



Yvette Berry MLA

Deputy Chief Minister

Minister for Early Childhood Development

Minister for Education and Youth Affairs

Minister for Housing and Suburban Development

Minister for Women

Minister for the Prevention of Domestic and Family Violence

Minister for Sport and Recreation

Member for Ginninderra

Mr Tom Duncan

Clerk, ACT Legislative Assembly

Secretariat@parliament.act.gov.au

Dear Mr Duncan *Tom*

Thank you for your letter of 16 September 2021 providing Petition No. 36-21 lodged by Mr Andrew Braddock MLA, regarding income support for recipients of Commonwealth social welfare.

Over the last 20 years the ACT Government has made a significant contribution to ensuring Canberrans enjoy some of the highest living standards anywhere in the world. However, there are many Canberrans on low and fixed incomes on whom cost of living pressures weigh more heavily. The current Commonwealth JobSeeker maximum payment is set at about \$45 per day for single residents, almost half of the income of \$83 per day as recommended in the petition.

Recently many Canberrans have needed greater assistance as a result of the compounding impacts of bushfire, smoke, hail and the COVID-19 pandemic. The ACT Government is continuing to use the tools at our disposal to foster a strong, fair, economic recovery from a pandemic induced economic downturn, while continuing to address the day-to-day costs and stresses that Canberrans are facing.

In 2021-22 the Territory is delivering a range of assistance for the households that need it most, including some temporary measures for those impacted by the ACT lockdown. This includes:

- an additional \$250 rebate to the low-income households receiving the Utilities Concession, to bring the total rebate to \$1,000 for 2021-22;
- a \$50 increase to the pensioner rates rebate, to bring the ongoing rebate up to \$750 a year;
- offering a rates deferral to eligible homeowners experiencing financial hardship as a result of the COVID-19 lockdown interest-free for up to three months;
- providing a land tax credit of up to \$100 a week to landlords who provide rent relief between 1 August 2021 and 31 December 2021 to tenants impacted by COVID-19.

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This assistance is on top of the temporary payments provided to support lockdown, isolation and quarantine requirements. The Commonwealth's COVID-19 Disaster Payments and Pandemic Leave Disaster Payments sought to support Australians who lost work/income, including social welfare recipients. The ACT hardship isolation payment is an additional support for the ACT households more likely to face barriers in accessing Commonwealth assistance.

The ACT also joined other state and territory governments in calling for the Commonwealth to reintroduce the JobKeeper and increased JobSeeker payments to provide a more suitable level of support during periods of heightened restrictions.

With high vaccination rates and restrictions easing, many Canberrans will be able to work and spend more time out in the community. As this occurs, the temporary assistance provided to assist households throughout the impacts of the ACT lockdown will be reviewed.

Additionally, the Assembly recently passed a resolution to review and update the *ACT's Targeted Assistance Strategy*, including current transport, utilities and rates concessions and deferrals, with potential measures to be considered as part of the 2022-23 Budget.

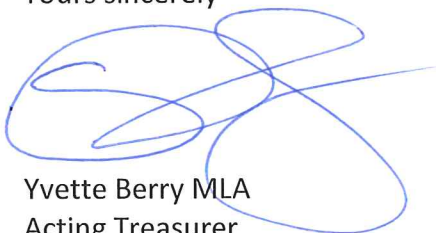
The ACT cannot address poverty alone. Social security payments are key to reducing the levels of poverty and housing stress faced by Canberrans. Unfortunately, the scale of the funding required to supplement social welfare is beyond the capacity of all state and territory governments due to the significant vertical fiscal imbalance ingrained in our federal system of government.

Through adequate policies on welfare payments, the Commonwealth Government has the capacity to provide choice and control in the lives of vulnerable Australians, and in a more direct manner than other government programs.

This is a view well supported by experts. A recent report by ACTCOSS highlighted that following the Commonwealth Government temporary increase of JobKeeper to \$1,100 per fortnight in 2020-21, there was almost a 50 per cent reduction in the number of people living below the poverty line in Canberra. The ANU Centre for Social Research and Methods has also examined the impacts on poverty and housing stress during this time, and has highlighted that increasing social security payments had the greatest impact in lifting low-income households out of poverty.

The pandemic has shone a light on the capacity of the social welfare system to address poverty, and the ACT is actively working with other states and territories to call for the Commonwealth Government to reinstate a suitable safety net that enables a decent standard of living.

Yours sincerely



Yvette Berry MLA
Acting Treasurer
16 December 2021