



YWCA CANBERRA

**Submission to the Inquiry into Cost of Living Pressures in the ACT**

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## **Acknowledgement of Country**

YWCA Canberra proudly recognises the rights of Aboriginal and Torres Strait Islander peoples to own and control their cultures and pays our respect to these rights. YWCA Canberra acknowledges the need to respect and encourage the diversity of Indigenous cultures and to respect Indigenous worldviews, lifestyles, and customary laws. We extend our respect to the Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on country. This land was never surrendered, and we acknowledge that it always was and will continue to always be Aboriginal land.

## **About YWCA Canberra**

YWCA Canberra is a feminist not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929.

Our mission is 'We strengthen communities by supporting girls and women through our services and advocacy' and our vision is 'Girls and women thriving'.

We provide essential, quality services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy.

We are externally accredited against the [Quality Improvement Council \(QIC\) Health and Community Service Standards \(7th Edition\)](#). Accreditation against the QIC standards support us to improve client and community engagement, diversity and cultural appropriateness, management systems, governance and service delivery, while committing to a cycle of continuous quality improvement. In addition to the QIC standards, we are accredited against the following external client related service standards for our key areas of work:

- [Australian Charities and Not for Profit Commission](#)
- [National Quality Standard for Early Childhood Education and Care and School Aged Care](#)
- [National Regulatory System for Community Housing](#)
- [Registered Training Organisations Standards](#)

Through our national Affiliate Association with YWCA Australia, we are part of the World YWCA network, which connects 120 countries across the globe.

## Introduction

That Canberra has the highest average weekly earnings in the country<sup>1</sup> should not be conflated with an absence of widespread and hidden household financial stress, rather, it should be viewed as a factor that exacerbates the cost-of-living pressures, financial crisis, and poverty experienced by those on low and fixed incomes. The higher discretionary capacity in the ACT economy means prices for essential items are generally higher here than in other capital cities and regional centres – increasing the disparity between rich and poor, and leading financial precarity to encroach on income brackets that may be somewhat buffered elsewhere. The average weekly spend for ACT households is \$2,405 dollars, including an average of \$585 on rent and other housing costs and \$257 on food.<sup>2</sup> These surging costs of transport, housing, food, and energy, juxtaposed against a median weekly household income of \$2373 paints a dire picture. Starkly, single parent families are managing these pressures on a medium weekly income of \$500 to \$649.<sup>3</sup> With interest rates continuing to rise and the full effect of them not yet felt, it is likely the full impact of cost-of-living pressures on Canberrans is still to be seen.

For many people on low, moderate, and fixed incomes, who have already cut back on discretionary spending to manage the tandem pressures of housing, utilities, and food, there is little left to cut. 40 percent of those who responded to YWCA Canberra's 2021 *Our Lives Survey*, which collected more than 1200 responses from women living in the ACT, were paying more than 30 percent of their personal income toward housing costs, with 44 percent cutting down on non-essential expenses and 35 percent drawing down on non-superannuation life savings in response to increasing economic pressures.<sup>4</sup> These experiences are compounded for women with additional factors of disadvantage, including single mothers and women with a disability. Survey responses showed:

- 67 percent of single mothers and 48 percent of women with a disability pay more than 30 percent of their personal income toward housing costs
- 22 percent of single mothers and 20 percent of women with a disability sold personal belongings to cover essential costs

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<sup>1</sup> [Average Weekly Earnings, Australia, November 2022 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/australians-and-their-ways-of-life/average-weekly-earnings)

<sup>2</sup> [Australian household spending statistics | Finder](https://www.abs.gov.au/australians-and-their-ways-of-life/australian-household-spending-statistics)

<sup>3</sup> [2021 Australian Capital Territory, Census Community Profiles | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/australians-and-their-ways-of-life/2021-australian-capital-territory-census-community-profiles)

<sup>4</sup> [Portrait-of-women-in-canberra-2021-FINAL-Digital.pdf \(ywca-canberra.org.au\)](https://www.ywca-canberra.org.au/Portraits-of-women-in-canberra-2021-FINAL-Digital.pdf)

- 25 percent of single mothers and 23 percent of women with a disability asked friends or family for support with finances or obtaining essential goods<sup>5</sup>

Increasingly, Canberrans are also turning to community providers to supplement their incomes. As a frontline service provider, YWCA Canberra is witnessing this firsthand. In the 12 months to February 2023, visits to our Mura Lanyon Food Pantry increased by 50 percent – an increase in demand mirrored across the community sector. While typically, users of the pantry have been older women in receipt of the age or disability pensions, an increasing number of those now accessing the service are young people in regular employment and men with caring responsibilities. For us, these demographic changes represent a ‘canary in the coal mine’ as to the true extent of precarity being experienced across the Territory, as these are a cohort who are typically the last to ask for help.

Across the board, demand for frontline services continues to exceed resource capacity and 2021 census data that shows the ACT population grew 14.4 percent from 2016, reveals there are about 21,000 more people living in the Canberra region than estimated.<sup>6</sup> Such a significant undercount means those in need arrive to frontline services that are already oversubscribed and under-resourced to meet the urgent burgeoning demand. As a result, many are pushed into lengthening queues. In the face of this new information, it is necessary to revisit previous estimates, such as the frequently cited 3,100 shortfall of social housing properties<sup>7</sup> and scope additional ways to support those bearing the brunt of cost-of-living pressures. With inflation still strong and winter on the horizon, we can expect the numbers of people seeking support from frontline services to continue to climb throughout the year.

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<sup>5</sup> [Portrait-of-women-in-canberra-2021-FINAL-Digital.pdf \(ywca-canberra.org.au\)](#)

<sup>6</sup> [Latest ACT Population Projections - Treasury](#)

<sup>7</sup> [Factsheet: Poverty & inequality in the ACT | ACT Council of Social Service Inc. \(actcoss.org.au\)](#)

## Household Financial Stress

According to the Australian Bureau of Statistics' Monthly Household Spending Indicator, weekly household spending in the ACT has increased by 20 percent over the period January 2019 to January 2023, including a 35 percent increase in transport and 11 percent increase in food. During the same period, non-discretionary spending increased by 23 percent alone<sup>8</sup>. The profound impacts of this were illustrated by responses to YWCA Canberra's 2021 *Our Lives Survey*; which found more than one quarter of respondents earning less than \$45,000 a year were either financially stressed or in a state of financial crisis, with accessing superannuation, seeking help from local charities, and selling valuable items surfacing as common methods to cope with financial stress.<sup>9</sup> These coping methods are reflected in demand for our services; in January and February of 2022, the Mura Lanyon Food Pantry had 176 occasions of service, in the same period of 2023, there were 301.

For families and single parents with school-aged children, this financial stress can compound inequality and prevent children from participating in educational opportunities and extracurricular and recreational activities. Here, schemes like the Future of Education Student Equity Fund – which provides yearly one-off payments to assist low-income families with schooling costs – are instrumental. That the fund provided 3,400 students with support in 2022, evidences a clear need<sup>10</sup> that will undoubtedly be matched, if not exceeded, in 2023. YWCA Canberra recommends undertaking a thorough review of applications made to the fund to better understand where financial pressures are most felt by families and to ascertain where additional support may be needed. Additionally, we recommend introducing a specific program for supporting low-income families to enrol their children in sporting and recreational activities. While all other Australian States and Territories provide families with vouchers toward involving kids in active recreation (for example, the NSW Active Kids program and QLD FairPlay vouchers), the ACT currently has no comparable program.

Another area where increasing financial pressures are causing Canberrans to buckle, is housing. 73 percent of low-income private households in Canberra are experiencing rental stress (paying more than 30 per cent of their income to rent),<sup>11</sup> with the Anglicare Australia 2022

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<sup>8</sup> [Monthly Household Spending Indicator, January 2023 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/australian-bureau-of-statistics/publications/mhs)

<sup>9</sup> [Portrait-of-women-in-canberra-2021-FINAL-Digital.pdf \(ywca-canberra.org.au\)](https://www.ywca-canberra.org.au/Portraits-of-women-in-canberra-2021-FINAL-Digital.pdf)

<sup>10</sup> [Equity Fund helps Canberra families cover education costs - Chief Minister, Treasury and Economic Development Directorate \(act.gov.au\)](https://www.act.gov.au/economy/economic-development/equity-fund-helps-canberra-families-cover-education-costs)

<sup>11</sup> [2022 ACT Cost of Living Report \(actcoss.org.au\)](https://www.actcoss.org.au/2022-act-cost-of-living-report)

Rental Affordability Snapshot showing that for families receiving the Jobseeker Payment, single parents receiving the Parenting Parent, and those in receipt of the Age Pension, Disability Support Payment, or Youth Allowance, less than one percent of individual properties in the ACT region were appropriate and affordable.<sup>12</sup> Experiences of housing precarity are significantly more acute for single mothers or older women – with the *Our Lives Survey* revealing 43 percent of single parents and 31 percent of women aged over 45 spend more than half their income toward rent. Further, 61 percent of single parents and 38 percent of older women told us they had insufficient savings to maintain rental obligations for one payment cycle in the face of unexpected loss of income.<sup>13</sup>

Housing supply is a driver of price movement resulting in unaffordability. As a city-state there is no regional area that may be a circuit breaker for those wanting to pay less for housing. Given the unique land pressures in the ACT, increasing supply requires innovative approaches to land supply and infill development. YWCA Canberra supports the call for reforms to ACT zoning laws that would enable increased missing middle housing – medium density homes such as townhouses and duplexes that enable people to live closer to their jobs, essential services, and community. At the 2021 Census, around 63 percent of Canberra dwelling were detached homes, reflecting the current status of most types of missing middle housing being banned on 80 percent of Canberra’s residential land.<sup>14</sup> Reforming Canberra’s RZ1 neighbourhoods to allow for more duplexes and townhouses on larger blocks will contribute significantly to alleviating the ongoing housing shortage and high rents, and ensuring those on low and modest incomes aren’t priced out of the housing market.

It is crucial measures to increase affordable housing supply are reinforced with investments in social and supported housing. Across the community sector, demand for housing support is urgent and growing. In 2019, YWCA Canberra’s Next Door program – our housing support program for women aged 50 and over – supported 78 women; in 2022, we supported 110. Similarly, our supported housing development in Ainslie, which is set for completion in late 2023, has already received several requests from potential clients hoping to learn how they can be considered for a unit. For those in poverty, including the 510 women who are currently

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<sup>12</sup> [2022: Rental Affordability Snapshot - Anglicare Australia](#)

<sup>13</sup> [Portrait-of-women-in-canberra-2021-FINAL-Digital.pdf \(ywca-canberra.org.au\)](#)

<sup>14</sup> [Missing Middle Canberra \(missingmiddlecbr.org.au\)](#)

homeless,<sup>15</sup> it is vital specialist frontline services are adequately resourced to provide the timely support and housing they need to help break the cycle of disadvantage and precarity.

**Recommendation:** Undertake a review of applications made to the Future of Education Student Equity Fund and other financial support schemes through a cost-of-living lens to learn where support is most needed and how to extend or better target cost-of-living support measures.

**Recommendation:** Introduce a specific subsidy/rebate program to support school-aged children from low-income families to participate in sport and recreation activities.

**Recommendation:** Up-zone RZ1 areas to allow for more duplexes and townhouses and larger blocks and re-zone RZ2 areas to an RZ3 standard, in line with recommendations from Missing Middle Canberra to increase affordable supply.

**Recommendation:** Lift the supply of properties available through community housing providers by implementing strategies that lead to more affordable purchasing, shared equity or improved targeting of affordable releases.

**Recommendation:** Explore the viability of a total rates exemption for investors who lease properties through community housing organisations at a substantially lower rate than that already applied.

**Recommendation:** Provide additional and ongoing funding to specialist frontline services and commit robust investments to increasing supply of social and supported housing.

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<sup>15</sup> [Specialist Homelessness Services: monthly data, Monthly data - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au)

## Retargeting energy efficiency programs to those most in need

According to the ACT Council of Social Services (ACTCOSS) 2022 Cost of Living report, over the last five years, Canberra has experienced a 28.1 percent increase in electricity prices and a 24 percent increase in gas prices.<sup>16</sup> Canberra housing is notoriously inadequate in providing insulation against the significant seasonal variation. For many, the exorbitant costs of living in poorly insulated dwellings are contributing to broader housing cost pressures that many are struggling to absorb. For low-income households, energy costs are often exacerbated by poor energy efficiency and lack of access to more efficient technologies such as solar panels. At the time of the 2021 census, 31 percent of ACT residents were in tenure arrangements classed as renting – 23 percent of those renter households with rent payments greater than 30 percent of household income.<sup>17</sup> However, ACT Government initiatives aimed at assisting households with energy bills, such as the Sustainable Household scheme, have been overwhelmingly available to owner-occupiers, neglecting those in rentals.

The Sustainable Household scheme, which provides loans of up to \$15,000 for rooftop solar panels, ceiling insulation, electric stovetops, and other energy-efficient products, are only available to eligible ACT residents who ‘own a standalone residence or unit’ or are ‘new build homeowners’.<sup>18</sup> This specification means many renters and homeowners who live in units that do not meet the ‘standalone’ criteria, are excluded from the scheme, and are left with little control over the maintenance and energy efficiency of their property. Similarly, the Home Energy Support scheme, which provides eligible low-income residents with up to \$5,000 in rebates to help with the upfront costs of installing energy efficient upgrades, is also only available to homeowners.<sup>19</sup> In contrast, initiatives available to renters, such as the Renters’ Home Energy Program, Low Income Household Program, and Sustainable Home Advice Program do not offer financial assistance but are rather sources of ‘expert advice’ and ‘practical solutions’ to reduce bills through modifying consumption behaviours. Anecdotal evidence tells us people on low-incomes already avoid unnecessary and excess energy usage – going cold and sitting in the dark – to save on energy bills. What they need are tangible relief measures, such as utilities concessions.

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<sup>16</sup> [2022 ACT Cost of Living Report \(actcoss.org.au\)](https://actcoss.org.au)

<sup>17</sup> [2021 2612, ACT, Census All persons QuickStats | Australian Bureau of Statistics \(abs.gov.au\)](https://abs.gov.au)

<sup>18</sup> [Sustainable Household Scheme - Climate Choices \(act.gov.au\)](https://act.gov.au)

<sup>19</sup> [Home Energy Support: Rebates for Homeowners - Climate Choices \(act.gov.au\)](https://act.gov.au)



The ACT Revenue Office covers an annual Utilities Concession of \$750 on electricity, natural gas, water, and sewerage for households where a resident is the primary holder of a concession card – including the Pensioner Concession Card and Low-Income Health Care Card.<sup>20</sup> However, a 2022 report by the Consumer Policy Research Centre found that in the ACT, 41 percent of the 48,513 households with at least one concession card holder, did not claim the energy rebate they were eligible for<sup>21</sup>. The report suggests that where consumers are required to seek out information about the scheme and associated eligibility criteria themselves, and to self-enrol via telephoning their energy provider; stress, frustration, and being time-poor may inhibit them from accessing the program. Further, with the average quarterly electricity bill for ACT households being \$263 alone<sup>22</sup>, the annual rebate does not stretch far for those in most dire need. YWCA Canberra supports ACTCOSS' recommendation that the Utilities Concession for low-income households be adjusted in line with increases in costs of electricity, gas, water, and sewerage.

**Recommendation:** Investigate the take-up and nature of funding/advice accessed via the Home Energy Support scheme, Renters' Home Energy Program, and Low-Income Household Program to ascertain where additional specific tangible financial supports for low-income renters and households would best be deployed.

**Recommendation:** Conduct an audit of the Utilities Concession usage and application process to ascertain what percentage of eligible persons receive the rebate, identify potential obstructions that may limit access, and scope potential ways to both promote the scheme and reduce administrative burdens among eligible card holders.

**Recommendation:** Adjust the Utilities Concession annual rate in line with price increases to electricity, gas, water, and sewerage to ensure the rebate effectively assists low-income households to respond to cost-of-living pressures.<sup>23</sup>

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<sup>20</sup> [Utilities Concession | ACT Revenue Office - Website](#)

<sup>21</sup> [apo-nid320607.pdf](#)

<sup>22</sup> [Average Electricity Bills | Australian Energy Costs – Canstar Blue](#)

<sup>23</sup> [2022 ACT Cost of Living Report \(actcoss.org.au\)](#) P.8