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# Media release: ACT Budget must address cost of living pressures for low-income households

7 MAY 2019

In the lead up to announcement of the ACT 2019-2020 Budget the ACT Council of Social Service (ACTCOSS) has released [research \(/publications/advocacy-publications/act-cost-living-report-2019\)](#) highlighting the need to ease cost of living pressures for low-income Canberra households. ACTCOSS' 2019 ACT Cost of Living Report found that Canberra's overall CPI has continued to increase above the national rate over the past year. Across most essential goods and services, prices in the ACT rose above the national rate, hitting low-income households hardest.

ACTCOSS Director Susan Helyar said, 'The rising and relatively high cost of essential goods and services in the ACT continues to hit low-income households hardest as these items account for a greater proportion of their disposable income. For example, our analysis found that fuel prices in Canberra rose by 15% over the past year and have risen by 30% over the past decade – the highest rate of any Australian capital city. Energy prices in the ACT also continued to increase well above the national rate, with electricity prices rising by 11% over the past year. Fuel and energy costs account for around 12% of income in the lowest-income households compared to around just 4% of income in the highest-income households. This is on top of housing costs that are not affordable to so many low-income households.'

'There are almost 37,000 people living on low income in the ACT and 26,000 people living below the poverty line. The higher risk groups for poverty include young people, parents and children in single income households, people over the age of 80 and people who are in insecure work. People living in households

whose sole source of income is Newstart, Youth Allowance or related payments face the greatest risk of living in poverty, highlighting yet again that these payments are inadequate to meet essential living costs in the ACT. This report provides further evidence of the urgent need to raise the rate of these allowances by \$75/week and to index them to wages so that they keep up with living costs. With over 10,000 people living on these allowances in the ACT, this is the single most effective policy to immediately reduce poverty and inequality in the ACT. ACTCOSS values the ACT Chief Minister, Deputy Chief Minister and other MLAs supporting the Raise The Rate campaign and call on all Federal Election Candidates to do the same.'

Ms Helyar concluded, 'With the 2019-2020 ACT Budget to be released a month from today, ACTCOSS restates our priorities for action by the ACT Government to extend the reach and quantum of the concessions scheme, to ensure access according to need, not age or source of income. We repeat our call for the introduction of income-based fines as well as increases to financial counselling services to keep pace with demand. These and other measures outlined in the report are critical if we're to improve the wellbeing of almost 37,000 people – including around 8,000 children – living in low-income households in the ACT. By reducing hardship and inequality these measures would improve the wellbeing of the entire Canberra community.'

Read the [2019 ACT Cost of Living Report here \(/publications/advocacy-publications/act-cost-living-report-2019\)](/publications/advocacy-publications/act-cost-living-report-2019) and ACTCOSS' [2019-2020 ACT Budget Priorities here \(https://www.actcoss.org.au/budgetsub2019-20\)](https://www.actcoss.org.au/budgetsub2019-20).

**For more information or comment please contact  
Susan Helyar, Executive Director, on 0448 791 987 or 02 6202 7200.**

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

