



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON COST OF LIVING PRESSURES IN THE ACT
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Submission Cover Sheet

Inquiry into Cost of Living Pressures in the ACT

Submission Number: 024

Date Authorised for Publication: 21 March 2023

Inquiry into Cost of Living Pressures in the ACT Submission

**Committee Secretary, Select Committee on Cost of Living Pressures in the ACT, Legislative
Assembly for the ACT**

Community Services #1 welcomes the opportunity to provide a submission to the Select Committee's inquiry into cost of living pressures in the ACT.

Rising cost of living in ACT

Families on low and moderate incomes in ACT are experiencing the steepest cost of living increases in more than two decades. The cost of living pressures spotlight the long-term struggles facing all those made vulnerable by the holes in our social safety net. The current inflation experienced by Canberrans is not demand driven. There are specific areas of the economy seeing price increases, notable energy costs, food, housing, and transportation. This inflationary story is one of supply-side disruptions, pandemic distortions and inequality. Dealing with cost increases is possible if one has a stable income and/or if one has a cushion of savings to draw down; unfortunately, this does not apply to many Canberrans who then have to make difficult choices to bear the brunt of escalating inflation. Those living in poverty are particularly vulnerable to cost increases. It means choosing whether to pay the rent or feeding their children, taking a huge mental toll on the individual having to make such dire decisions. For example, one of our food pantry clients on Jobseeker Payment finds himself not being able to afford a regular shop because the Jobseeker Payments have not kept up with inflation. He is struggling to pay bills/rent because of rising costs. Another client revealed that she is not earning enough to live without undue stress and/or meet her children's school-related expenses such as uniforms and stationery. The rising cost of food also means that many of our clients have to switch to highly processed foods. This pressure has adverse impact on their health such as obesity, diabetes, heart disease, greater stress and increased food insecurity for family members. Money is being stretched so thin at present that any non-essential electricity is kept to the bare minimum. Some clients have resorted to turning off their electricity meters so that they don't have to pay for their utilities. Below are our feedback and recommendations to help inform the considerations of the Expenditure Review Committee of Cabinet in the Budget process

Who are the people affected

Poverty rates are higher for different populations, depending on age and family type (e.g. single parents). While they are highest for those who rely exclusively on income assistance, they are also higher for new immigrants, refugees, persons with disabilities and Indigenous peoples. We acknowledge that while rising cost of living is frequently perceived to be an urban challenge, perhaps because this is where it is most visible, there are other parts of the

community where the challenge of addressing cost of living is hidden. For example, there can be cultural barriers in smaller culturally and linguistically diverse communities, which can deter individuals from coming forward and asking for help. It is also necessary to consider the diversity within these groups and how intersecting identities can make people even more vulnerable. For example, the caste barrier in certain intersecting groups becomes most visible when someone dies in the house. Intersecting groups would not be allowed to come near the dead body nor the people performing death rituals.

Children

The cost-of-living crisis is having dire effects on parents, as families struggle to afford sports, after-school activities and lunches. The driving force was the increasing cost of rent, groceries and cost of petrol. A number of our clients with school-age children said they have found it increasingly harder to afford what their children needed for school such as uniforms, shoes and excursions. One client said that purchasing school uniforms represents a significant cost to her family and she has resorted to taking her child out from participating in sporting activities to avoid paying any sports-related expenses such as sports uniforms and registration fees. In the period between 2015-2021, the ACT has seen increases in children developmentally vulnerable in the physical health and wellbeing domain¹. Factors that support development in this domain include opportunities for children to practice fine and gross motor, skills, food security and environments that foster physical independence and outdoor play.

Community Transport, freight costs and food insecurity

Currently, community transport is an over-stretched and under-funded service across the ACT. A key barrier to the ACT Government 3-year-old Universal Access initiative's success is that vulnerable families are unable to access appropriate transport options to the Early Education and Care Services in their local areas. This further compounds the cost of living faced by people on low-incomes in meeting their transport needs. One of services that we have been providing and are unable to keep up with current and projected demand, is community transport. CS#1's inability to keep up with community transport demand means that we cannot support our clients to access our pantry, early education activities and social activities. This represents another hit to our clients' wellbeing and pockets who are dealing with inflation and the soaring costs of living resulting in having to continue to make sacrifices on already stretched household budgets.

The costs associated with transport continue to be exacerbated by the cost of living crisis being experienced by the Canberra community. CS#1 clients have reported that they are

¹ ACT AEDC 2021 Data.

https://www.communityservices.act.gov.au/data/assets/pdf_file/0005/2073686/CSD_AEDC_2021_WCAG_a.pdf. Access on 17 March 2023.

increasingly unable to use private and public modes of transport due to affordability concerns. The CS#1 food pantry is also experiencing concerns around the cost of freight to bring food from Foodbank from Sydney to Canberra through, with costs increasing from \$69 per pallet in June 2022, to \$242 per pallet in 2023. The increased costs have resulted in a reduction in food deliveries being received at the CS#1 food pantry, which means we are struggling to meet the increased demand for emergency food relief for our clients and their families. Many of our pantry clients have shifted from using our pantry as a means of top-up shop, to that of a full weekly shop, as there is an upward pressure on their household budgets with the escalating costs of food and other important household essentials.

Our recommendations:

Food pantries

- Increase funding for food pantries to cover the increasing cost of food and to meet the increased demand for food pantry services
- Subsidise delivery costs for food pantries and leading food rescue organisations such as OZ Harvest.

Community transport

- Increase community transport funding to services to offer children and families accessing the 3-year-old Universal Access initiative transport options to an early childcare service.
- Remove Community Services #1's current cap of 25 hours/week for utilising ACT Government-provided 25 seat community bus
- Provide Community Services #1 another 25 seat community bus with weekly usage cap

For children

- Free school meals and footwear/clothing grants
- Provide financial assistance (with a learning agreement) to help young people from low income households to stay on at school and continue their education.
- Subsidise after school sports activities especially sports that support gross motor skills development

Other

- Provide direct monetary support for individuals/households:
 - ✓ Provide automobile fuel vouchers (non-transferable or exchangeable for cash)
 - ✓ Physical items such as hygiene packs, warm items, stationery through food pantries

Finally, the impact of the cost of living is not just about what people can buy; it is also a significant barrier to many Canberrans reaching their potential. We recommend that any

policy development and measures to support people through the cost of living should also be informed by local knowledge and cultural practices. This could be done through the involvement of local stakeholders and through mechanisms within the ACT Government for continuous learning and policy refinement from local experience. We urge the ACT Government to make public programs and services adequate and accessible to more people, including non-permanent residents. We urge the committee to continue to address the pandemic fallout. These public investments could bring us closer to a new vision for Canberra, shifting ACT to a more inclusive economy that centres climate, economic and social justice.

For further information, contact:

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ABOUT US: We are proudly a profit-for-purpose community service organisation who offer a wide range of programs from early childhood education, aged care services, community support groups, senior's activities, out of hospital care, home care packages and more.