

2019

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**RESPONSE TO ASSEMBLY RESOLUTION OF 28 NOVEMBER 2018
SUPPORT FOR LOW INCOME CANBERRANS**

**Andrew Barr MLA
Treasurer
August 2019**

Madam Speaker, Canberra is one of the healthiest, wealthiest and best educated communities in Australia, and ours is among the most liveable cities in the world.

But we know there are members of this community who are doing it tough, and it is our collective responsibility to keep working to help make life better for these Canberrans. Our community isn't a genuinely prosperous one if some people are missing out on the benefits of a good life here.

That's why our government has introduced and expanded a wide range of concessions and assistance programs to help Canberrans on low or fixed incomes, and those who are experiencing financial hardship.

In responding to the Assembly's motion from last year drawing attention to the needs of these Canberrans, I would like to highlight some of these and how we see them making a difference.

Housing costs are usually by far the largest component of household budgets, and so we have a range of programs which help Canberra families establish a home for themselves.

This includes the affordable rent scheme for older Canberrans. This program is targeted to older people on low incomes, offering self-contained properties which are located close to amenities such as public transport and shops, and also incorporate easy accessibility features.

We also offer an affordable house purchase program for eligible families on lower incomes. We are delivering a mixture of apartments and townhouses through this program and we expect close to 500 dwellings will be released in 2019-20 across eight different suburbs including in the City, and the Belconnen and Phillip town centres.

We are making large investments in public housing – \$100 million across the next five years – while also requiring 15 per cent of all land releases to be set aside for public, community and affordable housing.

And we have recently fully abolished stamp duty for eligible first home buyers, which is a major part of our 20-year tax reform agenda. This will make it much easier for first home buyers to find the right place to call home. We know this group doesn't only include young couples but also single parents and families who've never been able to get over the hurdle of big upfront costs before.

Housing costs can also be a challenge for people who already own their own home, which is why we also provide a rebate of up to \$700 a year for eligible pensioners for their general rates.

We also provide a utilities concession of up to \$700 a year to help eligible pensioners, both renters and owner-occupiers, with their water, electricity and gas bills. To further assist with utility bills, the government also provides a free home visit assessment service to help households reduce their energy and water consumption. This service includes installation of draught proofing to homes at no cost for Canberrans on low or fixed incomes.

I would also like to highlight that the ACT maintains the highest proportion of public housing stock in Australia – with 27 dwellings per 1,000 people, against a national rate of 13.

We provide public housing to around 22,000 people, the majority of whom are low income Canberrans receiving assistance in the form of a rental rebate. In 2018-19, Housing ACT provided approximately \$144 million in rental rebates.

The rent payable by eligible tenants is subject to substantial discounting, with tenants paying market rent or no more than 25 per cent of income as rent, whichever is the lesser. On average, the weekly rent payable by public housing tenants is \$150.00 per week.

In addition, the government has made available approximately 630 properties to Community Housing Providers, who provide affordable and social tenancies to low income Canberrans.

The Government also has a program to provide energy efficient electric reverse-cycle units for public housing. In addition to improving the comfort of homes all year round, it also improves the financial capacity of low income Canberrans through reduced energy bills. In 2017-18, 240 properties had new appliances installed. Building on this success, the Government allocated \$5.7 million in 2018-19 to improve energy efficiency in more than 2,000 public housing properties by 2022, with about 300 units installed to date.

Beyond housing and utilities costs, we aim to help Canberrans on low or fixed incomes with their cost of living across the full range of services this government provides.

For example, we offer:

- A 100 per cent discount for both vehicle registration and the issue or renewal of drivers' licences for pensioners who hold a Centrelink or Veterans' Affairs Pension Concession Card.
- A discount of either 50 or 65 per cent on one year drivers' licence renewals for people who have been unemployed for six months or more and are receiving the Newstart allowance.
- Free off-peak travel on buses and light rail for eligible seniors and concession card holders
- Support with education costs for low income earners who are supporting full time dependent students
- Free dental services for children and young people, as well as for adults and seniors holding Centrelink cards.
- A range of assistance for asylum seekers – including access to public transport concessions, language classes, public schools, as well as healthcare services.

Madam Speaker, these are just a few of the support and assistance programs we offer the ACT community. We understand that with a wide range of supports available for people in different circumstances, it can be difficult to know where to start.

That's why we have recently updated the ACT Government's assistance website at: act.gov.au/assistance.

The website now includes an easy-to-use questionnaire that lets Canberrans enter some information about their circumstances and see a customised list of concessions they may be eligible for.

People can also contact Access Canberra on 13 22 81 or the ACT Revenue Office on 02 6207 0028 to speak to someone about what concessions and supports they may be eligible for, and to apply.

Since the Assembly passed this motion, the ACT Revenue Office has worked closely with Care Financial to develop a training program for ACT Revenue Office staff who deal with people on the phones to ensure they can identify people who might be experiencing hardship, and proactively make them aware of our support programs. Design and delivery of this training has been led by Care Financial given their deep expertise in assisting people experiencing financial stress. Two 3-hour training sessions, tailored to the particular challenges faced by ACT home owners experiencing hardship, were delivered to ACT Revenue Office call centre and debt management staff in June 2019.

Work is also underway within Access Canberra to improve how our staff over there support people who may be in need of financial assistance, but do not know where to start. I want to particularly acknowledge ACTCOSS for their involvement and insights into how we can serve people better who are having a tough time, or just need to know what help is available before they can ask for it.

Madam Speaker, I would also like to take this opportunity to raise awareness about two additional government programs which aim to support Canberrans on low or fixed incomes: the general rates deferment scheme and the pensioner duty concession scheme.

These programs can be a big help with the daily cost of living – particularly for people on fixed incomes as we know many older Canberrans are.

Under the general rates deferral scheme, anyone aged 65 and over with at least 75 per cent equity in their home can defer all of their annual rates charges. This can mean a significant boost to disposable incomes for seniors and retirees. Eligible pensioners and people who may be suffering a short-term hardship like illness or unemployment can also choose to defer their rates bills for a time.

The Pensioner Duty Concession scheme helps eligible pensioners to move into a home that best suits their needs, by providing either a full or partial stamp duty discount. This can provide a big saving for households looking to downsize or move into a home that caters for changed mobility needs.

Madam Speaker, another of the significant matters raised by this motion was asking the Government to investigate applying income-based fines in the ACT.

Currently, Canberrans who are having difficulty paying a parking or other traffic infringement can apply for an infringement notice management plan. This means putting in place an instalment plan to slowly pay off an infringement notice, with people able to pay as little as \$10 a fortnight. There is no limit on how long an infringement management plan can be in place, giving plenty of scope for people to pay off infringements in a manageable way. This ensures these infringements, which are usually an unplanned expense, do not overburden family budgets.

An alternative option for eligible individuals is to complete an approved community work or social development program. There are some great

examples of programs that see people give back to our community or help them develop useful life skills like better household budgeting, while reducing their liability for infringements.

So our current approach assists Canberrans on low or fixed incomes by offering either a manageable payment plan with low instalments or completion of a community work or social development program as options to deal with traffic and other infringement notices.

This is generally regarded as a more practical approach than income-based fines, which are not currently in use anywhere in Australia. Victoria and New South Wales take a similar approach.

I would note that it is not always easy to categorise drivers into clear cut financial situations for the purpose of fines. There are many drivers who may not have incomes but are not necessarily financially disadvantaged – including relatively wealthy people taking time off work or working part-time for study or lifestyle related reasons.

Having again considered this idea, it does not seem practical or feasible to impose income-based infringements for things like traffic and parking infringements, of which there are around 177,000 issued each year in

the ACT. These infringements are set by legislation and are issued automatically without a court or other review body hearing the matter.

One area where it may be feasible is in relation to fines issued by the courts, by providing magistrates who are hearing a case with more discretion in relation to the maximum financial penalty that can be awarded. This is the approach that some other jurisdictions – for example in the United Kingdom – have taken and it may make sense here as well when matters are being heard by the courts already. This is an area where we will continue to monitor developments in other jurisdictions closely, and consider as we look to the next suite of justice reforms beyond those currently underway to better support victims of institutional sexual abuse and introduce a Drug and Alcohol Court for the ACT.

Madam Speaker, in relation to other actions the motion calls on the ACT Government to undertake, I am happy to report to the Assembly that:

- The ACT Revenue Office wrote to 13,740 pensioners earlier this year, informing them about the availability of the option to defer their general rates.

- General rates notices for the 2019-20 financial year include additional information on rates-based concessions, deferments and hardship arrangements. They also clearly state that payments can be made quarterly, monthly, fortnightly and even weekly. The first round of these notices has been delivered to property owners in the first billing sector, with notices for properties in sectors two and three to follow in mid-August and mid-September respectively.
- Updated information is also available on the ACT Revenue Office website relating to hardship assistance. This includes information on rates assistance and factors for assessing eligibility for hardship assistance as well as examples of the kinds of circumstances that might lead someone to seek hardship assistance and how to apply.
- The Socio-Economic Analysis on Taxation and Concessions Policy was published as part of the 2019-20 Budget and included a large number of scenarios covering pensioners, seniors and low-income families with children.

Finally, in relation to the last issue outlined in the motion – ACT government officials have been discussing with Commonwealth

agencies the ability to share data, with the goal of better targeting concessions and assistance programs to people on lower incomes. We recognise there are opportunities to better target assistance using data held by Federal agencies – especially those who may be falling between the gaps in the Federal and Territory systems. We also recognise that there are Canberrans who may be in need of assistance who are not current recipients of Commonwealth concessions, and we need to do a better job of identifying who these people are so we can help them.

It is an ongoing discussion with the Commonwealth to improve our existing information sharing arrangements between the ACT Revenue Office and federal agencies, and balance the benefits of better sharing of things like income data and household composition with the community's reasonable expectations about privacy and data security.

While we are on the topic of the Commonwealth, Madam Speaker, it is worth noting that one of the best things anyone could do today to assist people on very low incomes is to raise the rate of Newstart. With the return of the Morrison Government it does not currently look like there is going to be even a review of the rate as promised by federal Labor, which means Canberrans and others right around Australia will continue

to struggle because Newstart Allowance is simply inadequate to the cost of living today.

Newstart needs to be increased, and it needs to happen as soon as possible. There is a lot we can do here in the ACT to help members of our community but in the absence of a shift from the Commonwealth on this important issue, we will continue to battle to plug a big hole.