjusts to changes in prices (one of the advantages of it being a percentage-based subsidy), any increases in fares also mean that the passenger contribution will also rise, whether the passenger is contributing 50 percent or 25 percent of the fare. Given that there is a cap on the voucher per trip (for example, \$24 for a 50 percent voucher), for taxi trips above this amount, the higher the price, the greater the contribution of the passenger.

This underlines the importance of having a regular indexation system in place not just for the lift fee but for the voucher subsidy as well to adjust for the impact of any price increases on taxi subsidy recipients.

It is unclear what mechanisms are in place to review the allocation of the voucher subsidy. The last increase in July 2014 was part of a Budget announcement about the introduction of ‘fairer and easier access to our concessions program, expanding support to those who need it’, which included

'An increase in the Taxi Subsidy Scheme of 9%, to \$24 for ordinary taxis and to \$37 for wheelchair accessible vehicles' (ACT Government 2014a, p.3).

While the ACT TSS plays a crucial role for people who meet the eligibility criteria for the subsidy, this scheme does not cover the full cost of a taxi fare (nor is it designed to). While the TSS has more than kept pace with the CPI for urban transport overall as well as the real cost increases in taxi fares over the last six years (see Figure 27), there are still disproportionately high transport costs for some people with disability and for carers (not all of whom necessarily qualify for the TSS).

In addition, once an eligible member has used their yearly allocation of taxi subsidy vouchers, they are required to cover the full costs of their taxi fares for the duration of that year.

For TSS members eligible for the 50 percent vouchers, their full yearly allocation currently amounts to \$3024 and the full yearly allocation for 75 percent voucher members equates to \$4662, with some members also eligible for lift fees (for the 50 percent voucher lift fee members and 75 percent members). The lift fee provides a further \$1638+ in value to those eligible members (\$13 per trip, or \$25 per trip if on a public holiday).

While the TSS does provide substantial financial assistance to the eligible members, members still have to match the value of the subsidy in their own payment contribution. This means that 50 percent voucher members, over the course of a full year, will be paying at least \$3024 per year as their own contributions (if they use up all of their vouchers). Therefore, they are paying around \$58 per week on taxis (for an average of 2.5 one-way trips per week). This compares with the Canberra average of \$2.81 per week in 2009–10 (see Figure 7), which, if the 18.2 percent CPI increase in urban public transport fares applies, would take the expenditure figure to \$3.32 (December 2015).

**Recipients of the 50 percent vouchers are therefore paying 17 times the Canberra average weekly expenditure on taxi fares. Using the same methodology, 75 percent voucher recipients would be paying around \$89 per week as their own contribution on taxi fares – around 27 times the Canberra weekly average.**

If the recipients of the TSS were also getting the Commonwealth Mobility Allowance, this would provide an additional \$45.90 per week or \$64.20 if receiving the higher rate of allowance (Centrelink 2015, p.16), which would reduce the financial burden of the taxi fares. There are strict eligibility criteria for the Mobility Allowance, so this allowance will not apply to all TSS recipients. For those who are eligible for the Mobility Allowance, they must be engaged in work or study or fulfilling other activity tests (Centrelink 2015, p.16), so they may have the need for an increased number of taxi trips, thus further increasing their expenditure on taxis.

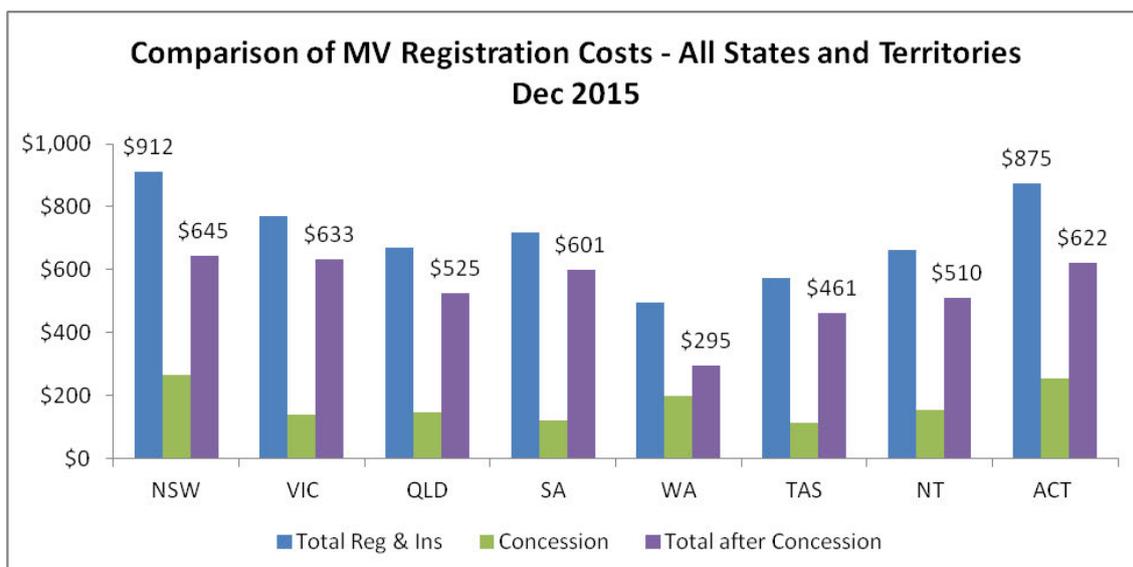
The Mobility Allowance has increased by 15.8 percent over the last six years (Centrelink 2009, p.11; Centrelink 2015, p.16), almost keeping up with the rise in CPI for Canberra urban transport fares (18.2 percent) and shows the importance of regular indexation.

## Motor vehicle registration and concessions

ACTCOSS have done calculations of the cost of registering and insuring (CTPI only) a motor vehicle. Some states have a set rate for CTPI and others had price variations. Where a jurisdiction had variations in price for CTPI, the lowest possible rate was chosen.

Figure 29 shows total registration and insurance costs for each state and territory, as well as the level of concessions on motor vehicle registration available and the total after concessions have been deducted (for those who are eligible). The ACT has the second highest.

Figure 29: National comparison of motor vehicle registrations costs as at December 2015

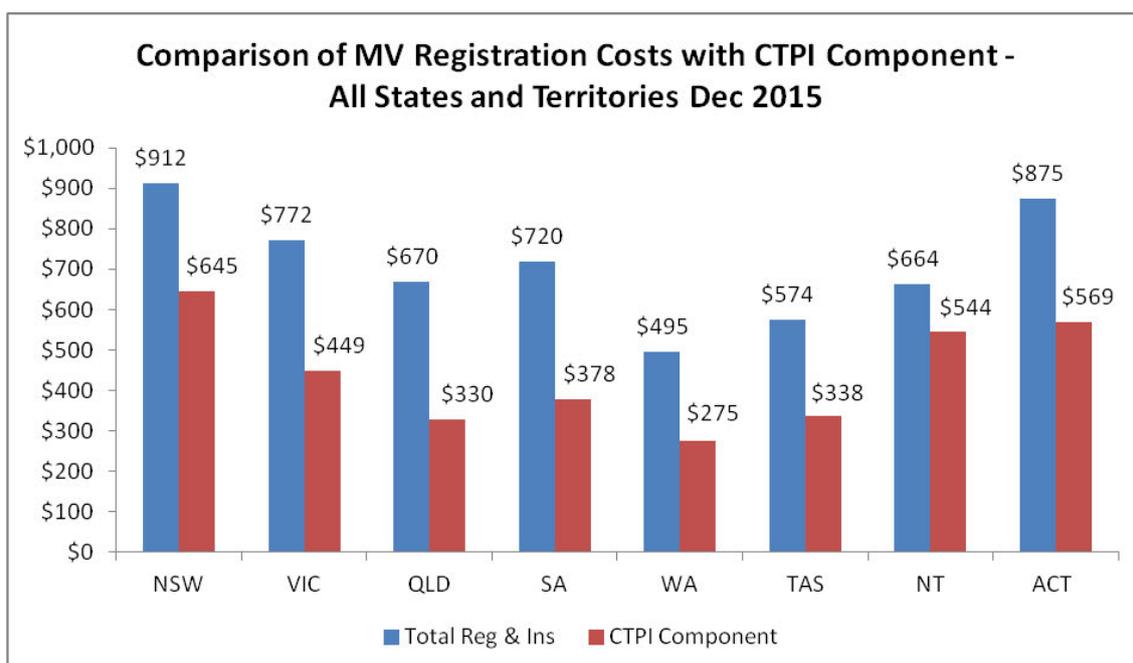


Sources: derived from ACT Government 2015c, p.3; NSW Government 2016a; NSW Government 2016b; NT Government 2016; Qld Government 2016a; Qld Government 2016b; SA Government 2016a; Tas. Government 2016; Vic. Government 2016; WA Government 2016.

Note that care has been taken to calculate registration and CTPI costs for each state and territory (for Figures 29–33) based on a consistent set of factors – for example, a motor vehicle with engine size between 1001 and 1500 ml, and under 975 kg, and with the vehicle registered to a mature age driver, with no demerit points, to ensure consistency in price calculations. These figures are indicative only, as there are variations in registration and insurance costs dependent upon the age and size of a motor vehicle as well as the age and driving history of the driver(s).

Figure 30 compares overall registration and insurance costs with CTPI figures (which make up the majority of registration costs in most states and territories).

**Figure 30: National comparison of motor vehicle registration costs versus CTPI costs as at December 2015**



Sources: derived from ACT Government 2015c, p.3; NSW Government 2016a; NSW Government 2016b; NT Government 2016; Qld Government 2016a; Qld Government 2016b; SA Government 2016a; Tas. Government 2016; Vic. Government 2016; WA Government 2016.

These two figures show that the ACT has the second highest costs (\$875) of motor vehicle registration (including CTPI) in the country (behind only NSW at \$912) and well above the next highest (Victoria at \$772). In addition, the ACT has the second highest rate of CTPI (\$569<sup>14</sup>), behind NSW (\$645).

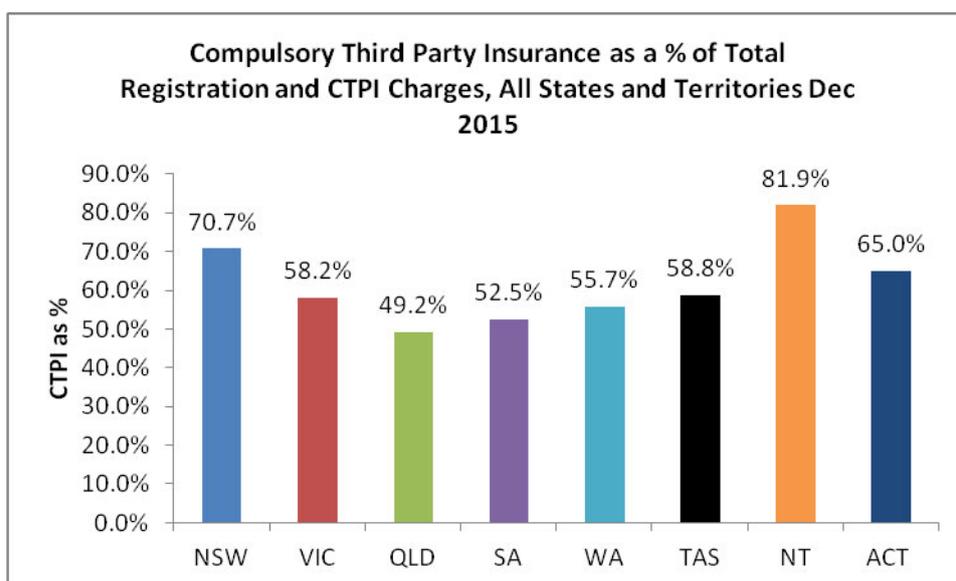
These high prices are reflected in the HES figures for the ACT **where vehicle registration and expenditure was the highest** in the country at \$38.75, which is far higher than any other jurisdiction in the country (27 percent higher than the next highest, NSW) and 36 percent higher than the national average (\$28.57) (ABS 2011a, Table 23A – as seen in Figure 7 above).

While NSW has higher charges for registration and insurance, the increased expenditure in the ACT may, in part, reflect higher car ownership amongst ACT households – or within specific household types in particular.

It is also very interesting to look at the contribution of CTPI to total car registration and insurance costs. The ACT has the third highest figure (65 percent) out of all states and territories, behind the NT (81.9 percent) and NSW (70.7 percent), as shown by Figure 31.

<sup>14</sup> Car owners in the ACT have a choice over their registration/CTPI provider, and \$568.60 (which is rounded up to \$569 in Figure 30) represents the lowest CTPI available through GIO.

**Figure 31: Compulsory third party insurance as a percentage of total registration and compulsory third party insurance charges**



Sources: derived from ACT Government 2015c, p.3; NSW Government 2016a; NSW Government 2016b; NT Government 2016; Qld Government 2016a; Qld Government 2016b; SA Government 2016a; Tas. Government 2016; Vic. Government 2016; WA Government 2016.

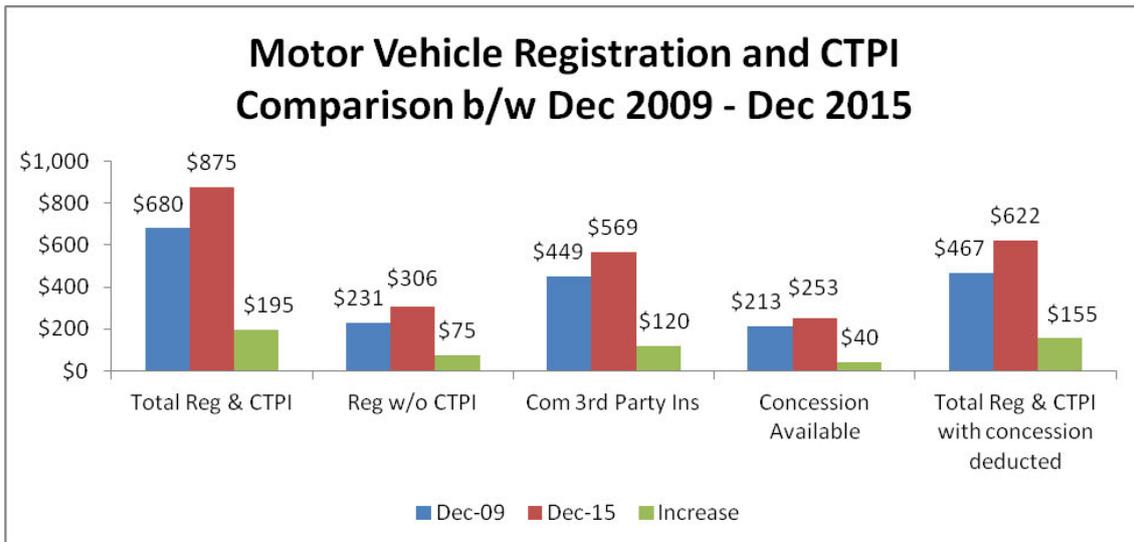
From July 2014, the ACT Government introduced a Lifetime Care and Support Levy (currently \$34), which is added to motor vehicle registration fees, to support the Lifetime Care and Support Scheme, which ‘is a new no-fault insurance scheme to ensure that people who are catastrophically injured in a motor vehicle accident in the ACT can manage their ongoing care needs into the future’ (ACT Government 2016e). It appears that currently South Australia is the only other jurisdiction which also charges such a levy.

Figure 32 compares December 2009 costs for motor vehicle registration and CTPI with December 2015 costs and shows changes both with and without the concession being in place.

For people who are eligible for the concession, the costs rose \$155 in the six-year period, but, for those who have to pay the full charges (without concession), the costs rose by \$195 over this period.

Interestingly, the introduction of the Lifetime Care and Support Levy accounts for around one-fifth of the rise in the total registration and CTPI costs (over this six-year period) for people who are eligible for a concession on their motor vehicle registration.

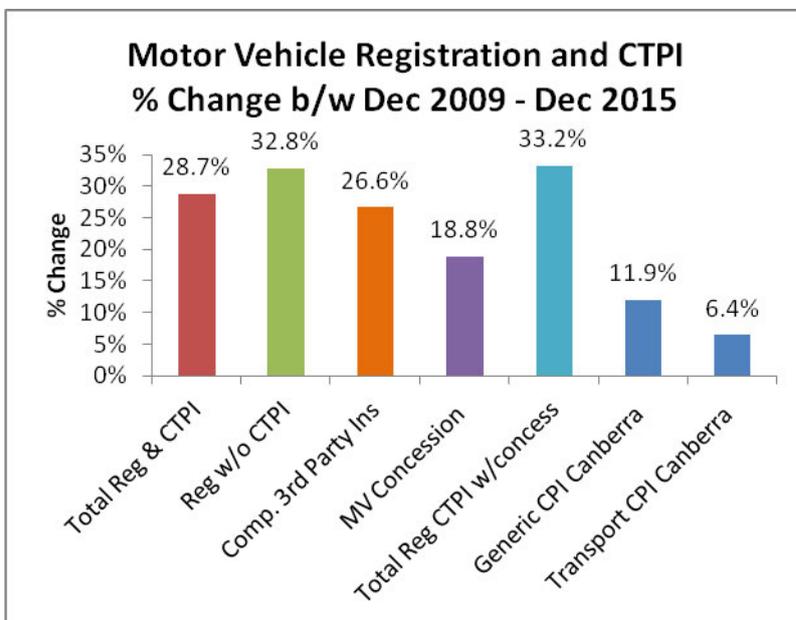
**Figure 32: Comparison of changes in motor vehicle registration and CTPI costs between December 2009 and December 2015**



Source: derived from ACT Government 2003, p.1; NRMA 2009, p.1; ACT Government 2009c, p.4, 10; ACT Government 2015c; ACT Government 2016d.

Figure 33 shows the percentage increases in registration and CTPI costs since December 2009 as well as the percentage increase in the concession amount for eligible people. The percentage increase in the CPI for various CPI categories is also shown.

**Figure 33: Percentage change in motor vehicle registration and CTPI costs between December 2009 and December 2015**



Source: derived from ACT Government 2003, p.1; NRMA 2009, p.1; ACT Government 2009c, p.4, 10; ACT Government 2015c, p.3; ACT Government 2016d; ABS 2016e, Data 5.

It is clear from Figure 31 that registration and insurance costs (combined) have risen (28.7 percent) at a rate well above the generic CPI (11.9 percent) and transport CPI (6.4 percent) for Canberra over the same period.

At the same time, while the amount deducted for the concession (which consists of a waiver of the registration component of the total costs) has increased at a rate above the CPI for Canberra, it is still lagging well behind the percentage rise in overall registration and CTPI costs. This is because the concession only relates to the registration fee component and not the CTPI component (which has risen by 32.8 percent in this time period) or the other fees and charges (such as the recently introduced Lifetime Care and Support Levy).

The rising costs are a cause of concern, as registration and insurance costs are not discretionary items, are generally required to be paid in a lump sum, either six-monthly or yearly, and can be a significant cost of living pressure for low-income households, especially if they are not eligible for the concession.

For those people eligible for the concession, once this has been deducted the percentage increase in their total fees payable (33.2 percent) has risen at nearly triple the rate of the increase in the generic CPI and five times the rate of increase in the transport CPI for Canberra. For those people not eligible for the concession, costs have risen 28.7 percent over the last six years (Figure 33).

These figures suggest the need for consideration of the way the motor vehicle registration concession is structured so that it also covers rises in other components of overall registration fees and, in particular, the increase in CTPI costs, which are such a large part of the total registration costs.

## ACT patient travel scheme

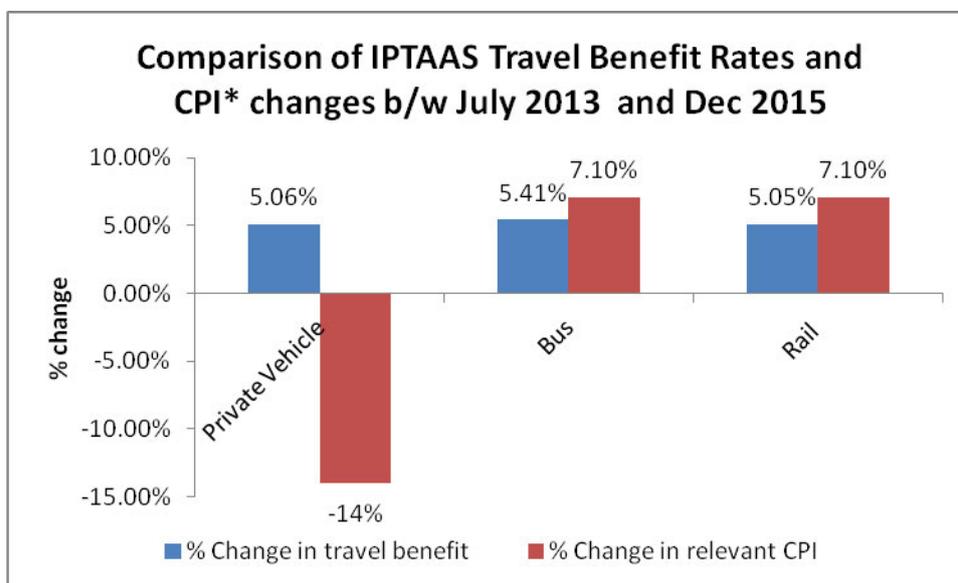
The Isolated Patient Travel and Accommodation Assistance Scheme (IPTAAS) is a patient travel scheme designed to financially assist people, particularly in isolated or rural areas, who have to travel significant distances to access specialist medical and/or oral health surgical treatment which is not available locally. The key aim of IPTAAS is to reduce the impact of this disadvantage upon the health of individuals and communities (ACT Government 2012b, p.1).

In July 2013 the way that the travel subsidy component of the IPTAAS scheme was administered changed from a per-kilometre rate for private vehicle or hire car – so that instead of a per-kilometre rate (19c per kilometre for patients travelling to specialist treatment centres) there is now a maximum set rate of reimbursement allowed for a trip to each particular destination (for example, for Canberra to Sydney, the return trip is \$114.81 maximum reimbursement) (ACT Government 2015a, p.5).

In relation to bus and rail transport, prior to July 2013 'Fares for relevant journeys using public transport, including airfares, are reimbursed at economy rates minus the Goods and Services Tax (GST)'. In addition, benefits are no longer paid by IPTAAS for taxi fares (ACT Government 2015a, p.4). See also Appendix: Explanatory note 8, 'Summary of transport concessions in the ACT', for a table of the IPTAAS benefit rates.

Given the change in the way the travel reimbursements are administered, it is not possible to do a meaningful comparison of payment rates over the last six years. Instead, a comparison has been done looking at the period between 1 July 2013 and 31 December 2015, as follows.

**Figure 34: Comparison of IPTAAS travel benefit rates and CPI changes between July 2013 and December 2015**



Sources: derived from ACT Government 2014b, p.5; ACT Government 2015a, p.5; ABS 2016e, Data 5.

The CPI categories used in the above comparison are the CPI for automotive fuel, for comparison with the private vehicle subsidy, and the CPI for urban transport fares, to allow a comparison with bus and rail fares. While travel benefits for IPTAAS travel is indexed, not all benefit rates have kept pace with CPI changes in urban transport fares (18.2 percent) over the last five years.

## Conclusion

A detailed look at transport prices shows that there are significant areas of concern in the ACT, with rising transport prices in particular expenditure areas contributing to costs.

Analysing the cost of living impacts for low-income households in the ACT is a complex task. The statistical information analysed in this report provides some insights into the impacts of the costs of transport and price rises over the years on low-income households in the ACT.

The situation in the ACT is complex because the average figures tend to paint a fairly positive picture for households overall, with any cost rises seen to be covered by the high average incomes in the ACT. A closer examination of statistics, however, reveals significant pockets of disadvantage which are otherwise obscured by the high average incomes and therefore need to be highlighted and addressed.

Transport costs are clearly significant in most household budgets. Where people are on low incomes and do not own their own car, transport costs can be a particular strain.

Of course, the sorts of weekly transport expenditure and rising costs discussed here represent only one dimension of the problems faced by low income earners in utilising accessible and affordable transport. The weekly costs say nothing about the availability, accessibility and acceptability of a transport service required in order to enable people to access employment, health, banking, shopping and other essential services, and recreational and social activities in order to fully participate in society.

Living costs in Canberra across the board are high and, while there are budgetary constraints at the federal and ACT Government levels, it is crucial that these issues be addressed. Money spent on transport reduces money available for essential items, further exacerbating poverty and social exclusion for people who are on low incomes and already face significant poverty and disadvantage. Access to transport is clearly an important contributor to the access to food, education, employment and training, visits to justice centres and the general wellbeing of individuals and communities. A comprehensive response will require a range of policy responses.

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## Appendix: Explanatory notes

### 1. CPI and Living Cost Indexes

The ABS Selected Living Cost Indexes (SLCIs) use a different methodology to the Consumer Price Index (CPI) in that the CPI is based on acquisition (that is, the price at the time of acquisition of a product), while the Living Cost Indexes (LCIs) are based on actual expenditure. This is particularly relevant in relation to housing costs, where CPI traces changes in house prices while the SLCIs trace changes in the amount expended each week on housing (for example, mortgage repayments) (SACOSS 2013, p.10). Further information is available in the 'Explanatory notes to the Selected Living Cost Indexes' found in ABS 2016c.

The SLCIs are not a simple disaggregation of CPI and the two indexes are not strictly comparable. Both indexes, however, are used to measure changes in the cost of living over time (although that is not what CPI was designed for) (adapted from SACOSS 2013, p.10). Due to 'the general usage of the CPI measure and its powerful political and economic status, it is useful to compare the two and highlight the differences for different household types' (SACOSS 2013, p.10).

### 2. Limitations of the Selected Living Cost Indexes

The SLCIs are more nuanced than the generic CPI in that they measures changes for different household types, but there are still a number of problems with using the SLCIs to show cost of living changes faced by the most vulnerable and disadvantaged people. 'While it is safe to assume that welfare recipients are among the most vulnerable and disadvantaged, any household-based data for multi-person households says nothing about distribution of power, money and expenditure within a household and may therefore hide particular (and often gendered) structures of vulnerability and disadvantage' (SACOSS 2013, p.10). In addition, the LCIs are not state or territory based, so particular trends or factors influencing the ACT may not show up.

'At the more technical level, the Selected Living Cost Indexes are for households whose predominant income is from the described source (e.g. aged pension or government transfers). However, the expenditures that formed the base data and weighting (from the 2009–10 *Household Expenditure Survey*) add up to well over the actual welfare payments available (even including other government payments like Rent Assistance, Utilities Allowance and Family Tax Benefits). Clearly many households in these categories have other sources of income, or more than one welfare recipient in the same household. Like the CPI, the Living Cost Index figures reflect broad averages (even if more

nuanced), but do not reflect the experience of the poorest in those categories' (SACOSS 2013, p.10).

Another example of this 'averaging problem' is that expenditures on some items, like housing, are too low to reflect the real expenditures and changes for the most vulnerable in the housing market – again, because the worst case scenarios are 'averaged out' by those in the category with other resources. For instance, if one pensioner owned their own home outright they would generally be in a better financial position than a pensioner who has to pay market rents – but, if the market rent were \$300 per week, the average expenditure on rent between the two would be \$150 per week – much less than what the renting pensioner was actually paying.

The weightings in the SLCIs are also based on a set point in time (from the 2009–10 Household Expenditure Survey) and cannot be changed until the next survey. In the meantime, the price of some necessities may increase rapidly, forcing people to change expenditure patterns to cover the increased cost. Alternatively or additionally, expenditure patterns may change for a variety of other reasons. However, the weighting in the indexes does not change and so does not track the expenditure substitutions and the impact that has on cost of living and lifestyle (SACOSS 2013, p.10).

Finally, the SLCI household income figures are based on households that are the average size for that household type: 1.52 people for the age pensioners and 2.57 people for the other government transfer recipients (ABS 2016c). This makes comparison with allowances difficult. This report generally focuses on single-person households or a single person with two children (to align to the other government transfer recipient household average of 2.57 persons). However, this is a proxy rather than statistical correlation (SACOSS 2013, pp.10–11).

It is inevitable that any summary measure will have limitations and, as noted in the main text, the SLCIs provide a robust statistical base, a long time series and quarterly tracking of changes in the cost of living which is somewhat sensitive to low income earners (adapted from SACOSS 2013, pp.10–11).

### **3. Socio-Economic Index for Individuals**

The Socio-Economic Index for Individuals (SEIFI) is an index calculated by the ABS for the ACT Government as a one-off project. It uses the 2011 Census data to calculate a number of indicators of disadvantage for individuals, including income, education and occupation. An overall index is then calculated from these indicators using a technique called Principal Components Analysis – the same technique used to calculate the Socio-Economic Index for Areas (SEIFA) using area-level data (Tanton et al. 2013, p.14).

The SEIFI is similar to the SEIFA but it is based on individual attributes rather than area-level attributes. The SEIFA summarises disadvantage for an area, so individual-level circumstances are averaged and, in some cases, disadvantage is masked. The SEIFI is calculated at an individual level, so, rather than using ‘% people aged 15 years and over with no qualifications’, it assigns ‘1’ to each individual with no qualifications and then aggregates to an area using weights derived through the same method used for SEIFA (Tanton et al. 2013, p.17).

## 4. Pension, Newstart and Family Tax Benefit calculations for Table 2

These figures reflect payment levels for a single age pensioner, a single Newstart recipient with no children and a single Newstart recipient with two children (aged 10 and 14) who are not in receipt of Commonwealth Rent Assistance. There are clearly going to be variations in payment rates for different recipients, which will be affected by family structure and the number and age of children et cetera. Payment rates for single people are used here for simplicity, as partner’s income for partnered recipients adds another layer of complexity.

Weekly payment rates at 31 December 2014

	Base rate	Pension Supp.	Energy Supp.*	FTB A child u13	FTB A child 13–15	FTB B	Pharmac. Benefit	TOTAL PAYMENT
Age Pension – single	\$388.35	\$31.75	\$7.05					\$427.15
Newstart – single, no children	\$257.80		\$4.40					\$262.20
Newstart – single, 2 children	\$278.95		\$4.75	\$88.41	\$115.01	\$52.50	\$3.10	\$542.72

December 2014 figures from Centrelink 2014, pp.3, 6, 14, 27, 33.

## Weekly payment rates at 31 December 2015

	Base rate	Pension Supp.	Energy Supp.*	FTB A child u13	FTB A child 13-15	FTB B	Pharmac. Benefit	TOTAL PAYMENT
Age Pension – single	\$394.20	\$32.25	\$7.05					\$433.50
Newstart – single, no children	\$261.70		\$4.40					\$266.10
Newstart – single, 2 children	\$283.15		\$4.75	\$89.88	\$116.97	\$53.41	\$3.10	\$551.26

December 2015 Figures from Centrelink 2015, pp.2 ,5, 13, 25, 30.

Note: All figures are based on maximum rates of payment where relevant (two children for Newstart calculation based on one child under 13 years and one child between 13 and 15 years).

\*In the first report in the Cost of Living Report series, the Energy Supplement was referred to as the Household Assistance Package (HAP) payments to address carbon tax price increases and were made available to most pensioners and adult allowance recipients (including Newstart recipients) from 20 March 2013.

## 5. How pension rates are adjusted

‘Currently, pensions (including the Age Pension, Service Pension, Disability Support Pension and Carer Payment) are indexed twice each year by the greater of the movement in the Consumer Price Index (CPI) or the Pensioner and Beneficiary Living Cost Index (PBLCI). They are then “benchmarked” against a percentage of Male Total Average Weekly Earnings (MTAWE). The combined couple rate is benchmarked to 41.76% of MTAWE; the single rate of pension is set at 66.33% of the combined couple rate (which is equal to around 27.7% of MTAWE). “Benchmarked” means that after it has been indexed, the combined couple rate is checked to see whether it is equal to or higher than 41.76% of MTAWE. If the rate is lower than this percentage, the rates are increased to the appropriate benchmark level’ (Parliamentary Library 2014).

‘The CPI is a measure of changes in the prices paid by households for a fixed basket of goods and services. Indexing pension rates to CPI maintains the real value of pensions over time. The PBLCI measures the effect of changes in prices of the out-of-pocket living expenses experienced by age pensioner and other households whose main source of income is a government payment. The PBLCI is designed to check whether their disposable incomes have kept pace with price changes. The MTAWE benchmark is not intended to maintain the value of the pension relative to costs; it is seen as ensuring pensioners maintain a certain standard of living, relative to the rest of the population’ (Parliamentary Library 2014).

Note: Allowance payments – for example, Newstart and Youth Allowance – are indexed in a different way to the pension rates, being adjusted based on

changes in the CPI only and not in line with the MTAW. These allowances are adjusted every six months, in the March and September of each year.

## 6. Weekly payments: welfare recipients and minimum wage earners

### Weekly payment rates at 31 December 2015\*

Payment type	Base rate	Pension Supp.	Energy Supp.	FTB A** child <13	FTB A** child 13-15	FTB B** youngest child >5	Pharmac. Benefit	Rent Assist. (max.)	TOTAL PAYMENT
Unemployed weekly payment, Newstart – single, no children	\$261.70		\$4.40					\$64.70	\$330.80
Age Pension – single	\$394.20	\$32.25	\$7.05					\$64.70	\$498.20
Sole Parent Newstart – single, 2 children	\$283.15		\$4.75	\$89.88	\$116.97	\$53.41	\$3.10	\$75.88	\$627.14
Youth Allowance, Single Over 18 Away from home (share house)	\$213.40		\$3.50					\$43.14	\$260.04
The Minimum Wage – no children	\$656.90								\$656.90
The Minimum Wage and Centrelink payments – couple, one F/T; one P/T – 3 children (5-15 years)	\$656.90 + \$328.45			\$89.88	\$233.94	\$8.45 (part payment)		\$85.75	\$1403.37

Source: Centrelink 2015, pp.2, 5, 30, 35; Fair Work Commission 2016.

\*Note: Payments for FTB B are reduced by 20c in the dollar for every dollar of income earned over \$5402 per year for the lower income earner. This equates to a \$2344.86 reduction over the year, or \$44.96 per week, in this example (lower income earner earns \$17,126.32 for the year). The Centrelink figures include the maximum rate of rent assistance in all scenarios (apart from the minimum wage (single) example).

\*\* Family Tax Benefit A, Family Tax Benefit B.

## 7. Guide to CPI and HES categories

### CPI categories – with corresponding HES categories that correlate

CPI descriptions:	HES descriptions that correlate:
<b>TRANSPORT</b>	<b>ALL TRANSPORT</b>
Private motoring	
Motor vehicles <i>Purchase and long term hire/lease of new cars and motor cycles; transfer of used cars to the household sector; service fee for the transfer of second hand cars</i>	Motor vehicle purchase

<b>CPI descriptions:</b>	<b>HES descriptions that correlate:</b>
<b>Spare parts and accessories for motor vehicles</b> Tyres (new or used), inner tubes, spark plugs, batteries, shock absorbers, filters, pumps and other spare parts or accessories purchased separately	<b>Motor vehicle parts and accessories purchased separately</b>
<b>Automotive fuel</b> Unleaded petrol, lead replacement petrol, diesel and LPG	<b>Motor vehicle fuel, lubricants and additives</b>
<b>Maintenance and repair of motor vehicles</b> <i>Services purchased for the maintenance and repair of motor vehicles (includes the cost of labour and the cost of materials)</i>	<b>Vehicle servicing (including parts and labour) as part of the broader category: Vehicle charges (including hire of accessories)</b>
<b>Other services in respect of motor vehicles</b> <i>Motor vehicle registration, roadworthiness tests, drivers licence fees, parking fees, driving lessons and tollway charges</i>	<b>Vehicle registration and insurance</b> <i>See also vehicle charges (including hire of accessories)</i>
<b>Urban transport fares</b>	<b>Public transport fares</b> <b>Fare and freight charges (excluding holidays and public transport)</b>
<b>Source: ABS 2011d.</b>	<b>Source: ABS 2011b, Table 3A.</b>

Note: Motor Vehicle Insurance CPI is part of a separate CPI Category – Insurance and Financial Services.

### **Household Expenditure Survey (HES) transport expenditure categories**

<b>10 TRANSPORT</b>		
<b>1001 Transport</b>		
<b>100101</b>	<b>Motor vehicle purchase</b>	
	1001010101	Purchase of motor vehicle (other than motor cycle)
	1001010201	Purchase of motor cycle
<b>100102</b>	<b>Other vehicle purchase</b>	
	1001020101	Purchase of caravan (other than selected dwelling)
	1001020201	Purchase of trailer
	1001020301	Purchase of bicycle
<b>100103</b>	<b>Motor vehicle fuel, lubricants and additives</b>	
	1001030000	Motor vehicle fuel, lubricants and additives (not further defined (nfd))
	1001030101	Petrol
	1001030201	Diesel fuel
	1001030301	LPG and other gas fuels

	1001030401	Oils, lubricants and additives
100104	Vehicle registration and insurance	
	1001040101	Compulsory registration of motor vehicle (other than motor cycle)
	1001040102	Compulsory insurance of motor vehicle (other than motor cycle)
	1001040103	Combined compulsory registration and insurance of motor vehicle (other than motor cycle)
	1001040201	Other insurance of motor vehicle (other than motor cycle)
	1001040301	Compulsory registration of motor cycle, caravan and trailer
	1001040302	Compulsory insurance of motor cycle, caravan and trailer
	1001040303	Combined compulsory registration and insurance of motor cycle, caravan and trailer
	1001040401	Other insurance of motor cycle, caravan and trailer
100105	Motor vehicle parts and accessories purchased separately	
	1001050101	Motor vehicle batteries
	1001050201	Tyres and tubes
	1001050301	Motor vehicle electrical accessories (purchased separately)
	1001059901	Vehicle parts purchased separately nec*
	1001059902	Vehicle accessories purchased separately nec
100106	Vehicle charges (including hire of accessories)	
	1001060101	Crash repairs
	1001060201	Vehicle servicing (including parts and labour)
	1001060301	Drivers licence
	1001060401	Parking fees
	1001060501	Driving lessons
	1001060601	Subscription to motor organisations
	1001060701	Vehicle hire and leasing expenses (non-holiday)
	1001069901	Road tolls
	1001069999	Vehicle charges (including hire of accessories) nec
100107	Public transport fares	
	1001070000	Public transport fares nfd
	1001070101	Rail fares
	1001070201	Bus and tram fares
	1001070301	Water transport fares
	1001070401	Combined bus/tram/rail/water transport fares
	1001079999	Public transport fares nec
100108	Fare and freight charges (excluding holidays and public transport)	

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1001080101	Taxi fares
1001080201	Air fares (excluding holiday)
1001080301	Removalists charges
1001089999	Fare and freight charges (excluding holidays and public transport) nec

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Source: ABS 2011a, Table 3A.

\*nec: not elsewhere classified

## 8. Summary of transport concessions in the ACT

### Concessions on public bus fares

Concession (and free) bus fares are available for some people, but **low-income families who are not eligible for a low income (Centrelink) Health Care Card are not eligible for these concession fares.**

Free bus travel is available to the children aged five and under; ACT residents aged over 70; Department of Veterans Affairs Totally and Permanently Incapacitated (TPI) Gold Card holders; and passengers with a visual impairment.

In addition, concession fares are available to high school and college students, tertiary students and holders of a Pension Concession Card, Health Care Card or Gold Card (non-TPI). Weekday concession fares are 50 percent of the full adult fare, while the off-peak trip fare is around one-third of the full adult fare, with a slightly different fare structure for school students.

(ACT Government 2016a.)

### ACT Isolated Patient Travel Assistance and Accommodation Scheme

IPTAAS is a patient travel scheme designed to financially assist people, particularly in isolated or rural areas, who have to travel significant distances to access specialist medical and/or oral health surgical treatment which is not available locally. The key aim of IPTAAS is to reduce the impact of this disadvantage upon the health of individuals and communities.

The following table provides an example of the reimbursements payable for a trip from Canberra to Sydney for a specialist appointment. The IPTAAS claim form contains costings for trips to other capital cities.

Travel benefits	Canberra–Sydney return			% change 30.6.13 – 31.12.15	Relevant CPI change 30.6.13 – 31.12.15
	From 1 July 2013	From 1 July 2014	From 1 July 2015		
Private vehicle	\$109.28	\$112.01	\$114.81	5.06%	-14%
Bus	\$81.68	\$84.10	\$86.10	5.41%	7.1%
Rail	\$111.49	\$114.27	\$117.12	5.05%	7.1%

(ACT Government 2012b, p.1; ACT Government 2014b; ACT Government 2015a).

### ACT Taxi Subsidy Scheme

The ACT Taxi Subsidy Scheme (TSS), administered through the Chief Minister, Treasury and Economic Development Directorate, provides financial assistance to ACT residents with a disability or significant mobility restriction that prevents them from using public and community transport. The TSS supports social inclusion and economic participation of community members who would otherwise be at risk of social isolation. The TSS is intended to assist members to attend essential activities such as medical appointments, employment commitments and social and family gatherings. **The TSS is not intended to meet all transport costs of its members.** (Adapted from ACT Government 2012d.)

To be eligible for the ACT TSS, a person must have a severe or profound activity limitation that prevents them from using public transport, and these imitations include:

- severe mobility limitations
- legal blindness or severe vision impairment
- cognitive, intellectual or psychiatric disability
- severe and uncontrolled epilepsy
- be a permanent resident of the ACT, or an asylum seeker with proof of status from Companion House
- not be a member of an interstate taxi subsidy scheme.

Vouchers are issued to members and are used towards the partial cost of the taxi fare. They are intended for use for transport for shopping, medical appointments and social activities. The remainder of the fare is to be paid by the TSS member.

There are three levels of subsidy on taxi fares under the scheme:

- 50 percent with a maximum of \$24.00 per trip for individuals who can use a standard taxi
- 50 percent plus lift fee (an additional voucher issued in conjunction with the 50 percent vouchers to cover the cost of the fee associated with the loading and unloading of a wheelchair or scooter into a taxi). The lift fee is paid by Public Transport Regulation, Office of Regulatory Services, Justice and Community Services Directorate
- 75 percent with a maximum of \$37.00 per trip for individuals who are permanently confined to a wheelchair and are unable transfer into a standard taxi. Members who receive 75 percent subsidy will also have the loading and unloading portion of the fare paid by the government through the payment of a lift fee (ACT Government 2012d).

Temporary members are entitled to a pro-rata allocation for the period of their eligibility.

As part of the lift fee introduced on 1 July 2003, it was agreed that the lift fee would be annually adjusted in line with the Independent Competition and Regulatory Commission (ICRC) determined increases in the waiting rate for taxis.

Eligible individuals are entitled to a maximum of 126 general vouchers per 12-month period or pro-rata for temporary memberships, unless the member is entitled to additional vouchers. In addition to the standard number of vouchers issued, additional vouchers can be provided for direct travel to the following activities: employment; education; vocational training; and medical treatment or therapy.

#### Changes to Taxi Subsidy Scheme rates since July 2010

	50% vouchers	% increase	75% vouchers	% increase
1/7/10 – 30/6/11	\$17.00	0	\$26.00	0
1/7/11 – 30/6/12	\$22.50	32	\$34.50	32
1/7/12 – 30/6/13	\$22.50	0	\$34.50	0
1/7/13 – 30/6/14	\$22.50	0	\$34.50	0
1/7/14 – 30/6/15	\$24.00	9	\$37.00	9
1/7/15 – 30/6/16	\$24.00	0	\$37.00	0
<b>Increase since 1/7/10</b>	<b>\$7.00</b>	<b>41.2</b>	<b>\$11.00</b>	<b>42.3</b>

Source: ACT Government 2016b, pp.1, 2, 6; ACT Government 2014a, p.3.

Note: The lift fee has increased by \$0.60 since 2010 from \$12.40 to \$13.00.

(ACT Government 2014a, p.3; ACT Government 2012d).

## Motor vehicle related concessions

Holders of a current Centrelink Pension Concession Card or a Department of Veterans Affairs Pension Concession Card are entitled to the following concessions:

- 100% discount on registration (but must pay the full fee for compulsory third party insurance, Road Rescue Fee, Road Safety Contribution, Lifetime Care and Support Levy and Short Term Registration Surcharge (if applicable))
- 100% discount on licence fees.

*Full fees are payable for learner, probationary and restricted drivers licences.*

### **The same concessions are also provided to Diplomats and Privileged Personnel.**

Holders of ACT Seniors Cards are entitled to the following concessions:

- 10 percent discount on registration (must pay the full fee for compulsory third party insurance, Road Rescue Fee, Road Safety Contribution and the Short Term Registration Surcharge (if applicable)).

People who have been unemployed for six months or more and are receiving Centrelink unemployment benefits are entitled to:

- 50 percent discount on licence fees. *This concession is not applicable for learner, probationary and restricted licences or five-year licences.*

### **Holders of a Centrelink Health Care Card are not entitled to any registration concessions.**

(ACT Government 2016d).

## Commonwealth Mobility Allowance

The Commonwealth Mobility Allowance is a flat rate payment indexed annually in line with CPI increases, either at the standard rate or the higher rate depending on the recipient's qualifying activities. It is paid (fortnightly) to a person with a disability aged 16 or over who cannot use public transport without substantial assistance and is required to travel to and from their home for work (including volunteer work), study, training or job seeking.

There are a number of criteria required to qualify for the Mobility Allowance (standard rate). The applicant must be:

- undertaking any combination of paid or voluntary work or vocational training for 32 hours every four weeks

- undertaking job search activities under a Job Plan or Participation Plan with the Department of Human Services or an employment service provider
- receiving Newstart, Youth Allowance or Austudy and satisfy mutual obligation or activity test requirements associated with these payments  
or
- participating in a Disability Employment Services – Disability Management Service.

Additional criteria need to be met to qualify for the higher rate of Mobility Allowance.

As at December 2015 the rate of Mobility Allowance was \$91.80 per fortnight.

(Centrelink 2015, p.16).



## ACT Cost of Living Report: Transport

### Overview

Transport is a social determinant of health and ensuring appropriate access to transport is a key goal of ACTCOSS' advocacy work. In 2016 ACTCOSS therefore produced a Cost of Living Report which tracks changes in transport costs (Pilbrow 2016). This document presents a summary of the findings from that research.

Our research highlights some positive moves in transport costs. The Consumer Price Index (CPI) for all transport in Canberra over the last year actually decreased (-1.7 percent), which was below the 0.7 percent increase in CPI for all groups for Canberra (ABS 2016, Data 5) and marginally below the national CPI for all transport of -1.4 percent (ABS 2016, Data 6). There was, however, significant variation in the way the individual components, which contribute to the overall CPI figure, changed. The purchase prices of new cars rose by only 0.5 percent, while cost of spare parts and accessories rose by 5.4 percent and cost of maintenance and repairs rose by 1.4 percent. The fuel price dropped dramatically by 13.1 percent, which was the main driver of the overall 1.7 percent decrease in the CPI for transport, while urban transport fares increased by 2.4 percent (ABS 2016, Data 5).

However, the overall decline in transport costs conceals rises in some specific transport costs. While benefits from falling petrol prices are a welcome relief to everyone in the community, areas of transport that showed a price increase are likely to disproportionately impact on people on low incomes. The disproportionate impact of fluctuations in transport costs is discussed below.

Our research further highlights that, based on the most recent Household Expenditure Survey (HES) data (ABS 2011a, Table 23A), Canberra has the second highest expenditure on transport amongst capital cities in the country. Darwin, the city with the highest transport expenditure was \$233.78, with Canberra only marginally behind on \$232.23. In terms of the proportion of household income expended on transport, Canberra sits at third highest (spending 15.1 percent of weekly expenditure), behind Darwin and Melbourne. Only housing (19.6 percent) and food (15.4 percent) constitute greater expenditure areas for Canberra households (ABS 2011a, Table 23A). In fact,

Canberra households spend almost as much on transport (\$232) as they do on food (\$235) (ABS 2011a, Table 23A). Apart from Darwin (and the NT as a whole), where expenditure on transport in fact does exceed expenditure on food, all other capital cities spend between \$15 and \$40 more per week on food than on transport (ABS 2011a, Tables 231, 27A).<sup>1</sup> This data strongly suggests that transport costs are considerable in the ACT and further compound the cost of living challenges faced by people on low incomes in meeting their transport needs.

The transport needs of people living with disability are a particular focus of our Cost of Living report. Accessible transport options are a key cost of living factor for people with disability that impacts on access to work, health care, services, social, community and other events and opportunities (see for example Gough 2015, p.12). People living with disability who do not drive currently face limited choices when it comes to accessible travel options in the ACT. In particular, people living with disability have a heightened reliance on transport options such as taxis and therefore have a heightened need for an affordable, accessible, high-quality and safe taxi system. In relation to taxi costs, for peak rates, Canberra has: the highest flag fall rate; the third highest distance per kilometre rate; the third highest waiting time per hour rate and equal third highest airport rank fee (Taxi Fare Calculator 2016). While not as high, the general off-peak rates for Canberra are still some of the highest in the country (ranking second to fourth in the corresponding categories above). The impact Uber may or may not have on these costs is not yet clear.

The ACT Government can help reduce the unfair impact of increasing costs of transport through:

- Public transport redesign and increased supply, especially for services for people needing services outside of the 9-5 peak commuting hours on Monday to Friday;
- Infrastructure renewal – prioritising supply and renewal of low cost housing, and employment opportunities, in well serviced public transport areas;
- Adequate and properly targeted concessions;
- Progressive fee structures for fines, fees and charges.

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<sup>1</sup> In terms of states/territories, as compared to capital cities, the gap between the expenditure on food and transport is much narrower – in the NT transport expenditure is greater than food expenditure; and in Queensland food expenditure is only \$1 more than transport expenditure. The narrower gap in states and territories partly reflects the increased costs of transport in states/territories with larger remote populations (ABS 2011a, Table 27A).

## Key findings at a glance

- Based on the most recent HES data (ABS 2011a, Table 23A) Canberra and Darwin have by far the highest expenditure on transport amongst capital cities in the country. From the survey figures, which relate to the 2009–10 period, Darwin expenditure was \$233.78, with Canberra only marginally behind on \$232.23.
- In terms of the proportion of household income expended on transport, Canberra sits at third highest (spending 15.1 percent of weekly expenditure), behind Darwin and Melbourne. Only housing (19.6 percent) and food (15.4 percent) constitute greater expenditure areas for Canberra households (ABS 2011a, Table 23A). In fact, Canberra households spend almost as much on transport (\$232) as they do on food (\$235) (ABS 2011a, Table 23A). Apart from Darwin (and the NT as a whole), where expenditure on transport in fact does exceed expenditure on food, all other capital cities spend between \$15 and \$40 more per week on food than on transport (ABS 2011a, Tables 231, 27A).
- The ACT has the highest expenditure on vehicle registration in the country (\$38.75). It is far higher than any other jurisdiction in the country (27 percent higher than the next highest, New South Wales (NSW)) and 36 percent higher than the national average (\$28.57) (ABS 2011a).
- The CPI for all transport in Canberra over the last year actually decreased (-1.7 percent), which was below the 0.7 percent increase in CPI for all groups for Canberra (ABS 2016, Data 5) and marginally below the national CPI for all transport of -1.4 percent (ABS 2016, Data 6).
- There was significant variation in the way the individual components, which contribute to the overall CPI figure, changed in the last year. The purchase prices of new cars rose by only 0.5 percent, while cost of spare parts and accessories rose by 5.4 percent and cost of maintenance and repairs rose by 1.4 percent. The fuel price dropped dramatically by 13.1 percent, which was the main driver of the overall 1.7 percent decrease in the CPI for transport, while urban transport fares increased by 2.4 percent (ABS 2016, Data 5). Other CPI price rises, while they may look relatively high (for example, 5.4 percent in spare parts and accessories: ABS 2016, Data 5) have less of an impact on the overall CPI for transport, as they constitute a smaller proportion of transport expenditure.
- Over the past six years, the transport CPI for Canberra (6.4 percent) has moved roughly in line with the national movement in the CPI for transport (6.2 percent). Both figures have been much lower than the generic CPI rises in Canberra (11.9 percent) and nationally (15.2 percent) (ABS 2016, Data 5, 6).
- Across the six years from 2009-2015, the most dramatic rise in a transport category has been in the 'other services in relation to transport' CPI subcategory, which includes items of expenditure such as motor vehicle registration, roadworthiness tests, drivers licence fees, parking fees, driving lessons and tollway charges (ABS 2011b). This CPI subcategory

has gone up by 31.9 percent – five times the rate of the transport CPI for Canberra and nearly three times the rate of the generic CPI for Canberra over the same time (ABS 2016, Data 5).

- Registration and compulsory third party insurance costs have risen (28.7 percent combined) at a rate well above the generic CPI (11.9 percent) and well above (five times) the transport CPI (6.4 percent) for Canberra over the last six years (data derived from ACT Government 2003, p.1; NRMA 2009, p.1; ACT Government 2009, p.4, 10; ACT Government 2015, p.3; ACT Government 2016a; ABS 2016, Data).
- There has been a nearly 20 percent price rise over the past six years in the CPI for urban transport fares. This price rise is 1.5 times the generic CPI rise and nearly three times the rise in the transport CPI for Canberra. It is a trend that has occurred in four other capital cities in Australia.
- MyWay fares have risen at a rate higher than the CPI for urban transport for Canberra during the last four years. The rise in the concession weekday cap fare has risen far higher than all of the other fares and the CPI for urban transport fares. The dramatic increase in January 2015 in the concession weekday cap fare (on top of the regular increase applied to public bus fares each year) was a result of an additional increase ‘in line with the ACT Government strategy to progressively align concession entitlements with other jurisdictions, where concession fares are 50 percent of adult fares’ (ACT Government 2016b).
- Households whose primary source of income is Newstart or a study payment spent more on public transport, as a proportion of income, than other households. The CPI for public transport has risen faster (urban public transport) than the transport CPI and the generic CPI.
- People on unemployment and study payments spend nearly twice as much on public transport as those on disability and carer payments and more than three times more than age pensioners. The greater expenditure of people on Newstart and Youth Allowance is significant because those payments are much lower than the Age Pension and Disability Support Pension, suggesting that any increase in public transport prices will impact proportionately more on unemployed people and students than any other low-income group.
- People who receive disability and carer payments (15.4 percent) pay close to the national average (15.6 percent) and above the lowest second, third and fourth income quintile average proportion of household expenditure figures.
- The proportion of household expenditure which goes to fuel is fairly standard across all categories, but it is notable that welfare recipient households spend more on fuel than other low-income households both in absolute terms and as a proportion of their total expenditure.
- Households with people receiving disability and carer payments pay above the national average as a proportion of their income on fuel (4.2 percent versus 4.1 percent). It is noteworthy also that people on unemployment

and study benefits (4.6 percent) and family support payments (4.3 percent) also pay above the national average (ABS 2011c).

## Transport costs have differential impacts

The impacts of price rises in different areas of transport expenditure are not felt evenly across the community. The various price increases have a disproportionate impact on some low income households because:

- Expenditure that is less discretionary, such as registration, licence and parking fees and other charges) has risen faster than the expenditure areas where there is more flexibility to reduce expenditure (for example, vehicle purchase).
- People with disability use taxis more regularly than other people in our community. This is born out in data that compares expenditure patterns of people receiving disability and carer benefits with other welfare recipients. People with disability are therefore particularly impacted by increases in taxi fares, which have also gone up faster than the CPI.
- Money spent on transport reduces money available for other essential goods and services, further exacerbating poverty and social exclusion for people who are on low incomes and already face significant poverty and disadvantage.

For a fuller account of transport costs in the ACT see the full Cost of Living Report:

- ACT Cost of Living Report: Transport, Full Data Report (PDF): <http://www.actcoss.org.au/publications/2016-report-act-cost-of-living-transport-full-data.pdf>
- ACT Cost of Living Report: Transport, Full Data Report (Word docx): <http://www.actcoss.org.au/publications/2016-report-act-cost-of-living-transport-full-data.docx>

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ACTCOSS is committed to reconciliation, acknowledges the traditional custodians of the land and pays respect to elders past and present.



**Transport: A 'wicked problem' we have the  
strengths and assets to solve**

**September 2016**

# About ACTCOSS

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 Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

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' vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion.

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 receives funding from the ACT Government.

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

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September 2016

ISBN 978-1-876632-30-4 (electronic version)

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## Table of contents

<b>Acronyms</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>5</b>
<b>Recommendations</b> .....	<b>6</b>
<b>Transport disadvantage</b> .....	<b>7</b>
Unmet transport need in the ACT .....	9
Aboriginal and/or Torres Strait Islander peoples .....	9
Accessible transport for people with a disability .....	10
Marginalised families .....	11
Young people .....	12
Transport and food insecurity .....	12
Transport and access to health services .....	13
Cross-border issues: failing to connect people and services .....	14
Transport failures – people share personal stories .....	15
<b>Transport costs in the ACT</b> .....	<b>16</b>
<b>The policy context</b> .....	<b>19</b>
Policy challenges, trade-offs and people left behind .....	21
Community Transport .....	25
Policy solutions: Engaging communities, improving mainstream services and creating new and tailored initiatives .....	26
<b>Reference list</b> .....	<b>28</b>
<b>Appendix 1</b> .....	<b>32</b>
<b>Appendix 2</b> .....	<b>33</b>

## Acronyms

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ACTCOSS	ACT Council of Social Service Inc.
ATODA	Alcohol, Tobacco and Other Drug Alliance
CFCA	Child, Family and Community Australia
HCCA	Health Care Consumers' Association of the ACT
NILS	No interest loan scheme
OTS	Opioid treatment services
SEIFI	Socio-economic index for individuals
WCHM	Women's Centre for Health Matters
WHO	World Health Organisation
WWDACT	Women with Disability ACT

## Introduction

In this position paper we explore the policy issues related to addressing transport disadvantage in our city. We note that, as used broadly in existing literature, the term ‘transport disadvantage’ is separate to social disadvantage and that it can affect both socially disadvantaged and socially advantaged people. Who is affected by transport disadvantage largely depends on the direction of infrastructure investment. We provide evidence that the policy directions of the ACT Government prioritise addressing the transport issues experienced by socially advantaged Canberrans – issues related to congestion and availability in times of peak demand. We find that the transport needs of socially disadvantaged Canberrans are not being comprehensively addressed within current policy settings.

The paper outlines the policy imperatives, challenges and opportunities currently available to significantly reduce transport disadvantage for people who experience social disadvantage in the ACT. We argue that residents have a vital role to play in developing the solutions to Canberra’s transport challenge and that the ACT has social and economic assets and administrative arrangements that provide a firm foundation for implementing these solutions. We advocate a strengths-based, community-led approach to understanding needs and determining transport service and infrastructure design, investment and future planning.

Fundamentally, transport is a social determinant of health. In this paper we have incorporated evidence, anecdotes from literature, and personal stories to illustrate the range of ways that transport impacts on health and wellbeing, and why it is so important to address transport disadvantage in our community.

## Recommendations

- Update the transport disadvantage map, utilising existing SEIFI data.
- Upgrade the entire bus fleet to meet accessibility standards.
- Develop a vision and implementation plan for transport that is firmly grounded in an understanding of transport as a social determinant of health.
- Undertake a comprehensive needs assessment of transport disadvantage in the ACT. This study should explore the needs, preferences and practices of Canberrans with a special emphasis on population groups who are acknowledged as likely to experience transport disadvantage.
- All passenger surveys should include questions which look at improving the experience of passengers who travel within and outside of peak hours.
- Provide funding to remedy the layouts of bus interchanges and location of taxi ranks to make them accessible for people with disabilities.
- Introduce license concessions for learner, probationary and restricted licenses.
- Align the discount on license fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%).
- Undertake a study of transport costs in order to examine how individuals on low and fixed incomes meet costs of vehicle operation and maintenance and if and to what extent this involves reliance on sub-prime loans. Address any findings on the broader relationship between transport costs and indebtedness for people on low and moderate incomes.
- Collect data to monitor whether and how people with disability benefit from the introduction of ride sharing services in the ACT, e.g. track impacts on number and quality of services and impact of ride sharing on ride costs for accessible vehicles.
- Assess investment in transport against the impact of transport infrastructure spending on increasing the affordability and accessibility of transport for people who are transport disadvantaged to access work, health and education facilities, food and other shopping amenities, and social networks.
- Improve and increase access to public transport in neighbourhoods and regional centres, with a focus on increasing affordable and accessible transport for east-west travel.
- Further expand the already committed investment to improve accessibility of bus stops, lighting and pedestrian infrastructure.
- Expand eligibility for and promotion of Flexi-bus to all residents in the areas covered who are transport disadvantaged.
- Address the gaps in cross-border public transport services, specifically for Queanbeyan and Oaks Estate through improved integration of existing service providers and by increasing services where they are lacking.
- Fund community transport at sustainable levels and in a manner that will ensure that community transport continues to be available to all in our community who are in need of it. That means ensuring a community transport system that is not only available to people eligible for an individualised funding package through Commonwealth initiatives like the NDIS or an aged care package.

## Transport disadvantage

Transport disadvantage can be experienced by anyone because capacity to travel is not dependent on personal attributes but on the accessibility of physical and social infrastructure such as roads and public transport services. Because it is governments who make the largest infrastructure investments it is government policy decisions that ultimately impact on whether or not transport disadvantage exists, to what degree it exists, and which groups in the community are most likely to experience it.

In a paper on transport disadvantage in Australia, researchers from Child Family Community Australia (CFCA) note:

Both socially advantaged and socially disadvantaged people can experience transport disadvantage, however the nature of this disadvantage differs. For socially disadvantaged groups transport difficulties tend to relate to the ability to access transport and the costs of travel whereas for socially advantaged groups transport difficulties tend to relate to traffic congestion and time availability. (Rosier and McDonald 2011)

Reviewing the literature we find that people on low and fixed incomes, particularly if they have young children; people with disability, particularly if they rely on taxis; and people in remote parts of the city are most likely to experience transport disadvantage. Young people and older people who rely exclusively on public transport are also more likely to experience transport disadvantage as are Aboriginal and/or Torres Strait Islander peoples.

A 2006 Australian Bureau of Statistics (ABS) analysis of transport found that Australians in the bottom income quintiles experience transport difficulties far more frequently than those in the top quintile: '9.9% and 1.3% respectively' (as cited in Rosier and McDonald 2011). Additionally, in a 2013 report, the ABS state that:

In 2010, nearly half (48%) of adults without access to a passenger vehicle felt they sometimes or often had difficulty getting to places. However, for people who had access to a passenger vehicle, 1 in 10 adults (10%) felt that they sometimes or often had difficulty getting to places. (ABS 2013)

This data shows a correlation between income and transport dis/advantage particularly where income enables or impedes ownership of or access to a passenger vehicle.

Research also highlights that particular population groups are more likely to experience transport disadvantage, including: 'families with young children, people with a disability and Indigenous Australians' (Rosier and McDonald 2011). Importantly, this should not be interpreted to mean that these groups experience transport disadvantage because of innate personal characteristics. It is not the capacities and characteristics of these population groups that make them more likely to experience transport disadvantage. It is the design of services that fails to make them accessible – for example, streets and/or buses that are not accessible for people with mobility aids or to parents with young children in prams.

The ACT Government has acknowledged the importance of infrastructure design for community access with the trial of the 'age friendly neighbourhoods' initiative in Ainslie and in Weston Creek announced in 2015 (Gentleman 2015). This initiative is very welcome. However, more is needed to address the impact of infrastructure on access to and quality of transport across the ACT.

Research demonstrates that geographic location also has an impact on transport disadvantage. CFCA highlight that:

In addition to being more prevalent amongst some groups, transport disadvantage is also more prevalent in some *geographical locations*. For example, households in outer-urban areas of Australia typically have less frequent, less available (e.g., nights and weekends) and less accessible (i.e., stops and stations are not in a convenient location) public transport than urban areas. Because of their location, residents living in these areas are often required to travel longer distances to work or access services than residents in inner and middle suburbs. These areas are described as transport disadvantaged areas. (Rosier and McDonald 2011)

In 2012 the ACT Government commissioned a study into transport disadvantage. The study, *Coverage Service Feasibility Study* (MRCagney 2012) developed a methodology for assessing transport disadvantage that mapped areas where transport was inaccessible and analysed this in conjunction with data on socio-economic disadvantage. The report is useful in highlighting that there are discrepancies in the level and frequency of public transport delivered in Canberra creating areas of geographic transport disadvantage. Unfortunately, despite a commitment to update the map with more recent census data (Environment and Sustainable Development Directorate 2012, p. 30), this work, to the best of our knowledge, has not been updated since 2012. However, a separate 2015 study by academics Nathan Pittman and Jennifer Eve Day finds a similar trend, that outer areas have higher incidence of transport disadvantage.

Reviewing the literature below we conclude that while transport disadvantage can affect everyone, it more frequently affects people experiencing social disadvantage.

### **Recommendations**

- Update the transport disadvantage map, utilising existing socio-economic index for individuals (SEIFI) data.

## Unmet transport need in the ACT

Existing literature allows some insight into which population groups in our community are not well served by our existing transport systems. Below we have compiled illustrative data drawn from a broad range of local ACT studies that highlight the impact of transport disadvantage in people's lives.

This material is not comprehensive, as the reports from which it is drawn are not all explicitly on the issue of transport disadvantage. However, the data is illustrative of how not having adequate access to transport disadvantages people in a range of ways. ACTCOSS recommends that a more systematic analysis of unmet transport need and its consequences be undertaken by the ACT Government and that this analysis focus on broader and more inclusive transport needs than those experienced by 9-5 commuters.

### Aboriginal and/or Torres Strait Islander peoples

*Passing the Message Stick* is a 2014 publication by the ACT Human Rights Commission that explores the experiences of Aboriginal and/or Torres Strait Islander people engaging with services in the ACT. The report highlights that access to transport is a concern in the community:

A lack of transport options was consistently reported by participants, with participants reporting that public transport does not provide timely, affordable options for Aboriginal and Torres Strait Islander people within the ACT, particularly those who have a number of small children and young people, or who have complex needs such as mental health issues, general health issues, or a disability. (ACT Human Rights Commission 2014, p. 27)

The report also notes that the high cost of driving lessons is raised as a cost barrier to driving by families participating in the research (ACT Human Rights Commission 2014, pp. 27-28; see Appendix 1, this document, for estimate of license costs for new drivers). The institutional setting in which the Road Ready course is offered is also identified as a barrier in the report (ACT Human Rights Commission 2014, p. 27). Gugan Gulwan Youth Corporation has in the past offered the Road Ready course but, despite the success of the course, due to limited resources is 'not able to offer this program on a regular basis' (ACT Human Rights Commission 2014, p. 28). Consequently, there is currently a gap in addressing this need.

The Human Rights Commission report further notes that:

Services reported that when they offer transport for participants they generally have a significantly larger number of attendees than when they are unable to offer transport. One service advised that they run a small group program and that when they are unable to offer transport they see a decrease in attendees by up to 50%. Another service reported that they could not offer transport on one occasion for their weekly group as the bus they use was not available. This led to the group being cancelled that week as there was no other transport available for participants. (ACT Human Rights Commission 2014, p. 27)

Winnunga Nimmityjah Aboriginal Health Service, as the report also notes, offers transport services including a free community bus service. However, the bus service is only available to transport people to and from medical appointments.

### **Accessible transport for people with a disability**

Transport is a barrier to community life for people living with disability (for example ABS 2009; Gough 2015, p.12; Carnovale 2012). A 2009 data report by the Australian Bureau of Statistics finds that the large majority of people with disability (82%) live in proximity to public transport (ABS 2009). The ABS report also finds that people with disability do not have high rates of public transport use: 'Out of the 2.0 million people with a specific limitation or restriction who do not use public transport, over 1.5 million did have it available in their local area' (ABS 2009).

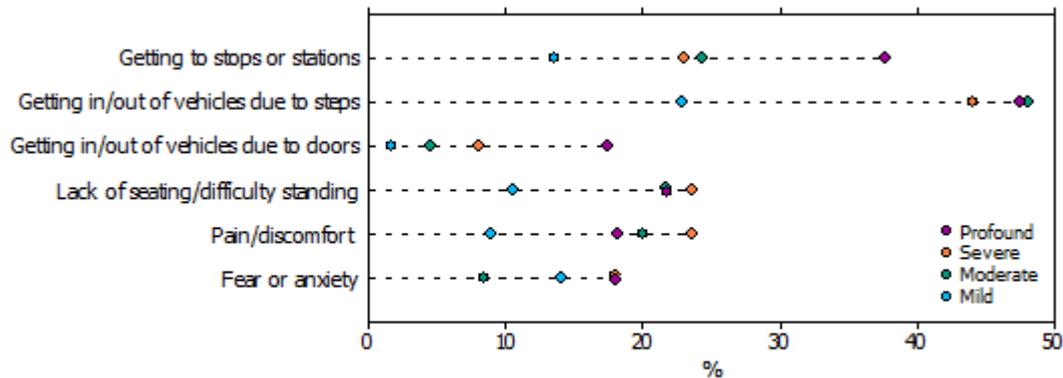
The report also finds that:

Of the estimated 3.8 million people aged 5 years or more with reported disabilities, 1.2 million had difficulty using public transport, 2.6 million had no difficulty using public transport and 37,000 did not leave home (Graph 50). Those with greater restrictions or limitations were more likely to report having difficulty using public transport, except those with schooling or employment restrictions. People with schooling or employment restrictions only are those who need extra support in their schooling or occupation because of their disability but who do not fall into any of the other categories of disability status. (ABS 2009)

It should not be interpreted from this that it is necessarily functional impairment that restricts people with disability from using public transport. Rather, accessibility for people with disability is largely an issue of design of public transport infrastructure:

People with profound core activity limitations reported the most common difficulties they had using public transport were getting to stops or stations (38%) and getting in or out of vehicles or carriages due to steps (48%). In contrast, the main difficulties people with mild core activity limitations reported were due to difficulty getting into or out of vehicles because of steps (23%) and fear and anxiety (14%). (ABS 2009)

51 REASONS FOR DIFFICULTY USING PUBLIC TRANSPORT(a), by Disability status, Australia



(a) More than one problem could be reported by a respondent  
 Source: ABS Survey of Disability, Ageing and Carers, 2009 (cat. no.4430.0)

1

Accessibility for people with disability is a right recognised in Article 9 of the United Nations Convention on the Rights of People with Disability. Like all other jurisdictions in Australia, the ACT also has obligations under the *Disability Standards for Accessible Public Transport Act (Cwth) 2002*, and Commonwealth, as well as local, Discrimination Acts to ensure that it meets accessibility standards.

The reason that all of these legislative instruments enshrine standards of accessibility for transport is that access to transport is fundamental to living an independent and socially integrated life. A recent report by Women with Disability ACT includes comments from participants that underscore the significance of transport to everyday life. Participants in the research project were asked what they felt would improve their social connections and transport emerged as one of several key themes:

“Good, reliable public transport would be the most helpful thing for me.”

“Transport is the key to connectedness, but for those who are unable to use buses, things become increasingly difficult.”

“Provision of a Usable wheelchair & a practical lift to get it in the car, so I can go out without so much difficulty & also visit my family interstate sometimes.” (Carnovale 2012, p. 26)

For people with disability, transport is also a barrier because of its high cost, a point that the ACTCOSS 2016 *Cost of Living Report* (Pilbrow 2016), discussed below in the paper, clearly demonstrates.

## Marginalised families

In 2013 an evaluation was undertaken of the ‘Improving Services with Families’ initiative (now known as the ‘Strengthening Families’ program). The initiative

1 Graph reproduced exactly from Australian Bureau of Statistics 2009, *4446.0 - Disability, Australia, 2009*, Australian Bureau of Statistics, Canberra, accessed 17 June 16, 2016, <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4446.0main+features122009>>.

involved 'participants [...] drawn from marginalized [sic] groups that have experienced consistent difficulties in navigating and accessing the service system' (Evans 2013, p. 2). The evaluation of this initiative noted that 13% of participants involved experienced transport problems (Evans 2013, p. 2).

## Young people

Public transport is fundamental in meeting the transport needs of young people. Yet the needs of young people do not seem to be addressed in mainstream transport planning. In the 2012 Youth Coalition Rate Canberra survey: '60% of survey respondents aged 12 – 25 identified that the bus was one of their most common forms of transport' (Youth Coalition of the ACT 2013, p.1). The 2012 Rate Canberra survey also identified that lack of transport is one of the 'key barriers to participation in activities' (Youth Coalition of the ACT 2013, p.1). The Youth Coalition have repeatedly investigated this issue and their findings are consistent:

In a 2007 Youth Coalition submission that surveyed over 200 young people in the ACT on public transport, the frequency of services was highlighted as the most important issue. Also, in a 2012 consultation, young people identified that there is a need for additional evening, late night and weekend services. This is particularly important for young people who are more likely than the general population to be engaged in part-time employment or recreational activities during the evenings and weekends, or those who live in Canberra's outer suburbs. (Youth Coalition of the ACT 2013, p.1)

## Transport and food insecurity

Access to transport has been found to impact on access to affordable, healthy food in the ACT. A detailed analysis of the data and research related to food insecurity in the ACT was published by Anglicare ACT and the Australian Red Cross in 2013. The report stated that:

Transport accessibility is a crucial part of food security, particularly in a car - oriented city like Canberra. Two thirds of respondents to our client survey listed bus, foot or bike as the form of transport they used. A current proposition by ACTION to increase the average walking distance to access a bus<sup>2</sup> could have unintended consequences negatively affecting people who depend on public transport to do grocery shopping, as well as older people or those with disabilities. (Anglicare ACT & Red Cross 2013, p. 28)

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<sup>2</sup> This proposal was considered as part of the 'straightening' of routes on which the government consulted in 2013.

## Transport and access to health services

Transport has been acknowledged as an issue impacting on access to health services. In their 2014 Comprehensive Needs Assessment, which documents health needs in the ACT, Capital Health Network<sup>3</sup> state:

Difficulty accessing transport is a significant barrier for accessing primary health care and specialist services. Access to safe and timely transport is a social determinant of health and is a significant need particularly for older people, mental health consumers and the homeless. Limited availability of cross border transport is a particular issue for Aboriginal and Torres Strait Islander people who access services in the ACT and live in surrounding NSW. (ACT Medicare Local 2014)

Transport needs and the challenge of meeting transport costs are also raised in research and analysis by the Health Care Consumers' Association of the ACT (HCCA). The HCCA submission to the 2014 Commonwealth Senate Inquiry into Out-of-Pocket Costs in Australian Healthcare (Kerdo 2014), for example, identifies transport costs to specialist appointments as a major cost issue for health care consumers. The following anecdote illustrates transport challenges faced by people with chronic healthcare needs:

I see one specialist weekly and when I cannot drive, Cab Charge [taxi subsidy scheme] pays 50% of my fee, leaving me out of pocket \$40 per visit. My husband takes carer's leave from work every few months so we can drive from Canberra to Sydney to see my Neurologist. There is no rebate for travelling costs and the resultant overnight stay in Sydney. (Kerdo 2014, p. 14)

In their 2011 submission to the ACT Government on expanding opioid maintenance treatment and needle and syringe programs the Alcohol, Tobacco and Other Drug Alliance (ATODA) offer the following example of the challenges that public transport in a geographically dispersed territory can raise:

Case study: Sarah

A single mother in her 20s, has two children under five and is accessing drug treatment as part of tier one OTS [Opioid Treatment Services]. She did not complete year 10, she has never been employed, she was a child in care, has experienced repeated homelessness, is a Centrelink recipient and does not have family and social supports in Canberra. The only health and community service she accesses is through the OTS program. She is in poor health, particularly for her age, began using heroin in her teens and after 10 years began treatment as part of the OTS program. She, and her two children, is required to attend The Canberra Hospital daily via public transport for her to receive her medication. They reside in Gungahlin in public housing, their house is a bus ride from the Gungahlin towncentre. On the weekend, her small family will spend 5 hours a day travelling to and from Woden to access the mother's treatment. The demands on her family to access treatment mean that she is not able to engage in education and training and therefore her chances of reaching economic and social

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3 Now known as the Capital Health Network, the report was published when the organisation was known as the ACT Medicare Local.

independence are limited. Currently, Sarah would have to choose between accessing drug treatment and engaging in employment / education / training – and this is incongruous with the evidence. Sarah's chances of relapsing into heroin use, and potential overdose, are greatly increased if she ceases OTS. (ATODA 2011, p. 6)

As well as demonstrating the difficulties experienced around access to medical appointments, this example illuminates the broader ways in which transport is a social determinant of health. The stressful and time consuming journey that this family must regularly undertake impacts on their time and, consequently, the time that they have available for developmentally appropriate activities for the children and on the time that the mother, Sarah, has to invest in education, employment and training – all of which are protective factors that correlate to better long term health outcomes.

### **Cross-border issues: failing to connect people and services**

Because public transport is a state/territory government responsibility, transport systems are designed to operate within jurisdictional borders despite the fact that for many ACT residents and commuters these jurisdictional borders are arbitrary. Pittman and Day, for example, report that:

approximately 11,500 workers commute from [Queanbeyan] to any employment location within the ACT; and conversely some 37.4% of jobs in Queanbeyan are filled by residents of the ACT. (Pittman & Day 2015, p.327)

Despite the significant demand for cross-border services established by this data, Pittman and Day (2015) find that there is no integration of cross-border services travelling from ACT into Queanbeyan and that, moreover, the Queanbeyan region is significantly lacking in public transport provision.

Oaks Estate, which is within the ACT border, presents another area that must be considered significantly transport disadvantaged. Oaks Estate has a relatively high number of residents whose incomes put them in the bottom income quintiles – as indicated by the relatively high number of public housing properties in the area. At the same time Oaks Estate reportedly has some of the worst public transport access in terms of frequency of bus service in Canberra.<sup>4</sup> We acknowledge and welcome the new QCity Transport services to Oaks Estate that were announced in August 2016. These additional services will benefit the local community. However, we would still like to see services that connect Oaks Estate directly with Canberra city and with the Woden interchange as this would create important through-ways to services.

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4 With thanks to ACU students Margo Bulic, Johann Deraadt, Patricia Finkel, Jonathan Grady and Rebekah Spann for their research into this issue.

## Transport failures – people share personal stories

The following anecdotes, taken from the real life experiences of public transport users who are also community service clients, illustrate the impact of the failures of the current transport system. The people who have shared these anecdotes have given their permission for us to reproduce them here.

A client on Disability Support Pension with numerous financial issues was provided with St Johns details for a food hamper which she received. She was standing up on the bus going home and accidentally fell back into another person. She was then asked to leave the bus. She had no money and so couldn't get a taxi or another bus, and so she had to leave the food as it was too heavy for her to carry home. She ended up walking several kilometres home and had no food until next pension day.

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A person who vomited on a bus was asked to leave the bus, and had no way of getting home. She had to wait two hours by the side of the road for a friend to finish work and come and pick her up. She is in receipt of a Centrelink allowance and didn't have enough money to catch a taxi. She later found out she was pregnant and this was probably the cause of the vomiting as she wasn't sick with a cold or flu and did not remember eating anything that might have given her an upset stomach.

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Some bus drivers don't automatically open the back doors at stops and some people don't speak up or aren't loud enough to let the driver know and they miss their stop. The bus is usually crammed full so it is near impossible for the person to get to the front of the bus. A client who was in this situation started to have a panic attack and got off at the next stop she could – this was on a suburban route. The next bus broke down and did not arrive and she had no money for a taxi and her phone was out of credit to ring her mum to pick her up, so she had to wait for over an hour and twenty minutes in hot sun.

These anecdotes highlight the kinds of everyday experience that is not currently being recorded or captured in any systematic way. Yet the information contained in these anecdotes is vital to improving existing mainstream services. It is therefore imperative that the government undertake a detailed analysis of unmet transport need in the ACT.

## Recommendations

- Develop a vision and implementation plan for transport that is firmly grounded in an understanding of transport as a social determinant of health.
- Undertake a comprehensive needs assessment of transport disadvantage in the ACT. This study should explore the needs, preferences and practices of Canberrans with a special emphasis on population groups who are acknowledged as likely to experience transport disadvantage.
- All passenger surveys should include questions which look at improving the experience of passengers who travel outside of peak hours.
- Provide funding to remedy the layouts of bus interchanges and location of taxi ranks to make them accessible for people with disabilities.
- Address the gaps in cross-border public transport services, specifically for Queanbeyan and Oaks Estate through improved integration of existing service providers and by increasing services where they are lacking.

## Transport costs in the ACT

Transport disadvantage is very much impacted by transport costs and, in turn, transport costs can have a very significant impact on household spending decisions. ACTCOSS recently published a *Cost of Living Report* on transport costs in Canberra (Pilbrow 2016). The findings reported below are reproduced from that document.<sup>5</sup>

Based on the most recent Household Expenditure Survey (HES) data (ABS 2011, Table 23A), Canberra has the second highest expenditure on transport amongst capital cities in the country. Darwin, the city with the highest transport expenditure was \$233.78, with Canberra only marginally behind on \$232.23. In terms of the proportion of household income expended on transport, Canberra sits at third highest (spending 15.1 percent of weekly expenditure), behind Darwin and Melbourne. Only housing (19.6 percent) and food (15.4 percent) constitute greater expenditure areas for Canberra households (ABS 2011, Table 23A). In fact, Canberra households spend almost as much on transport (\$232) as they do on food (\$235) (ABS 2011, Table 23A). Apart from Darwin (and the NT as a whole), where expenditure on transport in fact does exceed

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5 For a full discussion of transport costs in the ACT please see the ACTCOSS 2016 *Cost of Living Report* (Pilbrow 2016).

expenditure on food, all other capital cities spend between \$15 and \$40 more per week on food than on transport (ABS 2011, Tables 231, 27A).<sup>6</sup>

While households in the ACT spend significantly more (\$40) per week than the national expenditure on transport, ACT households also have the second highest average income levels in the country (\$2537 per week) when compared with greater capital city areas across the country, behind only greater Perth (\$2686) (ABS 2015, Table 18). Despite their high average income, Canberra households still have the third highest expenditure on transport in terms of the proportion of the weekly household budget when compared with all capital cities (ABS 2011, Table 23A), which indicates that transport costs are high.

It is also important to bear in mind that the expenditure figures above are averages and do not reflect the reality of transport costs for all households in the ACT, particularly low-income households. Many low-income households – for example, households with people on disability and carer payments – would pay above 15.1 percent of their weekly income in transport costs and face very real pressures because of this.

In addition, the income figures do not reflect the reality for all households in the ACT, as not all ACT households earn anywhere near \$2537 per week. A household with one full-time worker earning the minimum wage and one part-time (0.5) worker earning the minimum wage would be earning \$1403.37 per week – nearly \$1134 under the ACT average household income for 2013–14 (Fair Work Commission 2016; Centrelink 2015, pp. 2, 5). A sole-parent household, with two children, relying on Newstart would be receiving \$627.14 per week (Centrelink 2015, pp. 2, 5, 25). Yet these households have to pay the same fuel prices, vehicle registration costs and taxi fares as the highest income earners.

With a single age pensioner receiving around \$498 per week, a single unemployed person receiving around \$330 per week and a young person receiving \$260 per week, transport costs are going to be felt more keenly and, in particular, any rises in transport costs for these households will put immediate pressure on weekly budgets. Even a single person working full-time and earning the minimum wage (\$656 per week) is earning around \$1700 per week under the ACT average (Centrelink 2015, pp. 2, 5, 13, 25). All of these households have to pay the same bus fare and taxi fare rates (unless they are eligible for a concession or subsidy) or cost of petrol at the bowser (for which there are no concessions).

The transport needs of people living with disability are a particular focus of our 2016 *Cost of Living Report*. Accessible transport options are a key cost of living factor for people with disability that impacts on access to work, health care, services, social, community and other events and opportunities (see for example Gough 2015, p.12). People living with disability who do not drive

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6 In terms of states/territories, as compared to capital cities, the gap between the expenditure on food and transport is much narrower – in the NT transport expenditure is greater than food expenditure; and in Queensland food expenditure is only \$1 more than transport expenditure. The narrower gap in states and territories partly reflects the increased costs of transport in states/territories with larger remote populations (ABS 2011, Table 27A).

currently face limited choices when it comes to accessible travel options in the ACT. In particular, people living with disability have a heightened reliance on transport options such as taxis and therefore have a heightened need for an affordable, accessible, high-quality and safe taxi system.

In relation to taxi costs, for peak rates, Canberra, as at April 2016, has: the highest flag fall rate; the third highest distance per kilometre rate; the third highest waiting time per hour rate and equal third highest airport rank fee (Taxi Fare Calculator 2016). While not as high, the general off-peak rates for Canberra are still some of the highest in the country (ranking second to fourth in the corresponding categories above).

The impact Uber may or may not have on these costs is not yet clear. In our work on the Taxi Industry Innovation reforms we identify the need to examine whether these reforms will result in improved services and costs for people with disability who currently rely heavily on taxi based transport (ACTCOSS 2015a; ACTCOSS 2015b). In order to do so it is necessary to capture systematic data on changes to the market.

Transport costs are considerable in the ACT. And as the anecdotes above demonstrate when people are unable to meet these costs it can result in hardship including going without food. In our submission to the Concessions Review (ACTCOSS 2016) we argue that concessions need to be reviewed to keep up with cost of living pressures for people on low-income Health Care Cards and also expanded to include concessions for learner, probationary and restricted licenses. We reiterate these recommendations as vital to addressing transport disadvantage in the ACT.

We also request that the government fund a scoping project exploring the issue of transport-related costs and whether and to what extent meeting such costs involves the accrual of personal debt for individuals living on low incomes. We know, anecdotally, that individuals on low incomes frequently inquire into whether the no interest loan scheme (NILS) can be accessed to cover registration and other vehicle operation costs. We also know that the NILS is not available for this purpose. What is not known is what alternative financial products people are turning to in the absence of a NILS product to cover these essential transport costs. It is reasonable to conclude that people may be turning to pay day lenders and other sub-prime loan arrangements and that transport costs contribute to cycles of indebtedness for people living on low incomes in the ACT. A scoping study would determine whether and to what extent this is an issue in our community.

## Recommendations

- Introduce license concessions for learner, probationary and restricted licenses. Align the discount on license fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%).
- Collect data to monitor whether and how people with disability benefit from the introduction of ride sharing services in the ACT, e.g. track impacts on number and quality of services and impact of ride sharing on ride costs for accessible vehicles.
- Undertake a study of transport costs in order to examine how individuals on low and fixed incomes meet costs of vehicle operation and maintenance and if and to what extent this involves reliance on sub-prime loans. Address any findings on the broader relationship between transport costs and indebtedness for people on low and moderate incomes.

## The policy context

The ACT Government's policy vision for transport includes a range of objectives – improving the health of Canberrans by promoting walking over driving; achieving the ACT Government's emissions reduction targets through transport mode shift from private car to walking, the bus and light rail; addressing transport disadvantage; and reducing congestion (Environment and Sustainable Development Directorate 2012, pp. 4-5; ACT Government 2015a, p. 2). In practice, major transport infrastructure spending is directed at improving the commuter experience, easing congestion and encouraging commuter mode shift from cars to other, more sustainable, transport options.

The 2015-16 Budget, for example, indicates expenses for light rail totalling \$51,777,000 across the forward estimates (ACT Government 2015b, p. 71). The 2015-16 Budget also details investments in walking and cycling infrastructure including the Civic and Braddon public realm improvements totalling \$1,500,000 in capital expenses (p. 112), the Acton – Sullivans Creek cycle upgrades totalling \$1,500,000 in capital expenses (p. 129), the Barton – Bowen cycle path totalling \$600,000 in capital expenses (p. 130), Belconnen Town Centre improved cycling connections totalling \$100,000 in associated expenses (p. 130), pedestrian and cycling accessibility improvements at the Kingston Group Centre totalling \$150,000 in capital expenses (p. 131), the Molonglo to the City cycle highway totalling \$200,000 in capital expenses (p. 131), Oaks Estate river corridor heritage walk improvements totalling \$230,000 in capital expenses (p. 131), Tuggeranong town centre improved cycling connections totalling \$100,000 of associated costs (p. 132), West Belconnen to the City improved cycling connection totalling \$100,000 of associated expenses (p. 133), Woden – Canberra hospital pedestrian and cycle connections totalling \$532,000 in capital expenses (p. 133), Woden Town Centre cycle and pedestrian network totalling \$250,000 in associated expenses (p. 133).

The 2014-15 Budget included new weekend bus services in new suburbs including Wright, Casey, Harrison and West Macgregor totalling \$2,000,000 across the forward estimates (ACT Government 2014, p.109). A one-off expense of \$500,000 for improved community transport coordination was also included in the 2014-15 Budget (p.111). Capital expenses in that year's Budget included \$900,000 for the Erindale station upgrade (p.148) and \$2,500,000 in capital initiatives for Stage 4 of walking and cycling infrastructure improvements (p.149) – at least some of which is presumably covered in the more detailed pedestrian and cycle initiatives detailed in the 2015-16 Budget and noted above. There was also \$112,000 allocated in 2015 for the 'maintenance and management of the Taxi Subsidy Scheme (TSS) smartcard program' (ACT Government 2015b, p. 88).

In the 2016-17 Budget additional initiatives to expand bus services to new suburbs in Molonglo were announced (ACTION Network 16) totalling \$3,476,000 across the forward estimates (ACT Government 2016, p.79). Additional active travel initiatives were also funded with \$380,000 across the forward estimates for 'Active travel for schools and shopping centres' (p.79). The 2016-17 Budget also included \$47,100,000 to 'Improved delivery of ACTION services' (p.79).

In the 2016-17 Budget a further \$600,000 was allocated to the Flexible Bus service to allow expansion into the Gungahlin area (ACT Government 2016, p.122). This funding allocation is only for one year, pending a review of the ACT transport system. This is in addition to a 2015-16 Budget measure of a one-off expense of \$496,000 for the Community Coordination Centre (ACT Government 2015b, p. 99). The Flexible Bus service does address the transport disadvantage of older people and some people with a disability who use the service. However, people who are socially disadvantaged but do not experience a mobility impairment are not eligible for this service.

These are considerable expense initiatives clearly directed at delivering on multiple transport goals – reducing peak hour congestion; encouraging mode shift to meet the objective of reduced carbon emissions; and the promotion of 'active travel' and improvement in physical activity, health and wellbeing.

Nonetheless, when considering recent transport infrastructure expense initiatives, it appears that addressing transport needs for commuters attracts more government investment than the transport needs of people experiencing transport disadvantage. While ACTCOSS does support creative, innovative citizen-led solutions to our transport challenges we do not think that this should mean that mainstream transport services do not have a role in addressing transport disadvantage. It is simply inefficient, as well as unfair, to commit transport infrastructure in a way that creates transport disadvantage then seek creative ways to ameliorate the transport disadvantage that has been created by the design of infrastructure investments. Instead of treating this disadvantage as if it were a 'special problem', we need investment in accessible and inclusive transport infrastructure alongside specialist services and innovative transport initiatives that cater specifically to the needs of people currently experiencing transport disadvantage.

The commitment by the government in 2016-17 to allocate \$47,100,000 to 'Improved delivery of ACTION services' (ACT Government 2016, p.79) presents a prime opportunity to review the way public transport is designed and delivered in the ACT and the extent to which it is integrated with the surrounding region. It is imperative that any 'efficiencies' pursued through reform to the public transport system be conceptualised broadly to take into account the costs to wellbeing of failing to provide high quality frequent public transport to all citizens in need of it. Transport is a social determinant of health and when it is not provided adequately, and individuals are not able to absorb the costs involved in private transport, research shows that social and economic outcomes will be negatively affected (Dodson et al 2006; Hine 2009).

### Recommendations

- Assess investment in transport against the impact of transport infrastructure spending on increasing the affordability and accessibility of transport for people who are transport disadvantaged to access work, health and education facilities, food and other shopping amenities, and social networks.
- Improve and increase access to public transport in neighbourhoods and regional centres, with a focus on increasing affordable and accessible transport for east-west travel.
- Further expand the already committed investment to improve accessibility of bus stops, lighting and pedestrian infrastructure.

## Policy challenges, trade-offs and people left behind

The delivery of public transport involves costs – financial and social. It also often involves trade-offs. ACTCOSS is concerned that trade-offs in the design of public transport in the ACT prioritise people who are socially and economically advantaged to the detriment of people who experience disadvantage.

The ACT Government's policy document *Transport for Canberra* notes that 'frequency can be increased by providing fewer bus routes, but the trade-off is that some people might need to walk a little further' (Environment and Sustainable Development Directorate 2012, p. 28). Frequency and coverage are treated as requiring a necessary trade-off. A frequent service will involve shorter wait times; and shorter travel times. The trade-off for a frequent service will be less coverage – meaning more people are more likely to live further from a bus stop.

The risk inherent in a trade-off between frequency and coverage is that the transport needs of different transport user groups are played off against each other. Commuters with regular travel times and popular travel destinations, like workers in town centres, benefit most from a frequent system. Their travel times

are lessened by regular services and direct routes to places that can be readily mapped in terms of mass demand.

Public transport users whose travel needs are broader, such as travel to a job outside of the Monday to Friday 9am – 5pm schedule (for example, workers in construction, health, hospitality, retail or community services jobs), getting to the grocery store, visiting the hospital, attending doctors and other appointments, and taking children to school, are not as easily shaped or mapped by planning methodologies that focus on peak hour demand and usage. These needs are just as vital as the needs of commuters getting to and from work. But as they are not as predictable in terms of travel times or geography, they therefore require greater coverage and travel within and outside the hours of 9am and 5pm. The trade-off between coverage and frequency is a trade-off between these different groups and their different travel needs.

In 2013, during government consultation regarding planned revision of the ACTION bus network which would 'straighten' routes, ACTCOSS received a letter submitted to the consultation process by a local resident. The letter articulates precisely this concern that the coverage-frequency trade-off pits the needs of some public transport users against others:

I note that the proposed changes are presented as increasing frequency and creating more direct routes, particularly at peak hour. These are worthy aims.

[However] In my case, the proposals will halve the frequency of my service, and force me [to] walk home twice as far, up a steep hill – this will render the service unusable if I have been shopping, leaving me without any bus access to get home. The route I will now have to use has no proposed change, so it is no more direct than before.

The reasons for my concern relate to demography and topography, both of which may have been largely forgotten in the new plan. [...]

I am, at 65 years of age, now semi-retired. I use the bus several times a week, almost always outside of peak hour, to shop, to attend medical appointments and to attend work meetings all over Canberra.

While I applaud the encouragement to those with 'normal' working lives to catch a bus to and from work, it seems we risk forgetting the demography of those who must use bus services in the middle of the day. By definition, these are the young, the poor, the disabled and the elderly. Your survey asks about our reaction to 'walking further to a bus stop' – no prizes for guessing the responses of most of your disabled and (increasingly) elderly patrons, should they complete the survey.

What this letter highlights is that the trade-off between a frequent network and comprehensive coverage results in some people being advantaged and others disadvantaged.

The *Transport for Canberra* document proposed some degree of balancing the need for frequency and coverage options noting that the consultation process highlighted that Canberrans are wedded to both coverage and frequency and are not willing to overly compromise one way or the other (Environment and Sustainable Development Directorate 2012, p. 13). Yet this trade-off between

coverage and frequency is a recurring point of tension between 'efficiency' objectives and community needs (see for example Cox 2014).

One of the reasons that the tension persists is because coverage and frequency are related to different transport goals. In a media statement on the proposed straightening of routes in 2013, Minister Rattenbury asserted: 'Increasing the frequency of bus services will encourage more Canberrans to get out of their private vehicles and on to public transport' (Rattenbury 2013). It appears from this that the bus system is being designed for people who are not currently public transport users, but for people whom the government would like to 'mode shift' from their private cars to public transportation. This objective is part of the goal of reducing carbon emissions which is a named goal of the government's transport reform, as noted above.

There would be benefits from such a mode shift beyond the environmental benefits – but the benefits would not be for the existing transport users like the author of the letter cited above. The benefits would be to the health and wellbeing of private car users who would save money on their transport costs and potentially see improvements in their general health through moderate increase in physical activity that a shift from car to bus entails.

By prioritising the transport needs and targeting the preferences of socially advantaged Canberrans, public transport in the ACT does not only fail to remedy health inequities, it potentially exacerbates them. Promoting frequency – without any additional investment in resources for coverage – effectively redirects public services and public funds from those who experience the greatest need for improvements in their access to transport to those who are already advantaged by their access to diverse transport options that maximise their ability to navigate a city designed around private vehicle ownership and use.

This situation is by no means unique to the ACT. In a literature review on public transport in Australia, researchers Christl, Harris and Wise (2009, p. 6) state that:

An analysis of data on public transport and private motor vehicle use from Australian Government sources found that most public transport is provided in central business district areas, and that it benefits higher income earners more than lower income earners. (Christl, Harris and Wise 2009, p. 6)

Part of the reason that public transport benefits higher income earners more than lower income earners is because public transport is frequently offered as the solution to the problem of traffic congestion in cities – the transport disadvantage experienced by socially advantaged groups. As Michael Shapiro has noted:

"traffic congestion", which receives more space than any other "urban problem", is a middle-class problem, in that it accepts the already-produced segregation, housing, and shaping of the labour force that has arisen from the structures of real estate speculation, work force creation, city planning, and so on. Traffic congestion is a "complaint" from those who are in a position to vocalize. (Shapiro 1991, p. 99-100; see also Bacchi 2012, p. xv)

But perhaps the most apparent conceptualisation of a transport trade-off is found in the MRCagney report commissioned by the ACT Government that treats environmental sustainability goals and social service needs as necessarily involving a trade-off:

Serving social service needs does not contribute directly to environmental sustainability objectives, but it does contribute to other government objectives in areas of social services and economic development. For example, if a person is prevented from holding a job due to the lack of a viable transport option, this person may remain unemployed and thus create a greater burden [sic] for government. Social inclusion for disadvantaged persons – especially seniors and the disabled – is also a direct government interest.

Still, the sustainability and social service goals are inevitably in conflict outside the highest-patronage parts of the network. In low-density suburbs, funds spent on these goals cannot be spent on the goal of building a high-patronage, high-quality core network that can contribute to environmental sustainability. As a result, all public transport authorities, consciously or not, make decisions about how much funding to apportion to various kinds of service. (MRCagney 2012, p. i)

It is also important to note that there are other examples within transport policy where access to service is experienced differently by different service users. This occurs, for example, as a result of eligibility for transport subsidies. The Flexible Bus (Flexi-Bus) service provides an example.

The Flexi-Bus, modelled on the success of existing community transport services, is the only initiative that the government has introduced in recent years which explicitly focuses on people experiencing transport disadvantage. The Flexi-Bus utilises existing stock – the school run buses for school aged children with disability – and increases the efficiency of an existing resource by putting it to use during school hours to enable older Canberrans and Canberrans living with disability to meet their travel needs during 9am and 3pm on weekdays.

The Flexi-Bus service does increase access to transport for people with mobility impairments. What is disappointing about the design of this service is that eligibility is predicated on mobility alone. It is not clear why this should be so. Transport concessions – whether provided as subsidised services, reduced ticket costs or as concessions on vehicle registration – cannot address transport disadvantage if eligibility criteria is limited to mobility. Such restrictions are unfair and exacerbate disadvantage.

Researchers from an Adelaide-based study on food deserts highlight this very point in their findings:

Our study found that access to food supplies is made easier for some who have been given support or an allowance because of disability or infirmity. Assistance given to people in these situations is reassuring. More worrying is the lack of assistance for those on low income and who cannot afford independent transport. For these people, getting to the food shops appears to be very difficult, whether or not they are from a food desert. Many have developed pragmatic ways to address these difficulties, such as walking or taking the bus to shops and getting a taxi home. However, these families

receive no financial assistance for this travel even though they are financially needy. They are thus doubly disadvantaged by both isolation and by cost of transport for food shopping. (Coveney and O'Dwyer 2009, pp. 54-55)

Local research reinforces the very real costs to individuals and families in our community when they are experiencing financial stress yet are precluded from accessing transport concessions:

Clients from St John's Care were most likely to have needed and been unable to access food assistance at some point in the past 3 months. 2 respondents said that they were unable to get help because they didn't have petrol to drive there. A number of clients of other services mentioned transport or being unable to access a service as an impediment, though some stated that they were able to contact their local church or another organisation in the end. St Benedict's clients who had been unable to access food assistance tended to just go without, or in one unfortunate case, the respondent's children went hungry. (Anglicare ACT and Red Cross 2013, p. 22)

Transport concessions need to align with need in our community. Where they do not, they cause unnecessary hardship.

## Community Transport

The discussion above highlights some of the current failures of access to transport and raises the issue of access to government transport concessions and to community transport options. Community Transport is a unique and vital resource which allows people who experience particular kinds of transport disadvantage to have their travel needs met. ACTCOSS is a member of the ACT Community Transport working group and endorses the vision statement produced by the group (see Appendix 2, this document, for a full copy of the statement).

While ACTCOSS is an advocate for a high quality and effective community transport service system in the ACT we do not support community transport being used as the solution to the current failing of the public transport system. Community transport will be most effective in responding to transport need in Canberra when it operates alongside a highly functioning public transport system that addresses citizen demands for coverage and frequency of service.

Community transport can be a complement to a high function public transport system but is not an alternative to it. This is because community transport is a form of passenger-centred transport – it is not a mass transport system. As set out in the Community Transport Working Group Vision Statement:

Community Transport is a specialist service that is an alternative to, and distinct from, other forms of public, mass, and private transport available in the ACT. Community transport is primarily about relationships and about putting relationships at the centre of meeting people's transport needs. Community transport providers build relationships with service users. They work to understand service user's health and social needs in order to facilitate a personalised, effective service. [...]

Recognising the importance of transport to people's wellbeing also means that, though it is targeted, eligibility for community transport should be broadly needs-based. Community transport should not be limited to people who have a mobility impairment, are elderly and/or who have access to an individualised funding package. Community transport should be available to all people who cannot safely or effectively access other forms of transport and this will include people who are living on low incomes and who do not have access to other transport options.

Community transport is able to provide an appropriate level of service to people who have experienced mental ill health and people who have experienced crisis. Community transport is informed by a human rights understanding that all people are entitled to appropriate and accessible transport.

## **Policy solutions: Engaging communities, improving mainstream services and creating new and tailored initiatives**

ACTCOSS believes that it is important that discussions of transport policy create opportunities in which citizens can be engaged as 'policy innovators' and 'problem solvers'. ACTCOSS advocates a strength-based approach that engages local communities and learns from local initiatives that have already succeeded in reducing transport disadvantage for the people and groups not currently well served by public transport.

There is already evidence that the community wants to be involved in the design and development of public transport in Canberra. The *Transport for Canberra: Time to Talk Transport Outcomes Report* highlights this fact (Elton Consulting 2011). The report, which summarises all of the community submissions received in response to the government's Transport for Canberra consultation process states:

Mostly the call is for Government to be ambitious and implement change sooner than the long-term timeframe proposed in the plan; and for improvements to be delivered more urgently and with more focus on access to the vulnerable in the community. There is a perceived need to maintain or increase the current absolute numbers of disabled parking spaces and for a review of parking provision for people with disability to ensure Canberra meets national standards.

The vulnerable [sic] includes people with chronic and mental illness, children, the aging, people of non English speaking background, the homeless and unemployed, some members of the Aboriginal and Torres Strait Islander community who are highly reliant on public transport services and the community bus service.

There is a call for ongoing consultation about transport and setting up a Transport Community Consultation Forum for exchanging information and ideas. (Elton Consulting 2011, pp. 6-7)

To date, the government has not adequately included the community in its planning process, outside traditional forms of consultation, and, to the best of

our knowledge, no community forums such as those recommended above have been initiated. A workshop held by the ACT Transport Directorate in April 2016 was a welcome opportunity to engage not-for-profit community services in a conversation about transport need in the community. ACTCOSS appreciates and recognises the moves by the Directorate to begin a process of engagement with the community sector to further explore transport need. But for all of its merits the workshop did not include the community.

We acknowledge that two planned community forums were cancelled in August 2016 and welcome the Directorate's plans to reschedule these at a date to be confirmed.

Taking a strengths-based approach to transport would mean not seeing transport users who travel outside of Monday to Friday 9am - 5pm commuter hours as a 'problem' to be 'solved', but as a resource to engage.

A strengths-based approach would also recognise and tap into the social and economic assets available in the ACT that could be deployed to address the 'wicked' problem of transport provision in the ACT. These assets include:

- A single level of government responsible for all components of transport planning, provision and regulation
- Expertise and an appetite in the community to offer constructive solutions
- The Canberra Innovation Network and its capacity to imagine and operationalise digitally enabled transport mapping, planning, resource deployment and future design
- Whole of community implementation of the NDIS, necessitating a reimagined business model for transport provision for people living with disabilities as well as heightened urgency to meet accessibility goals for public transport
- Community Transport providers ready and willing to collaborate, co-ordinate, improve reach and expand capacity
- The establishment of Transport Canberra, bringing together policy and administrative responsibility across different transport services and infrastructure
- Government readiness to consider and adopt innovative platforms for transport provision including ride sharing, car sharing and electric vehicle infrastructure.

## Reference list

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## Appendix 1

<b>Cost of gaining a driver's license in the ACT<sup>7</sup></b>	
Road Ready course (includes 4 chances at the Road Rules knowledge test)	\$177.50
Learner License (includes Learner Pack)	\$53.80
Average number of lessons required if applying for probationary license through the Log Book method	\$735.00 (10 lessons x \$73.50)
Driving Assessment Booking Fee	\$98.30
Probationary License	\$171.60
<b>Minimum Total Cost – Driving test method</b>	<b>\$501.20</b>
<b>Minimum Total Cost – Log book method</b>	<b>\$1137.90</b>

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7 Information on ACT Government charges current as at 20 June 2016. Information on driver lesson costs and average number of lessons needed taken from the NRMA website. Class costs are an average of the cost scale for 'subsequent driving lessons' provided on the website: NRMA Safe Driving, nd, 'Driving Lesson Pricing', accessed 20 June 2016, <<http://www.nrmasaferdriving.com.au/pricing.htm>>.

## Appendix 2

### Our Shared Vision<sup>i</sup>

*Community Transport is recognised as a specialist door-to-door service that enhances wellbeing and is available to all who need it in the ACT and surrounding regions.*

Community Transport is a specialist service that is an alternative to, and distinct from, other forms of public, mass, and private transport available in the ACT.

Community transport is primarily about relationships and about putting **relationships at the centre of meeting people's transport needs**.

Community transport providers build relationships with service users. They work to understand service user's health and social needs in order to facilitate a **personalised, effective service**.

Community Transport recognises that transport is a **social determinant of health** and treats social needs – for connection to community, family and friends – as vital to health and wellbeing. Therefore, Community Transport is not limited to transporting people to and from medical appointments. Rather, community transport is a means by which people who are otherwise unable to access community facilities and social activities are supported to connect with their community. This involves offering transport outside of nine to five hours and a recognition that people living in the ACT may have need to travel into the broader New South Wales region. At its core, community transport takes a **holistic understanding of wellbeing**.

Recognising the importance of transport to people's wellbeing also means that, though it is targeted, **eligibility for community transport should be broadly needs-based**. Community transport should not be limited to people who have a mobility impairment, are elderly and/or who have access to an individualised funding package. Community transport should be available to all people who cannot safely or effectively access other forms of transport and this will include people who are living on low incomes and who do not have access to other transport options.

Community transport is able to provide an appropriate level of service to people who have experienced mental ill health and people who have experienced crisis. Community transport is informed by a **human rights** understanding that all people are entitled to appropriate and accessible transport.

### **Personalised Service – some examples**

- Enabling continuity of service – having the same driver available for a service user, to allow relationships to form and grow
- Changing drivers for a service user if requested
- Knowing and respecting the service user's preference for (for example) travelling alone or with others; music/radio in the car; level and extent of conversation with driver
- Having an approved protocol plan in place if a service user does not come to the door at the time of a scheduled pick up to check on the wellbeing of the individual.

### **Excellence in service delivery**

Personalised service occurs at every stage of the transport system – including booking. In practice this means providing meaningful information to people when a requested service cannot be provided. People contacting community transport providers should be able to expect to speak with an individual who can clearly explain service capacity and not have their call answered by an automated service. Calls should not involve lengthy hold times.

Excellence in service delivery means that people are able to book their trips in advance and that they have reasonable wait times for service.

Excellence in service delivery also means that providers of community transport are access points into the wider community service system, able to make recommendations and share knowledge about a broad suite of relevant community services and programs.

Excellence in personalised service means that community transport providers regularly seek comprehensive feedback on services from service users to understand what needs exist and how they can be better met.

### **Challenges, constraints and opportunities**

Community transport faces unique challenges through the introduction of an individualised funding model in aged care and disability services which not only has the potential to limit eligibility of service users, but also to limit the services that those eligible for funding can access.

Any responses to this changing context for provision of community transport must be driven by a desire to maintain and extend the standards of excellence for this specialised service. This was a key theme of the Community Transport Workshop on 28 April, where participants – including the Minister – noted that moves to closer integration across transport systems should be adopted if and when change would improve access, innovation, quality, efficiency and positive outcomes for the people who use the service.

Indeed, the social outcomes of community transport will also generate a longer-term economic benefit. This is because sustaining community connections maintains mental and physical wellbeing, builds informal networks of support and contributes to deferring or avoiding reliance on costly health services.

Community transport is a unique form of transport – it is not public transport ‘on the cheap’, nor is it simply a subsidised form of ride share. Community transport serves people in our community who cannot effectively or safely access other forms of transport. To the extent that this is so, community transport addresses a need that will otherwise go unmet for members of our local community.

While the present context is marked by challenges it also presents an opportunity to make sure that transport is conceptualised as vital to social and infrastructure policy.

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<sup>i</sup> This document outlines our shared vision for Community Transport in the ACT. It was developed following a focus group facilitated by COTA and the ACT Council of Social Service with not-for-profit Community Transport providers and representatives from People with Disabilities ACT and the Flexible Bus service.





## **ACTCOSS ACT 2016-17 Election Priorities – Improve transport choice and service for people experiencing disadvantage**

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### ***The Issue – Transport investments do not prioritise the transport needs of people experiencing social disadvantage in the ACT:***

Government investment in transport infrastructure is usually thought of in one of two ways: as addressing the problem of congestion in cities/moving people around the city at times of peak demand, and/or as encouraging people to change their mode of transport and/or adopt more active transport (e.g. walking, cycling). Such approaches to transport ignore the needs of many of residents who experience social disadvantage.

The tendency to focus on mass transit along trunk routes, and creating transport policy that is founded on trade-offs between efficiency and coverage, has also led to the transport needs of people experiencing social disadvantage in the ACT being marginalised in transport policy and planning.

Transport policy, planning and investment can drive and contribute to environmental, health and urban renewal objectives. But publicly funded transport services are core infrastructure that is especially valuable to people who experience social disadvantage. Marginalising the needs of socially disadvantaged groups is neither sustainable nor fair and a more nuanced and equitable solution to transport challenges are required.

### ***The Impact***

The impact on individuals of limited and/or low quality transport can be substantial. Local research has found transport disadvantage can exacerbate food insecurity<sup>i</sup> and impede access to primary health services.<sup>ii</sup> Transport is a social determinant of health. When it is not provided adequately, and individuals are not able to absorb the considerable costs involved in accessing private transport, research shows that social and economic outcomes will be negatively affected.<sup>iii</sup>

The 2016 Cost of Living Report published by ACTCOSS highlights the considerable costs of transport in the ACT. Our report found that in the ACT 'households spend almost as much on transport (\$232) as they do on food (\$235)'.<sup>iv</sup> Anecdotally, we know that the high costs of car operation and maintenance lead people on low and moderate incomes to take on short-term loans and delay renewing vehicle registration, but without a local systematic study of this issue it is not possible to understand the full extent of this issue and the full pressure that private transport costs place on Canberra households on low and moderate incomes.

The impact of transport under-investment is not just borne by people on low incomes. A study of transport disadvantage in Melbourne calculated economic and social costs of transport disadvantage and found:  
the overall scale of transport disadvantage in Victoria at some 120 million 'unmet trips' every year (2010) with an estimated economic impact of \$20 per trip (based on estimating the value lost from not being able to access activities). The total social cost is therefore \$2.4 billion each year which compares very closely to the estimated economic cost of traffic congestion in Melbourne.  
Needless to say addressing this social cost does not seem to attract the same investment in transport that new road projects attract to tackle traffic congestion. The analysis suggests this lack of action doesn't make economic (or social) sense.<sup>v</sup>

### ***THE SOLUTION – Apply a social determinant of health approach to transport policy and planning:***

ACTCOSS believes that transport policy, planning and investment decisions need to be guided by residents who are engaged as 'policy innovators' and 'problem solvers'. ACTCOSS advocates a strength-based approach that asks local communities about their needs and preferences. Decision

makers should learn from local initiatives that have already succeeded in reducing transport disadvantage for groups in the ACT not currently well-served by public transport (including taxis) such as community transport.

ACTCOSS would like to see increased investment in transport infrastructure that delivers greater coverage and frequency of services connecting local neighbourhoods and town centres outside of peak commuting hours. Additional cross-border services connecting Canberra and the local region, including Oaks Estate and Queanbeyan, are also needed.

Transport investments should accelerate delivery of measures that will ensure prompt compliance with legislated accessibility standards.

***OUR ASK: Invest in transport infrastructure that will deliver for people experiencing social disadvantage:***

1. Investigate transport needs for people experiencing social disadvantage and fund any improvements in public transport coverage and frequency required to meet the needs identified.
2. Evaluate accessibility of existing public transport infrastructure (vehicles and fixed infrastructure) and fund improvements to meet accessibility standards as an urgent priority.
3. Improve the fairness and adequacy of transport related concessions. This should include: license concessions for learner, probationary and restricted licenses and aligning the discount on license fees for Health Care Card holders (currently 50% of costs) with Pension Card Holders (100%).
4. Undertake a study of transport costs in order to examine how individuals on low and fixed incomes meet costs of vehicle operation and maintenance and if and to what extent this involves reliance on sub-prime loans. Address any findings on the broader relationship between transport costs, indebtedness and infringements (e.g. driving unregistered) for people on low and moderate incomes.
5. Fund community transport at sustainable levels and in a manner that will ensure that community transport continues to be available to all in our community who are in need of it. That means ensuring a community transport system that is not only available to people eligible for an individualised funding package through Commonwealth initiatives like the NDIS or an aged care package.

(Authorised by Susan Helyar)

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i Anglicare ACT & Red Cross, *Mapping food insecurity in the ACT*, accessed 5 May 2016  
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ii ACT Medicare Local, *Connecting Care: A Comprehensive Needs Assessment 2014: Major Issues and Key Points*, ACT Medicare Local, Canberra, accessed 16 June 2016,  
<<https://www.chnact.org.au/sites/default/files/CNA%20Major%20Issues%20and%20Key%20Points.pdf>>, 2014.

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