ACTCOSS
Council of Social Service

ACTCOSS ACT Budget Submission 2026-27

November 2025

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About ACTCOSS

ACTCOSS acknowledges the Ngunnawal people as traditional custodians of the land on which Canberra has been built and we recognise any other people or families with connection to the lands of the ACT and region. We pay our respects to their Elders, past and present. In the community sector, it is appropriate to celebrate the historic and ongoing contributions of Aboriginal and Torres Strait Islander peoples to the sector and society.

The ACT Council of Social Service Inc. (ACTCOSS) advocates for social justice in the ACT and is the peak body representing not-for-profit community organisations.

ACTCOSS is a member of the nationwide COSS Network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's vision is for Canberra to be a just, safe and sustainable community in which everyone has the opportunity for self-determination and a fair share of resources and services.

ACTCOSS's strength comes from its members and the people they serve. Our members include frontline community services, peak bodies, advocacy organisations, community associations, consumer groups and individuals passionate about a fair, sustainable and inclusive ACT.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

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ACT Government

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Acronyms

ACCO	Aboriginal Community Controlled Organisation
ACTPS	Australian Capital Territory Public Service
AHURI	Australian Housing and Urban Research Institute
CPI	Consumer Price Index
CSI	Community Sector Indexation
DRF	Disaster Ready Fund
ERC	Expenditure Review Committee
FTE	Full Time Equivalent
HAFF	Housing Australia Future Fund
LSL	Long Service Leave
MEA	Multi-Employer Agreement
RAI	Rental Affordability Index
RoGS	Report on Government Services
SCHADS	Social, Community, Home Care and Disability Services
SHS	Specialist Homelessness Services
WPI	Wage Price Index

Introduction

The ACT will begin the 2026-27 financial year with a budget in deficit and a government intent on tightening its fiscal belt to manage burgeoning interest payments as it attempts to return to sustainable budget settings. We recognise that the ACT Government may see itself in a difficult financial position. However, many Canberrans are experiencing a degree of precarity that will be much more easily managed now, rather than doing nothing and hoping it doesn't get worse. There is little point in fiscal tightening that exacerbates disadvantage and necessitates more spending down the line. Whatever changes the ACT Government makes to manage its fiscal challenges, whether reducing expenditure or generating revenue, it is critical that it is sustainable and does not deliver an undue burden on those experiencing disadvantage.

While the ACT is fortunate to have, on average, a high standard of living, there are ongoing challenges for some Canberrans to be able to afford basic costs, including utilities, food and housing. In the past half decade, financial pressures on the bottom two income quintiles have increased substantially. For the lowest income quintile, the continued decline in real purchasing power of Commonwealth Social Security payments means that Commonwealth support alone is insufficient to meet basic needs. This is evident in the growing rates of food insecurity[1], housing stress[2] and energy poverty[3] that is being experienced by those in receipt of social security. Those in the second income quintile are particularly vulnerable to inflationary pressures, and less likely to engage with government and community service supports. The last five years have seen dramatic increases in the costs of housing, food, utilities and fuel without commensurate growth in financial support from the Commonwealth nor the ACT government.

> *Hidden beneath the aggregate economic indicators of the budget, a significant portion of the ACT community is living at the edge of their means, leaving many vulnerable to economic shocks.*

In the face of these pressures, the ACT community sector has stepped up to support those at risk of falling through the cracks. These services are no longer just supporting those on the lowest incomes, they are increasingly a lifeline for some working-class Canberrans who find themselves struggling to manage costs of essential goods and services. Our members report receiving requests for help from more and more people that have never needed community supports before – including increasing demand for food relief and financial aid.[4] The sector is under growing pressure from this increased demand, alongside rising service complexity, inflation in operating costs, and the cumulative impact of long-term underfunding.

[1] Economic Inclusion Advisory Committee (2025) 2025 Report to Government.

[2] Anglicare Australia (2025) *Rental Affordability Snapshot: Regional Reports 2025 Sixteenth Edition*.

[3] Schirmer, J, Dale, M and Carrol, S (2025) Living well in the ACT region: Understanding the changing wellbeing of Canberrans, 2019-2024.

[4] ACTCOSS, 2025 *ACT State of the Sector*, forthcoming report.

The 2026-27 ACT budget must prioritise upstream investment to strengthen Canberra's social infrastructure and make sure that precarity does not get worse. To that end, this submission sets out 19 policy recommendations across five budget priorities, which are:

1. Alleviating **poverty** and **cost of living** for low-income individuals and families;
2. Valuing the **community sector;**
3. Strengthening investment in **social housing and homelessness services;**
4. Supporting **self-determination for Aboriginal and Torres Strait Islander peoples;** and
5. Improving transparency and accountability of the **budget process**.

In our response to the 2025-26 ACT budget, we made clear our concerns the budget had not done enough to support Canberrans living in precarity and it needed to provide more effective cost of living support. This budget submission addresses these concerns explicitly, with recommendations to address housing, energy poverty, food security and self-determination for Aboriginal Torres Strait Islander peoples. To make essential supports like these fit for the long term, this budget also proposes a refresh of the Targeted Assistance Strategy and makes four recommendations to ensure secure funding for Canberra's community sector which delivers essential services.

We are grateful to ACTCOSS members for the input they provided to us in drafting this submission.

We submit these ideas in the spirit of seeing a thriving, vibrant Canberra that can be enjoyed by every member of the community, no matter their circumstance.

Devin Bowles

Dr Devin Bowles
CEO
ACT Council of Social Service

ACTCOSS Budget Priorities '26-27

Alleviating poverty and cost-of-living pressures for low-income people	• Refresh the **ACT Targeted Assistance Strategy**. • Introduce a **one-off payment to prevent eviction** of people facing a period of financial hardship. • Review eligibility and payment model for the **ACT Electricity, Gas and Water Rebate** • **Commit ongoing funding for food relief** and ensure the entirety of that funding goes directly to frontline services.
Valuing the community sector	• Provide **$20m per year uplift to the community sector**, commencing 2027-28 financial year. • **Reform the ACT community sector indexation** to reflect actual cost pressures. • Deliver **improved employment conditions** for the ACT community sector workforce through MEA negotiations. • Ensure **community sector premises are fit-for-purpose**, accessible and resilient to extreme weather.
Strengthening investment in social housing and homelessness services	• Commit to **restore social housing to at least 10 per cent of all housing stock** by 2036. • Commit to e**arly contract renewal decisions for homelessness services** (minimum 6 months before expiry). • **Increase funding for the homelessness sector** to meet rising demand
Supporting self-determination for Aboriginal and Torres Strait Islander peoples	• **Ensure funding for ACCOs is long-term** and supports a positive community sector for Aboriginal and Torres Strait Islander peoples. • **Strengthen the Aboriginal and Torres Strait Islander Elected Body**. • **Fund an interim First Nations-led justice body** to oversee implementation of the Jumbunna Report recommendations.
Improve transparency of the budget processes	• **Include budget line items for community sector and ACCO funding**. • **Include a list of programs and policies that have ceased** and/or are not being renewed in the budget. • **Develop a submission template for the public**, businesses and community sector to more effectively contribute to the budget. • **Establish a budget model that prioritises early intervention**.

Budget Recommendations

1 – Alleviating poverty and cost-of-living pressures for low-income people

While much of the ACT is fortunate to have a high standard of living, there is an ongoing challenge for disadvantaged Canberrans to be able to afford basic costs, including utilities, food and housing. For this budget, we propose that the government fund a review of the overarching strategy for targeting assistance for people experiencing disadvantage, as the structure of disadvantage in both the ACT and Australia more broadly is shifting. However, noting that any robust review will take time, we further recommend that the government invest in immediate, targeted fundings boosts to ensure everyone is able to meet basic needs for housing, food and energy.

Recommendations

Recommendations

- Refresh the ACT Targeted Assistance Strategy in partnership with the Community Sector.
- Introduce a one-off payment for people on low incomes who face eviction during a period of financial hardship.
- Review eligibility and payment model for the ACT Electricity, Gas and Water Rebate.
- Commit to ongoing funding for food relief in the ACT and ensure the entirety of that funding goes directly to frontline services.

1.1 – Refresh the ACT Targeted Assistance Strategy in partnership with the Community Sector

Responsible Directorate/s: Chief Minister, Treasury and Economic Development

Investment Rationale

The ACT Government, working with the community sector, produced a Targeted Assistance Strategy in 2012 to make sure people living on the margins were able to access necessary supports. In 2025, after a half-decade of rapid inflation, combined with diminished adequacy of social security benefits, the distribution of need is not the same as it was in 2012. The strategy needs to be re-examined to make sure that it is appropriately targeted to the needs of disadvantaged Canberrans and is fit for the 2020s and beyond.

The Targeted Assistance Strategy produced an evidence-based approach to support Canberrans facing financial pressures by generating both qualitative and quantitative data and recommendations about concessions, policies and costs for low-income people. The underpinning research highlighted that while many in the lowest income quintile were in financial difficulty, they were often receiving Commonwealth supports and had access to concession cards that enabled other benefits at the Territory level. The second income quintile were found to be much more at-risk than previously understood. They were far less likely to be receiving government or community support than the lowest quintile. Growing costs of healthcare, housing, education and utilities meant that this cohort was increasingly unable to cope with sudden changes in circumstance, like unemployment, fines or a car breaking down.

Since the implementation of the Targeted Assistance Strategy, financial pressures on the lowest two income quintiles have increased substantially. Notably, for the bottom income quintile, the continued decline in real purchasing power of Commonwealth Social Security payments means that Commonwealth support alone is insufficient to meet basic needs. This is evident in the growing rates of food insecurity,[5] housing stress[6] and energy poverty[7] that are experienced by those in receipt of social security. Moreover, the 2012 Targeted Assistance Strategy identified the second income quintile as particularly vulnerable to inflationary pressures, especially because this cohort was less likely to engage with government and community service supports. The last five years have seen dramatic increases in the costs of housing, food, utilities and petrol without commensurate growth in financial support from the Commonwealth nor the ACT government.

It is in this context that we recommend that the ACT Government renew the Targeted Assistance Strategy by working with the Community Sector to assess the current state of ACT programs designed to assist lower income Canberrans and whether they are still supporting people to avoid poverty and persistent financial pressure. A terms of reference for this review is proposed in Appendix A.

Financial Considerations

The financial implications for such a review would depend upon the depth of research the government is willing to commission.

Costs would need to account for:

- Administrative overheads to appoint an expert panel to lead the review;
- Commissioning of a report on cost-of-living and household expenditure;
- Community consultation including written submissions and oral evidence;

[5] Economic Inclusion Advisory Committee (2025) 2025 Report to Government.

[6] Anglicare Australia (2025) *Rental Affordability Snapshot: Regional Reports 2025\Sixteenth Edition*.

[7] Schirmer, J, Dale, M and Carrol, S (2025) Living well in the ACT region: Understanding the changing wellbeing of Canberrans, 2019-2024.

- A team of ~5 ACT public service (FTE) for a period of 12 months to support the panel, draft the report, and manage the commissioning of the household expenditure report.

Risks

There is a risk that this review identifies significant shortfalls in spending that the ACT does not have the budget to ameliorate in the immediate term. The review, at least, brings the shortfall into the open and will enable the government to prioritise allocation based on greatest need. While that may not be politically appealing, it is good policy and transparent governing.

Strategic Links

This work would have significant benefits across a range of indicators in the Wellbeing Framework including Access and connectivity, Economy (ability to share in it), Housing and home and Living standards.

Evaluation Approach

A review can provide a renewed set of quantitative and qualitative data to support better understanding of low-income groups in the ACT. This may highlight both where existing programs are working and not working, making the government's approach more efficient and targeted.

1.2 – Introduce a one-off payment for people on low incomes who face eviction during a period of financial hardship

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

Experiencing rental stress in the ACT has become a near certainty for people on the lowest incomes. Only 1% of private rentals are affordable for a full-time minimum wage earner, and none are affordable for people receiving JobSeeker, Youth Allowance, Parenting Payment (Single) or the Disability Support Pension.[8] While the ACT Government works to increase the supply of social and affordable housing, it will take time before this additional stock meaningfully changes the rental market. A cost of living safety net is essential to reduce avoidable evictions and the downstream costs to health, crisis accommodation and social services that accompany them.

Cost of living pressure was the leading cause of increased service demand in 2024, reported by 79% of community sector organisations.[9] The ACT also has the highest rate of rental stress among Commonwealth Rent Assistance recipients nationally.[10] Downstream, this is visible in homelessness sector data. Nearly one in five Specialist Homelessness Services (SHS) clients in the ACT are in paid work, the highest proportion in Australia.[11]

Often the trigger for eviction is a financial shock for a household with an income that is simply too low to build any savings buffer. One unexpected bill, reduction in hours, medical costs or car repairs can immediately place a household without savings into rental arrears. A targeted one-off payment at the exact point someone is at risk of losing their tenancy can prevent a downstream escalation into homelessness which would be far more costly for government, and far more harmful for families. All jurisdictions except Victoria, Northern Territory and ACT offer grants that address rent arears or offer rent in advance to eligible tenants in private rental during times of financial difficulties, so they may remain in their tenancy.[12]

The discontinued Rent Relief Fund demonstrated that this model works. Seven hundred applicants were assisted in its final year, and 72 per cent remained in their tenancy six months later.[13] An independent evaluation of Western Australia's Rent Relief Program found 85 per cent of clients retained their tenancy six months after

[8] Anglicare Australia (2025) *Rental Affordability Snapshot: Regional Reports 2025\Sixteenth Edition*, p3.

[9] ACT Council of Social Services (2025) *Demand for ACT community services: Findings from the State of the ACT Community Sector Survey*, p2.

[10] Productivity Commission (2025) *Report on Government Services 2025: Part G Housing and Homelessness, Section 18 Housing*, Australian Government, 10 June.

[11] ACT Shelter, *Homelessness in the ACT*, 2025, p5-6.

[12] See: Rentstart assistance policy | NSW Government; Types of bond loans and rental grants | Homes and housing | Queensland Government; Homes Tasmania - Private rental assistance; Private Rental Assistance | SA Housing Trust; WA Rent Relief Program | Western Australian Government.

[13] Care (2025) *Annual Statistical Report: Rent Relief Program*, unpublished, 31 August 2025.

receiving the payment.[14] While the ACT scheme was originally designed to offset COVID-related shocks, the housing crisis now presents the same economic vulnerability. A targeted support at this critical intervention point is an evidence based, low-cost measure that prevents avoidable evictions, and reduces pressure on the health system, SHS, and related social services.

Financial Considerations

This measure is modest when compared with the cost of crisis response. The cost of one episode of homelessness support, including SHS, health services and emergency accommodation, is significantly higher than the cost of a single payment that prevents eviction in the first place.

Importantly, accessing this one-off payment can also serve as a soft entry point into other supports. For many people, it is the first opportunity to connect with community services and access assistance in other areas of their lives. A one-off payment of this kind complements existing tenancy support systems such as the Tenancy Assistance Program (Woden Community Services) and Tenancy Advice Service (Legal Aid ACT), forming part of a holistic private tenancy support system enabling Canberrans to remain in the private rental market. Such a payment aids early intervention and, over the long term, reduces avoidable costs downstream by preventing escalation into entrenched homelessness, mental or physical health deterioration, and repeated crisis system contact.

Risks

Risk of poor targeting is low. Eligibility can be set to prioritise low-income households who can demonstrate an imminent risk of eviction (for example, a termination notice). This will include households where the main income earner is on income support, but also low-wage workers experiencing rental stress, meaning they are spending more than 30 percent of their income on rent. This recognises that most people in this cohort have no realistic capacity to liquidate assets or draw on savings.

The greater risk is inaction. If this support is not established, the Territory is likely to see further growth in avoidable evictions, increased demand for crisis accommodation, greater pressure on already stretched SHS, increased demand (and wait times) for public and community housing and higher downstream costs across the health and social service systems. We've already seen in the six months between March and September 2025, the ACT public housing waitlist increase from 3189 to 3486 - an increase of 297 approved applicants.[15]

Strategic Links

This measure directly contributes to the ACT Wellbeing Framework domains of Housing and Home, as well as Living Standards. It is also likely to have a positive

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[14] Francis, J., Callis, Z., Lester, L., O'Shaughnessy, D., Scullin, B., Street, C. and Flatau, P (2025) *Evaluation of the WA Rent Relief Program, Final report*, Centre for Social Impact, University of Western Australia, p2.

[15] ACT Government (2025) *Waiting list for public housing*, accessed 20th November 2025.

impact for Aboriginal and Torres Strait Islander households. Aboriginal and Torres Strait Islander peoples are almost 10 times more likely to seek support from SHS and national research shows nearly 80 per cent of Aboriginal and Torres Strait Islander households with very low incomes face rental stress.[16]

This one-off payment also represents one of the levers government has to realise the human right to adequate housing now enshrined within the ACT Human Rights Act.

Evaluation Approach

Conduct an independent impact evaluation of the program like that conducted by the University of Western Australia's Centre for Social Impact,[17] with evaluation methodology that captures:

- Proportion of recipients still stably housed three months and six months after receiving the payment
- The impact on clients' tenancy and overall needs i.e. through surveys of program recipients and program staff
- Impact on SHS i.e. comparison of service demand of key indicators before and after implementation of the program.

[16] Moskos, M, Milligan, V, Benedict, R, Habbis, D, Isherwood, L, and van den Nouwelant, R. (2025) *Indigenous housing support in Australia: the lay of the land*, Australian Housing and Urban Research Institute Limited, Melbourne.

[17] Centre for Social Impact (2025) *Evaluation of the WA Rent Relief Program, Final report*.

1.3 – Review eligibility and payment model for the ACT Electricity, Gas and Water Rebate

Responsible Directorate/s: City and Environment Directorate

Investment Rationale

The Electricity, Gas and Water Rebate currently provides $800 off utility bills for people with approved concession cards to assist disadvantaged people with the cost of utilities. The rate of payment has not kept up with utility costs and thus we recommend it is reviewed and the payment adjusted to a percentage-based model. The eligibility criteria (having an approved concession card) also excludes a substantial group of people in energy poverty in the ACT and needs to be reviewed to ensure appropriate coverage that meets the needs of disadvantaged Canberrans. This eligibility issue ought to be understood in tandem with our recommendation for a refresh of the ACT Targeted Assistance Strategy, where we have highlighted that need for assistance is being felt higher up the income spectrum.

The Electricity, Gas and Water Rebate, initially called the Utilities Concession, was established in 2017 by combining, formerly separate, water and energy concessions and was set at an annual rate of $604 to assist low-income people to meet the rapidly rising cost of utilities. Since it began, the rate of rebate has increased to $800. It is a fixed, flat-rate payment that is not indexed or flexible to household size, housing conditions nor changes in pricing of the utility market.

Low-income households in the ACT shoulder a disproportionately high burden when it comes to energy costs. They are more likely to live in poorly insulated homes that require extra heating or cooling. They are often renters who cannot upgrade their dwelling. Even those who own their dwellings lack the means to invest in efficiency upgrades or electrification. The payment rate has not kept up with energy price increases and needs to be raised to meet need. Because the payment is set at a fixed rate, it does not appropriately respond to changes in energy prices, seasonality, or housing conditions.[18] Some recipients receive more assistance than they need while others receive far too little. In contrast, percentage-based concessions — as seen in Victoria — offer a fairer, more adaptable approach that align support with actual energy usage and price fluctuations.[19]

Moreover, limiting the eligibility criteria to concession card holders has meant that many other low-income Canberrans are missing out on desperately needed support. As noted in an earlier recommendation in this submission, inflation of essential goods and services is having an outsized impact on people further up the income spectrum. The eligibility of rebates like this one need to be assessed in light of actual need, rather than assuming receipt of a social security payment is sufficient criteria. Without reform and additional funding, the number of ACT households in energy debt is likely to continue rising, with lower-income families most at risk.

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[18] Australian Council of Social Service and South Australian Council of Social Service (2022) *Reforming electricity concessions to better meet need: Summary Report*.

[19] Australian Council of Social Service (2024) *The Economic and Social Benefits of Energy Upgrades for Low-Income Households* (Report, July 2024) <https://www.acoss.org.au/wp-content/uploads/2024/07/ACOSS-Deloitte-low-income-energy-upgrades-Final-July-2024.pdf>.

We therefore recommend that the Electricity, Gas and Water Rebate be shifted to a percentage-based model of payment based on household usage and need, and that the eligibility is reviewed to better account for energy poverty beyond those who hold concession cards.

Financial Considerations

There are several financial considerations associated with this policy proposal. First, the percentage-based model should be based on a percentage of the utility costs. This means that some people will receive less than the present model and others more. Second, the government would be setting the proportion as a percentage of utility bills which allows some scope for the government to control costs by setting the percentage of the bills to be covered. Third, the recommended change in eligibility criteria would also impact the total expenditure.

We do not anticipate that this proposal would be revenue neutral unless utility costs were to stabilise at their current level. As long as they are rising well beyond increases in income, need will increase and the necessary spend will have to move with it.

Risks

Risk of inaction: There are two main risks of inaction. First, there is a risk of increasing energy poverty if the scheme is not better targeted to account for rising need across the ACT. Second, there is a risk that the government is not currently targeting existing resources as well as it could if household need were better accounted for.

Cost: There is a risk that our proposal costs the ACT Government more than anticipated because need is higher than is currently acknowledged by policy. This could be mitigated by the ACT Government opting to set the proportion of the bill that the rebate will pay for, giving a flexible lever to manage potential unexpected costs.

Strategic Links

This policy change supports ACT Labor's election commitment to 'continue to focus on supporting those most in need to ensure no one is left behind…'.[20]

This work would have significant benefits across a range of indicators in the Wellbeing Framework including Access and connectivity, Economy (ability to share in it), Housing and home and Living standards.

Evaluation Approach

The goal of the policy change is to better target support to insulate against the experience of energy insecurity and energy poverty. The policy then ought to be evaluated against the changing prevalence of these issues being experienced in the ACT.

[20] ACT Labor (2024) ACT Labor Policy Position Statement, p67

1.4 – Commit to ongoing funding for food relief in the ACT and ensure the entirety of that funding goes directly to frontline services

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

In the 2025-26 ACT budget, the government committed $1.5m in food relief over three years, expiring at the end of the 2027-28 financial year. This funding is desperately needed in the sector to ensure that those most in need do not go hungry. We recommend that the government extend this funding of $500k per year by a further two years from 2028-29 to 2029-30 and, further, commit that all of this funding will go to directly to support the food relief sector including frontline service delivery.

The food relief sector in the ACT and surrounds includes around 50 services that provide direct and indirect support for people experiencing food insecurity.[21] The prevalence of food insecurity is rising with cost of living pressures and service providers are reporting an increase in the number of presentations by people with whom they have not previously engaged. This reflects the massive growth in the cost of groceries over the last half decade. Between 2019 and 2024, the cost of food in the ACT increased by 21 per cent,[22] while in 2025, 36 per cent of Canberrans report having difficulty affording their usual groceries.[23] In this environment in which food insecurity has increased, it is essential that funding for those most desperately in need is maintained.

The food relief sector is in need of a focussed strategy to support the ongoing provision for effective and efficient food relief in the ACT. The ACT Government has acknowledged as much with a commitment to develop a strategy forming part of the 2025-26 budget. This is a critical piece of work in which the community sector must be actively involved. In the meantime, it is essential that, at a minimum, the present funding is maintained. Moreover, given the limited amount of funding provided in this space, every dollar is critical to ensuring that food is available to those that need it.

Financial Considerations

As this is a continuation of existing resourcing that is committed through the 2027-28 financial year, the overall funding profile for this measure is $1m committed over the final two out years of the forward estimates:

2025-26	2026-27	2027-28	2028-29	2029-30	Total
0	0	0	500	500	1000

Table values in $000s

[21] Volunteering ACT (2025) Food insecurity in the Canberra Region: A strategic picture.

[22] ACTCOSS (2025) 2025 Cost of Living Report: The cost of living for low-income households in the ACT, p9

[23] Schirmer, J, Dale, M and Carrol, S (2025) Living well in the ACT region: Understanding the changing wellbeing of Canberrans, 2019-2024, p34.

Risks

This budget measure addresses the risk that the food relief sector is inadequately supported to maintain their existing infrastructure. There is a broader risk here, also, that without a comprehensive strategy around food relief, funding extensions can only keep the model afloat rather than seeing services improve in efficiency and reach.

Strategic Links

This work would have significant benefits across a range of indicators in the Wellbeing Framework by supporting the wellbeing of low-income Canberrans and particularly the indicator on Living standards.

On 4 February 2025, the Legislative Assembly unanimously passed a motion to develop an ACT Food Relief Action Plan, in recognition that service demand was rising. This proposal supports maintaining funding while the details of that plan are enacted.

Evaluation Approach

As noted in this recommendation, maintaining the funding for food relief services is a band-aid – albeit an important one. Evaluation for this policy domain ought to be built into the strategy that is in development. Among the key elements that should be considered in this evaluation is the efficiency of funding and particularly ensuring that all funding is going to frontline services.

2 – Valuing the community sector

The ACT community sector delivers essential services that support disadvantaged Canberrans and forms a critical part of the Territory's social infrastructure. The community sector has been under increasing strain over the last decade as the ACT population has grown, cost of living pressures have increased and the clients the sector works with have become more complex, often presenting with multi-faceted issues requiring joined up services across the sector. There has not been a commensurate increase in resources for service providers to accommodate the increasing costs these pressures create. In this budget submission, we recommend the government reinforce our frontline services in the short and long term. Recommendation 2.1 proposes immediate financial support for the sector within the forward estimates to cope with current shortfalls. Recommendations 2.2 and 2.3 are intended to set up the community sector for the long term by improving indexation and working conditions. Through recommendation 2.4 we are seeking to secure critical physical infrastructure to ensure the sector can support Canberrans now and into the future, including in the event of natural disasters.

Recommendations

Recommendations

- Provide $20m per year uplift to the community sector, commencing 2027-28 financial year.
- Reform the ACT community sector indexation formula to ensure it reflects actual cost pressures, including mandatory increases to superannuation, long service leave and insurance. Incorporate retrospective adjustments to establish a fair baseline from 2026 onward.
- Deliver improved employment conditions for the ACT community sector workforce through the current MEA negotiations, focused on paid parental leave, superannuation and family and domestic violence leave.
- Provide targeted investment to ensure community sector premises are fit-for-purpose, accessible, safely located across the Territory, and resilient to extreme weather and climate events.

2.1 – Provide $20m per year uplift to the community sector, commencing 2027-28 financial year

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The ACT community sector is facing a critical sustainability challenge. The sector is under growing pressure from increased demand, rising service complexity, inflation in operating costs, and the cumulative impact of long-term underfunding. At present, this funding environment leaves many organisations in a precarious position, with operational costs consistently outpacing indexation, even with the government's current Community Sector Indexation (CSI) rate of 3.35%.[24]

The ACT Government has already acknowledged this systemic problem. In the 2025–26 Budget, the government announced a $10 million funding boost to the community sector over two years, acknowledging that '*this investment recognises the increasing demand and cost pressures faced by community organisations that deliver essential services to Canberrans every day*'.[25] While this was an important first step, it was also a temporary measure, designed to provide immediate relief, not long-term structural reform, leaving the underlying sustainability issue unresolved.

The 2024 *Joint Peaks Statement: Building a Strong, Sustainable Community Sector*, describes the depth of the problem. It highlights that many community organisations are unable to meet increasing demand, retain skilled staff, or maintain service quality under current funding arrangements. The Statement calls for a new funding approach that supports stability, growth, and partnership between the ACT Government and the sector.[26] In this context, the proposed funding uplift is the logical next step for the 2027–28 financial year. The purpose is to build on the government's existing boost, allowing the sector and government more time to work together to stabilise community services, maintain workforce capacity, and ensure critical programs continue while long-term funding arrangements are further refined.

Financial Considerations

Underfunding the community sector results in greater long-term costs to government and poorer outcomes for individuals. Investing in sustainability ensures that services can intervene earlier, prevent crises, and achieve better value for public expenditure. This $40m investment over two years will help address the underlying sustainability challenges facing the community sector, including from an increasing population, greater need within the population, and clients with more complex lives. It provides support to help organisations continue operating and delivering essential services while long-term funding arrangements are refined.

The uplift would help community organisations to maintain workforce capacity including managing volunteers, uphold service delivery, and cover immediate operational pressures, preventing the closure of critical programs and avoiding disruption in support to vulnerable Canberrans. While it does not address all structural funding gaps, it reduces the risk of service failure and ensures continuity of care, enabling the sector to function while specifics of distribution are refined.

Risks

Risk of inaction: The most significant risk lies in inaction. Without structural investment, the ACT's community services face continued erosion of capacity,

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[24] ACT Government. (2025b) *Community Sector Budget Fact Sheet 2025–26*.

[25] ACT Government. (2025) Media Release: ACT Budget 2025–26 – Strengthening Community Sector Support. Chief Minister, Treasury and Economic Development Directorate.

[26] Joint Peaks. (2024) *Joint Peaks Statement: Building a Strong, Sustainable Community Sector.* ACT Community Sector Peaks.

workforce burnout, continued drop in volunteer numbers and potential service failure. Chronic underfunding undermines both community wellbeing and government objectives.[27] Failing to act now risks higher long-term costs and diminished social outcomes across the Territory.

Program design risk: The $10m funding boost was intended as a temporary financial supplement rather than a systemic reform. This uplift's design should incorporate simple, clear objectives and reporting requirements, linking funding to long-term organisational outcomes such as financial stability, workforce development, and improved governance, similar to the funding boost allocated in the 2025-26 budget.

Equity of access risk: There are also risks relating to equity of access. Larger organisations may be better equipped to apply for funds, potentially disadvantaging smaller, community-led services. This may be mitigated through simplified application processes for smaller providers, and proactive support for under-resourced organisations.

Strategic Links

The proposed uplift aligns closely with the ACT Government's strategic priorities and policy frameworks. It directly supports the ACT Wellbeing Framework, particularly the domains of Social connection, Access and connectivity, Identity and belonging, Health, and Safety. It also supports the ACT Volunteering Strategy's Strategic Outcome 2.1 which is aiming to ensure that "the ACT volunteer workforce is seen and heard, valued and fully recognised". By strengthening the financial and operational foundations of community organisations, the uplift ensures the infrastructure that underpins these outcomes remains viable and effective. Additionally, the proposal complements the ACT Government's ongoing commissioning and procurement reforms, which aim to move beyond transactional contracting towards collaborative, outcomes-based partnerships.[28]

This initiative contributes to the government's commitment to strengthening partnerships with community services.[29]

Evaluation Approach

The ACT Government should adopt a structured, evidence-based evaluation framework co-designed with the sector using baseline data to ensure the funding uplift delivers measurable value and accountability.

Noting the short-term nature of this funding, the low administrative burden for recipient organisations which was part of the 2025 $10 million funding boost should

[27] Joint Peaks (2024) *Joint Peaks Statement: Building a Strong, Sustainable Community Sector.* ACT Community Sector Peaks.

[28] ACT Government (2024) *2022–2024 Commissioning Roadmap – Introduction*. Community Services Directorate.

[29] ACT Government (2025) *Budget 2025–26: Wellbeing Budget Statement.* Chief Minister, Treasury and Economic Development Directorate.

be maintained. The purpose is to increase the sector’s viability, not to add additional reporting duties.

2.2 – Reform the ACT community sector indexation formula to ensure it reflects actual cost pressures, including mandatory increases to superannuation, long service leave and insurance. Incorporate retrospective adjustments to establish a fair baseline from 2026 onward.

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The ACT community sector continues to experience significant financial pressure driven by rising workforce costs, increasing service demand and the cumulative impact of historic underfunding. Current ACT Government indexation arrangements do not reflect the real and mandatory cost increases that community organisations must absorb.

In the 2025-26 budget, indexation for the community sector was set at 3.35%.[30] This is calculated as

> **Current Community Sector Indexation (CSI) formula = (Wage Price Index (WPI) or SCHADS Award increase [excluding super] × 0.8) + (Consumer Price Index (CPI) × 0.2).**

This formula excludes mandatory employer expenses such as mandatory increases in superannuation, long service leave (LSL) and insurance. For example, from 2021 to 2025, superannuation alone rose by 2.5 percent.[31] These increases are compulsory and unavoidable, yet indexation does not cover them. This structural mismatch widens the funding gap each year, eroding organisational sustainability and undermining workforce stability.

There is a clear opportunity to modernise the ACT indexation framework to ensure it reflects real employer obligations and cost pressures, strengthening long-term sector sustainability. To achieve this, ACTCOSS proposes the adoption of an improved formula that aligns funding with actual cost growth:

> **Proposed CSI formula = The higher of (WPI or SCHADS Award increase [excluding super] × 0.8) + (CPI × 0.2) + (0.8 × superannuation increase) + (0.8 × LSL levy increase)**

This reflects real cost drivers, removes uncertainty and annual negotiation burdens, and aligns with formulas used in other jurisdictions.[32] Further work is required to better account for increases in insurance costs, which vary significantly within the community sector depending on the type of service being delivered.

Accounting for the July 2025 superannuation increase from 11.5 per cent to 12 per cent (an uplift of 0.5 per cent), ACTCOSS calculates CSI in the 2025-26 budget at

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[30] ACT Government (2025) *2025-26 Budget outlook*, p120.

[31] Australian Government, Australian Tax Office (2025) Super guarantee.

[32] Western Australia Government (2023) Indexation Policy for the Not-for-Profit Sector.

3.95 per cent.[33,34] While there was no change to the LSL levy during this time, it wasn't factored into the CSI calculation for the 2024-25 budget so we have accounted for it in this calculation.[35] Based on this rate, CSI funding should equate to approximately $9.6 million for CSI indexation, compared to the $8 million allocated by the ACT Government in the 2025-26 budget.[36]

To support a fair and sustainable transition, retrospective adjustments should be incorporated into the baseline in 2025 to recognise unfunded superannuation and LSL increases since 2021. Most of these increases are not reflected in the above calculation, and require additional funding.

Financial Consideration

Reforming the formula requires adjusting baseline funding to reflect increases in superannuation, insurance and LSL not previously indexed. This is a modest but essential investment to ensure accurate cost matching and prevent ongoing budget distortion.

Moving to an indexation formula based on workforce cost growth, real inflation and mandatory contributions provides predictable and transparent funding. This prevents annual underfunding cycles, emergency remediation funding and service instability.

Ensuring indexation keeps pace with actual costs will support workforce retention and continuity of essential services, preventing more expensive crisis responses in the future.

The issue of gender undervaluation in the SCHADS Award is currently before the FairWork Commission. It will likely lead to additional increases in the SCHADS Award costs that could require more complex calculations due to changes to the SCHADS employment levels. These will require additional ACT Government funding.

Risks

Risk of continued underfunding and inequity:
If reform does not occur, organisations will continue experiencing a growing funding deficit as mandatory employer costs rise. This will lead to financial strain and reduced service capacity.

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[33] The ACT Government's CSI rate of 3.35 per cent in the 2025-26 budget is based on the SCHADS Award increase and change in CPI. To reflect additional cost pressures, ACTCOSS has adjusted this by:

- Superannuation increase: July 2025 uplift from 11.5 per cent to 12 per cent (0.5 per cent), weighted at 80 per cent = 0.4 per cent
- ACT LSL levy: Ameliorated for omission in the 2024-25 budget, weighted at 80 per cent of a 0.25 per cent increase = 0.2 per cent

Adding these to the ACT Government's CSI rate:

$$3.35\% + 0.4\% + 0.2\% = 3.95\%$$

[34] Australian Taxation Office (2025) *Super Guarantee*, Table 21: Super guarantee percentage, Australian Government, 1 April 2025.

[35] While there was no change to the LSL Levy in 2025, there was an increase the previous year, from 1.60 per cent to 1.85 percent, commencing 1 July 2024.
ACT Government (2024) *IMPORTANT INFORMATION: Increase to the Community Sector levy rate - ACT Leave*, 6 February 2024.

[36] ACT Government (2025) *Strengthening Community Services*, p1.

Workforce and service delivery risk:
Without indexation that reflects real costs, the sector will struggle to attract and retain staff, contributing to turnover and reducing continuity for vulnerable community members.

Risk of missed opportunity to reform indexation:
Without updating the indexation framework, the sector risks continued funding shortfalls and reduced organisational sustainability. Failure to act would delay necessary reforms, undermine long-term sector stability, and weaken the effectiveness of commissioning and service delivery outcomes.

Strategic Links

This proposal directly supports the ACT Government's wellbeing goals[37] and commissioning reform agenda.[38] Accurate indexation strengthens social service stability, equity and access, workforce wellbeing and gender equity - reflecting the sector's feminised workforce.[39]

It ensures sector sustainability is embedded in commissioning policy and strengthens government and sector partnership commitments.

Evaluation Approach

Indexation reform should be evaluated by monitoring organisational financial stability, workforce retention, and service continuity. Assessing whether including superannuation, long service leave and mandatory insurance costs in the formula improves cost predictability and allows funds to be redirected to frontline services is essential. Another clear test will be how effectively changes to the SCHADS Award are funded. Evaluation should be embedded in commissioning and funding reporting to ensure transparency and demonstrate progress toward a sustainable, stable community sector.

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[37] ACT Government (2020) *ACT Wellbeing Framework*. Chief Minister, Treasury and Economic Development Directorate.

[38] ACT Government (2024) *2022–2024 Commissioning Roadmap – Introduction*. Community Services Directorate.

[39] Cortis & Blaxland on behalf of Australian Council Of Social Service (ACOSS) (2023) *At the Precipice: Australia's Community Sector through the Cost-of-Living Crisis.*

2.3 – Deliver improved employment conditions for the ACT community sector workforce through the current MEA negotiations, focused on paid parental leave, superannuation and family and domestic violence leave.

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The ACT community sector is facing sustained workforce and service pressures, including increasing demand, higher service complexity, and ongoing challenges in attracting and retaining staff. These pressures are compounded by longstanding inequity between ACT community sector employment conditions and those provided to ACT Government workers, particularly in relation to paid parental leave, superannuation and family and domestic violence leave.[40]

As a feminised workforce, disparities in paid parental leave and superannuation contribute directly to gendered economic inequality in the ACT. Strengthening workplace conditions through the MEA represents a targeted and timely opportunity to advance gender equity, improve retention rates and support workforce participation in a sector that delivers critical services to vulnerable Canberrans.

ACT Labor made a clear election commitment to address these gaps, stating that they will:

> *'Move towards parity between the public and community sectors for paid parental leave, superannuation and family and domestic violence leave through the Community Sector multi-employer agreement (MEA).'*[41]

The government's use of "and" rather than "or" is significant. It reflects a commitment to advancing all three conditions, not prioritising one at the expense of others. Delivering on this commitment through the MEA process is essential to ensuring that ACT community sector workers are not disadvantaged relative to their public sector counterparts. However, there is currently no allocation in the ACT Budget forward estimates to support this shift, creating a substantial risk that the commitment will not be implemented or sustained. The matter is before the Fair Work Commission, and could conclude prior to, or soon after, the start of the 26-27 financial year. It is important that the budget allocate funding to enable genuine negotiation.

This investment opportunity represents a transitional step toward long-term sustainability and a fair and competitive employment environment in the ACT community sector.

Financial Considerations

Improved leave and superannuation entitlements will require dedicated ACT Budget allocation to support implementation. Without recurrent funding, increased

[40] Chief Minister, Treasury and Economic Development Directorate (2024) ACT Public Sector Health Professional Enterprise Agreement 2023–2026.

[41] ACT Labor (2024) ACT Labor Policy Position Statement, p67

obligations place pressure on community organisations operating under tight contract conditions, risking service delivery capacity.

Investment in improving parental leave, superannuation and family and domestic violence leave is associated with improved staff retention, reduced reliance on recruitment expenditure, and reduced lost productivity associated with turnover and burnout. The community sector already experiences challenges competing with public sector employment conditions; progressing parity reduces the recruitment gap and strengthens continuity of service delivery to Canberra communities.

A staged model similar to long service leave trust arrangements could support implementation, building organisational capacity and reducing immediate financial demands on the budget.

Risks

Funding and implementation risk: The ACT Government has publicly committed to working towards parity between the public and community sectors for paid parental leave, superannuation and family and domestic violence leave. However, without dedicated funding and a clear allocation in the forward estimates, community organisations will not have the resources to deliver on this commitment. This risks undermining the intent of the MEA and placing organisations in the unreasonable position of being required to implement government-promised improvements without the necessary investment.

Financial viability risk: Without a funding uplift, organisations operating with already thin margins face increased financial strain, risking service reduction or organisational instability at a time of growing community need in the ACT.

Recruitment and retention risk: Failure to deliver genuine progress towards parity with ACT Government conditions will worsen workforce competition pressures and continue to drive skilled staff out of the community sector, reducing service continuity for Canberrans who rely on community supports.

Strategic Links

This proposal supports the ACT Government's commitments to gender equity, fair work and a strong, sustainable community sector. It aligns directly with ACT Labor election commitments to progress parity in employment conditions between the ACT public sector and community sector workforce. It also aligns with key domains of the ACT Wellbeing Framework, including Secure employment, Financial wellbeing and Safety.

By continuing to support a majority-female workforce with equitable conditions, this investment strengthens delivery of ACT women's policy priorities[42] and reinforces the government's stated position that women's economic participation and security are essential to achieving equitable outcomes in Canberra.

[42] The Legislative Assembly for the Australian Capital Territory (2016) ACT Women's Plan 2016-26.

Evaluation Approach

Evaluation should be co-designed with the ACT community sector and focus on workforce, service and financial outcomes. It should assess the impact of enhanced conditions, including savings from reduced turnover and improved retention, with these savings reinvested into services to strengthen delivery for Canberrans.

Measures should also track staff wellbeing, safety, retention and continuity of services, including outcomes related to paid parental leave and family and domestic violence leave. By actively participating in the MEA process, the ACT Government can demonstrate the delivery and impact of its commitment to parity, providing a clear, transparent measure of success.

Evaluation should use baseline data, annual reporting and independent review to inform future workforce and funding policy and ensure ongoing sector sustainability.

2.4 – Provide targeted investment to ensure community sector premises are fit-for-purpose, accessible, safely located across the Territory, and resilient to extreme weather and climate events.

Responsible Directorate/s: Chief Minister, Treasury and Economic Development Directorate, City and Environment Directorate, Infrastructure Canberra and Health and Community Services Directorate.

Investment Rationale

The ACT community sector delivers essential services that support Canberrans and form a critical part of the Territory's social infrastructure. However, many community service premises, including ACT Government-owned assets, are ageing, vulnerable to climate hazards, and lack appropriate accessibility or geographic coverage to meet current and future community needs.

As climate-related hazards such as extreme heat and severe fire weather become more frequent, the need for resilient and strategically located facilities is increasingly urgent.[43] Community sector organisations provide essential services that must continue during and after extreme weather and climate events. In many cases, demand for these services rises during and after crises, making continuity even more critical. Yet many community service premises are not equipped to withstand extreme conditions.

Inadequate facilities increase the likelihood of service interruptions, workforce displacement, and emergency relocations, each carrying financial and social costs for the ACT. It also poses serious health and safety risks for workers and clients in inadequate buildings. Community sector organisations support priority groups who are particularly vulnerable to extreme heat and smoke exposure, such as pregnant women, children, older people, and those with existing health conditions.[44] Failing to act heightens the likelihood that these groups will experience harmful conditions during climate-related events.

Targeted investment in community sector infrastructure, particularly to address risks from extreme temperatures and smoke, is needed to improve climate resilience and ensure services to priority populations remain safe, accessible, and equitable during extreme weather and climate events. Funding should support building upgrades, accessibility improvements, and relocation or retrofitting to meet safety and climate standards, including:

- ACT Government-owned assets: direct upgrades delivered by government or relocation to more suitable premises should be considered as a priority
- Privately operated premises: financial support for community sector organisations unable to retrofit, relocate, or upgrade facilities through grants or similar mechanisms.

[43] NSW Government (2024) NARCliM2.0 ACT Climate Change Snapshot, NSW Department of Climate Change, Energy, the Environment and Water.

[44] Australian Government (2025) Australia/s National Climate Risk Assessment. Australian Climate Service.

Financial Considerations

While targeted infrastructure investment will not resolve structural funding challenges facing the community sector, it is a high-value measure that prevents far greater expenditure for the ACT Government in the future. The Insurance Council of Australia estimates that **every $1 spent on resilience delivers a $9.60 return by avoiding future financial, health and social damage**.[45]

The final Disaster Ready Fund (DRF) Round 5 presents a timely and strategic opportunity to align with the 2026–27 ACT Budget and secure significant Commonwealth funding for community sector infrastructure upgrades. This would require an ACT Government budget commitment for 2026–27.

DRF Round 4, due in early 2026, remains a viable option, either through existing budget allocations or an early budget contribution approved by the Expenditure Review Committee (ERC). This should also be actively pursued.

The ACT Government has already forfeited approximately $7 million in Commonwealth funding across the first three DRF rounds by not submitting sufficient applications to meet its allocated baseline funding of $7.5 million per round. In the current context of significant budgetary pressure, this is a serious failure.

By leveraging the DRF's 50% co-contribution model, the ACT Government can effectively halve its investment. Every dollar of infrastructure improvement would cost just 50 cents. This is an opportunity to stretch public funds during a budget deficit and to maximise value for money in both the short and long term, while ensuring the community sector can continue delivering essential services to priority populations into the future.

To further maximise impact, funding program design should consider an eligibility criteria that prioritise organisations delivering essential services from high-risk or outdated facilities. Investment decisions should be guided by ACT-specific climate hazard data (e.g. NARCliM projections) to ensure upgrades address the most significant risks, particularly extreme temperatures and smoke.

<u>ACT Government-Owned Assets</u>

There is an opportunity to expand the existing Electrification of Government Gas Assets program to include retrofitting for climate and disaster resilience. This would allow the ACT Government to upgrade its own assets not only for emissions reduction, but also for safety, accessibility, and continuity of essential services during extreme weather events.

Priority should be given to government-owned premises that are used by community organisations, rather than other government assets with lower public-facing service delivery. These buildings often operate under lease arrangements where the ACT government absorbs utility and maintenance costs. Many of these facilities are ageing and inefficient, resulting in high operational costs and poor thermal

[45] Insurance Council Australia (2022) Reaping the rewards of resilience.

performance. Retrofitting these assets would reduce long-term expenditure, improve service continuity, and deliver co-benefits for emissions reduction and community wellbeing.

Privately Operated Premises

For community sector organisations operating from privately owned premises, financial support is also often essential to enable retrofitting, relocation, or upgrades. The DRF-funded *Preparing Community Service Organisations for Climate Change pilot* provides a useful model for a baseline grant program. Future funding rounds should build on this model and its evaluation to support implementation, particularly for organisations that lack the capital to upgrade facilities independently. Grants or similar mechanisms should be designed to ensure equitable access and reflect the diversity of premises and organisational capacities across the sector.

Risks

Risk of inaction: Without targeted investment, many community organisations will remain in facilities that are unsafe, inaccessible, or unfit for purpose. This increases the risk of service disruption, workforce displacement, and community harm during and after extreme weather and climate-related events.

Risks to health and safety: Inadequate buildings pose significant health and safety risks for both workers and clients. Community sector organisations serve priority groups who are particularly vulnerable to extreme temperatures and smoke exposure, including pregnant women, children, older people, and individuals with existing health conditions. Without action, these groups face an increased likelihood of exposure to harmful conditions during climate-related events.

Strategic Links

This proposal aligns closely with the ACT Government's strategic priorities and wellbeing objectives. It directly supports multiple domains of the ACT Wellbeing Framework, including Access and connectivity, Environment and climate, Safety, Social connection, and Health.[46] It also aligns with the ACT Social Recovery Framework, which recognises the community sector's essential role in social recovery and commits the ACT Government to ensuring that recovery is appropriately resourced, including infrastructure, under the principle of building capacity and strengthening resilience.[47]

The proposal also supports the ACT Government's commissioning and procurement reforms, which seek to shift towards collaborative, outcomes-based partnerships.[48]

By investing in fit-for-purpose community sector infrastructure, the ACT Government would strengthen the Territory's disaster resilience, ensure equitable service access, and protect the long-term viability of essential services.

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[46] ACT Government (2020) *ACT Wellbeing Framework*. Chief Minister, Treasury and Economic Development Directorate.

[47] ACT Government (2020) *ACT Social Recovery Framework*. Community Services Directorate

[48] ACT Government (2024) *2022–2024 Commissioning Roadmap – Introduction*. Community Services Directorate.

Evaluation Approach

A structured, evidence-based evaluation should accompany this investment to ensure accountability and impact. It should establish baseline data on premises, accessibility, and climate resilience; track outcomes such as service continuity and operational capacity; and include a review after two years to assess effectiveness and alignment with the ACT Wellbeing Framework.

Embedding evaluation in all funded projects will support transparency, guide future planning, and demonstrate the value of resilient, accessible community infrastructure.

3 – Strengthening investment in social housing and homelessness services

Housing and rental affordability in the ACT have deteriorated in recent years, and inequality in the private rental market is widening. People on the lowest incomes, including those on income support, minimum wage earners and students, are increasingly unable to access the private rental market. The crisis is creeping into higher income brackets, with essential workers, like nurses, ambulance officers and aged care workers unable to afford a private rental in the ACT.[49] The ACT Government holds several powerful levers that can ease the effects of this crisis. Policy settings that disadvantage those on the lowest incomes are not inevitable. They are choices. Strengthening the right settings will reduce avoidable disadvantage and prevent deepening inequity in the Territory.

Recommendations

Recommendations

- Commit to consistent investment to restore social housing in the ACT to at least 10 per cent of all housing stock by 2036.
- Provide a sustained funding uplift for the homelessness sector to match rising demand, strengthen early-intervention and tenancy supports, and ensure the ACT's investment in social and affordable housing supply is complemented by the services required to ensure Canberrans maintain access to adequate housing.
- Provide contract certainty for homelessness services, through multi-year contracts and renewal decisions made at least six months before expiry.

3.1 – Commit to consistent investment to restore social housing in the ACT to at least 10 per cent of all housing stock by 2036.

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

For almost 80 years, social housing has served as the foundational element of the Australian housing system.[50] For households reliant on income support payments, or on very low incomes, it's almost always the only pathway to a secure rental. Similarly, social housing supports people who cannot access private rental housing due to non-income related reasons. Critically, social housing reduces the incidence of homelessness and the associated downstream costs in health, justice and

[49] Anglicare Australia (2025) *Rental Affordability Snapshot. Essential Workers Report. Third Edition*, Anglicare Australia Ltd, p9.

[50] National Housing Supply and Affordability Council (2025) *State of the Housing System 2025*, Australian Government, p57.

welfare.[51] To ameliorate these effects, we recommend the ACT Government commit to restoring social housing to at least 10 per cent of all housing stock by 2036.

In the ACT, private rental housing is entirely unaffordable for individuals reliant on income support payments. A single person receiving JobSeeker, Youth Allowance, the Disability Support Pension, Parenting Payment (single) or the Age Pension cannot afford any available rental property in the ACT.[52] The 2024 SGS Economics Rental Affordability Index (RAI) shows how severe housing stress has become in the ACT for those on the lowest incomes.[53,54] The RAI rates the cost of housing for those on income support as ranging from severely to critically unaffordable. This is not a problem confined to income support recipients. Hospitality workers and those on the minimum wage also face unaffordable to severely unaffordable rents in the Territory.

Rental affordability index for the ACT: 2020 – 2024

Household	RAI Score Qtr 1 2024	Relative unaffordability	Estimated annual income	Share of income on rent	RAI score Qtr 1 2020	Change in index points	Change in relative unaffordability 2020-2024
Single person on JobSeeker payment	30	Critically unaffordable	$24,723	101%	65	-35	Declined from severely to critically unaffordable
Single pensioner	47	Extremely unaffordable	$39,429	63%	44	+3	Declined from severely to extremely unaffordable
Pensioner couple	63	Severely unaffordable	$62,639	48%	57	-6	Same classification
Single part-time worker parent on benefits	46	Extremely unaffordable	$46,015	65%	65	-19	Declined from severely to extremely unaffordable
Single full-time working parent	117	Moderately unaffordable	$117,000	26%	126	-9	Declined from acceptable to moderately unaffordable
Single income couple with children	104	Moderately unaffordable	$117,000	29%	113	-9	Same classification
Dual income couple with children	208	Very affordable	$234,000	14%	225	-17	Same classification
Student sharehouse	88	Unaffordable	$99,331	34%	126	-38	Declined from acceptable to unaffordable
Minimum wage couple	96	Unaffordable	$95,254	31%	91	-5	Same classification
Hospitality worker	76	Severely unaffordable	$63,129	40%	74	+2	Same classification

Source: SGS Economics & Planning, Rental Affordability Index 2024, ACT data extract

[51] Davison, J., Brackertz, N. and Alves, T (2021) *Return on investment for social housing in the ACT*, Australian Housing and Urban Research Institute (AHURI) Professional Services, p1.

[52] Anglicare Australia (2025) *Rental Affordability Snapshot: Regional Reports 2025 \ Sixteenth Edition*, p3.

[53] SGS Economics & Planning (2024) *Rental Affordability Index: Research Report*, National Shelter and Beyond Bank, p90;

It is generally accepted that if housing costs exceed 30 per cent of a low-income household's (households with the lowest 40 per cent of income) gross income, then that household is experiencing housing stress (30/40 rule). In the RAI, households who are paying 30 per cent of income on rent have a score of 100, indicating that these households are at the critical threshold for housing stress. A score of 100 or less indicates that households would pay more than 30 per cent of income to access a rental dwelling, meaning they are at risk of experiencing housing stress.

[54] The figures presented were the latest available at the time of writing this submission, updated figures were scheduled for release in November 2025.

The problem of affordability is highlighted by the ongoing growth in demand for social housing:

- In 2021 there were approximately 2,500 people on the social housing waitlist in the ACT.[55]
- Three years ago, in March 2022, there were 3,028 applications, and standard wait times were 4.3 years.[56]
- Currently, as of 30 September 2025, there are 3,486 approved applications for ACT public housing. This is an increase of 297 in just 6 months, from March 2025. **The standard wait time is now almost 5 years**.[57]

According to the latest Report on Government Services (RoGS) data, almost 100 per cent of new public housing allocations from 2021 - 2024 have gone to those in greatest need, indicating the system has no room for lower-priority applicants.[58] Given that households in greatest need make up an average of 67 per cent of the public housing waitlist, if current allocation trends continue, around one-third of applicants may remain unhoused unless their circumstances change to meet the criteria for greatest need.[59]

This approach not only leaves a significant portion of the waitlist without realistic prospects of housing but also drives up long-term costs. Waiting for individuals' circumstances to deteriorate before offering support results in greater demand on crisis services, health systems, and emergency accommodation. A lack of commitment to early investment in social housing is not only socially damaging, but fiscally unsound.

While significant investment in social housing has been made in recent years by government, current levels of investment are not ambitious enough. Conditions appear to be worsening for those on the lowest incomes and the gap between low- and moderate-income households is widening. Not only does this entrench disadvantage in the ACT community, but it will result in greater long-term costs for government that could otherwise be avoided.

Financial Considerations

While upfront costs of developing new social housing are significant, investment in social housing yields strong returns. Costs in social housing are substantially offset by avoided costs in health, justice and welfare systems. Research in 2021 found that for every dollar invested in low-cost social housing, the government recoups 57

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[55] AHURI (2021) Return on investment for social housing in the ACT, p3.

[56] ACT Council of Social Services (2022) Submission: Inquiry into Housing and Rental Affordability, p3.

[57] ACT Government (2025) Waiting list for public housing, accessed 31st July 2025 and 13th November 2025.

[58] *Greatest need households are defined by the Productivity Commission as households that at the time of allocation are: homeless, in housing inappropriate to their needs, in housing that is adversely affecting their health or placing their life and safety at risk, or have very high rental housing costs.*

Productivity Commission (2025) Report on Government Services 2025: Part G Housing and Homelessness, Section 18 Housing, Table 18A.29, Australian Government.

[59] Ibid.

cents through welfare, health and justice savings, and around 30 cents for higher-cost developments.[60]

Table 1: Net annual costs of new social housing (per dwelling), provided by community housing providers, adjusted for revenue and welfare offsets – ACT in 2021[61]

	Cost of new housing	Cost net of revenues (gap)	Median welfare offsets	Cost net of revenues and offsets	Benefit cost ratio
Low cost	$39,500	$26,900	$15,300	$11,600	0.57
High cost	$61,900	$51,100	$15,300	$36,100	0.29

Source: Davison, J., Brackertz, N. and Alves, T., *Return on investment for social housing in the ACT*, AHURI Professional Services, 1 August 2021, p 3.

These downstream savings reflect the significant avoided costs that arise when people are securely housed – less demand for crisis accommodation, reduced hospital admissions, lower interactions with police and the courts. So not only is the investment fiscally responsible, it is better for individuals and for society.

This represents a shift from reactive, crisis-driven expenditure to an early investment framework that promotes long-term fiscal sustainability. Failing to invest adequately and earlier will perpetuate the high costs associated with homelessness and housing insecurity, while forfeiting investment returns that social housing generates.

Risks

The Federal Minister for Housing has described the current crisis as 40 years in the making. In the ACT, this long-term trend is clear. At the time of self-government in 1989, public housing represented 12.2% of all households.[62] Over the past decade, the proportion of social housing has continued to fall — from 7.6% in 2014 to just 6.5% in 2024.[63] Nationally, the ACT records one of the steepest declines in social housing as a share of total stock.[64]

Although the ACT Government has committed to building 400 new public homes by 2027 and a further 1,000 by 2030, current investment settings risk falling short of what is needed to meaningfully reduce wait times or relieve pressure on crisis, health

[60] AHURI (2021) *Return on investment for social housing in the ACT*, p3.

[61] These figures are based on 2021 data and should be interpreted with consideration of inflationary pressures, particularly in construction, health, justice, and social services costs, as well as policy changes since that time, including the introduction of new subsidies such as those available under the Housing Australia Future Fund Facility. These changes affect costs, revenues and offsets. Updated modelling would be required to reflect current economic and policy conditions.

[62] ACTCOSS and ACT Shelter (2024) *ACTCOSS and ACT Shelter election platform 2024*, ACTCOSS, p1.

[63] Australian Institute of Health and Welfare (AIHW), *Housing assistance in Australia*, Australian Government, 24 June 2025.

[64] National Housing Supply and Affordability Council., *State of the Housing System 2025*, Australian Government, 21 May 2025, p 58.

and justice services.[65] Without a more ambitious and sustained pipeline, the proportion of social housing will continue to fall behind demand, further entrenching homelessness, rental stress and housing insecurity for those on the lowest incomes.

Failure to grow the overall share of social housing also jeopardises delivery of the Emerson–Barr supply and confidence agreement, which commits to increasing public and community housing as a proportion of total dwellings. This commitment assumes strong collaboration with the Federal Government. Without a more ambitious and sustained pipeline, the ACT is at risk of missing opportunities to leverage significant funding through the Housing Australia Future Fund Facility (HAFFF).

Strategic Links

This recommendation has strategic links to a range of different commitments and strategies.

Wellbeing Framework domains including:

- Housing and home, Health, Living standards, Safety, Economy, Social connection, Education and life-long learning, Identity and belonging.

AHURI note the following social and economic domains that investment in social housing benefits:

- Social inclusion, education and skills, employment, health and mental health, safety and security and empowerment.[66]

ACT Labor election commitments:

- Deliver over 1,000 more public housing homes.
- Partner with larger states like NSW and Queensland to purchase, at scale, modular housing to significantly reduce the time, and cost, to deliver new public housing dwellings.

Emerson-Barr supply and confidence agreement: to increase public and community housing as an overall proportion of total ACT residential dwellings, noting that this must be a long-term trajectory given the governments focus on increasing overall housing supply. This work includes collaboration with the Federal Government and relevant stakeholders in the ACT and surrounds to maximise available financial and human resources to build more homes.

ACT housing strategy goals 1-3: [67]

- An equitable, diverse and sustainable supply of housing for the ACT community
- Reducing homelessness

[65] ACT Government, *Budget 2024-25: Housing Budget Statement*, ACT Government, June 2024; ACT Labor, *More Homes to Build, Buy and Rent*, ACT Labor, 2024.

[66] *Return on investment for social housing in the ACT*, AHURI, 2021, p 4.

[67] ACT Government (2020) *ACT Housing Strategy Implementation Plan*, p3–8.

- Strengthening social housing assistance

ACT Human Rights Act 2004

- Human right (amendment) bill 2025 to come into effect 1 July 2027 – enshrining the right to adequate housing in the ACT, in law.

Closing the Gap targets 9 and 9a:

- Target 9: Aboriginal and Torres Strait Islander peoples secure appropriate, affordable housing that is aligned with their priorities and need.
- Target 9a: By 2031, increase the proportion of Aboriginal and Torres Strait Islander peoples living in appropriately sized (not overcrowded) housing to 88 per cent.

Statement of planning priorities – a number of the 10 key priorities of this statement align with this proposal, including:

- Priority 4: Support the delivery of social and affordable housing.[68]

Evaluation Approach

Evaluation should focus on whether sustained investment is rebuilding the proportion of social housing and reducing the long-term pressures described throughout this proposal. This requires clear, consistent measures that track both supply of social housing and outcomes over time, with results reported publicly at least annually, and ideally quarterly to support timely policy adjustments.

A core measure is the proportion of social housing within total ACT housing stock, given this is the central aim of the recommendation. This requires improved transparency in reporting across ACT Housing. At present, community housing providers deliver a mix of social and affordable housing and are required to report on this to the National Regulatory System for Community Housing (NRSCH), of which the data is shared with the ACT Government. However, currently there is no publicly available data to distinguish between these categories. A robust evaluation framework would require regular public reporting by the ACT Government of:

- the number of social housing dwellings delivered and maintained by CHPs;
- the number and proportion of ACT Government dwellings head leased to CHPs that are used as social housing rather than affordable rentals; and
- changes in the overall share of social housing relative to total dwellings.

Outcome measures should align with the strategic links outlined in this proposal, particularly those relating to homelessness, rental stress and wellbeing. Relevant indicators include social housing waitlist size and composition, time spent in crisis accommodation, and demand on health, justice and emergency services. Tracking

[68] ACT Government (2025) *Statement of Planning Priorities 2025 - 2028*, p5-6.

these trends over time will help assess whether earlier investment is reducing reactive expenditure and improving outcomes for those on the lowest incomes.

Together, these measures will enable government to assess progress toward restoring social housing to 10 per cent of stock by 2036, while demonstrating the broader social and fiscal benefits of earlier and sustained investment.

3.2 – Provide a sustained funding uplift for the homelessness sector to match rising demand, strengthen early-intervention and tenancy supports, and ensure the ACT's investment in social and affordable housing supply is complemented by the services required to ensure Canberrans maintain access to adequate housing

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The homelessness sector plays a critical role in supporting people to access, stabilise and maintain housing. However, sustained increases in demand, rising complexity of need, and long-term unaffordability across the housing system mean that current funding levels are not adequate to meet the needs of the Canberra community. Homelessness services provide the holistic, wrap-around support necessary to support desperate people into safety and security. Reinforcing homelessness services helps to protect the government's investment in social and affordable housing supply by making sure people can first access, and then maintain, housing. We therefore recommend the government provide much needed funding to the homelessness sector both to support homeless Canberrans, but also to enhance the impact of existing investment in social and affordable housing.

Homelessness demand in the ACT shows no signs of easing. In June 2025, 1,999 people in the ACT were receiving support from Specialist Homelessness Services (SHS), with women (58 percent) and Aboriginal and Torres Strait Islander peoples (17.5 percent) disproportionately affected.[69]

Date	Total SHS clients in the ACT
July 2017	1,606
July 2019	1,612
July 2021	1,820
July 2023	1,924
June 2025	1,999

Source: AIHW, *Specialist homelessness services monthly data file*, 29 August 2025.

These pressures are compounded by broader system trends. The ACT housing market is increasingly unaffordable for people on low incomes, including essential workers and those on income support payments. As outlined in Recommendation 3.1, the private rental market is critically unaffordable for people on JobSeeker, Youth Allowance, the Disability Support Pension and the Age Pension. Even households earning the minimum wage face severely unaffordable rents.[70] As social housing waitlists grow and wait times reach nearly five years for standard applicants,

[69] AIHW (2025) *Specialist homelessness services: monthly data*.

[70] Anglicare Australia (2025) *Rental Affordability Snapshot: Regional Reports 2025\Sixteenth Edition*, p3.

more Canberrans are forced to rely on homelessness services to prevent eviction, manage complex needs, and navigate crisis situations.

Importantly, increasing social and affordable housing supply, while essential, is only one part of the solution. The benefits of new housing stock depend on whether people can access and sustain tenancies over time. AHURI modelling shows that people experiencing homelessness incur around $44,000 per year in service use costs (health, justice, welfare), compared with around $28,700 for people in social housing, a $15,300 reduction per person.[71] [72] These savings are only realised when tenancy supports are adequate, sustained, and well-resourced. Without commensurate investment in homelessness services, the ACT will not fully capture the social and fiscal benefits of its new housing supply.

A sustained funding uplift is necessary to ensure the homelessness sector can support early intervention, prevent tenancy failure, and provide the wrap-around services required to make the ACT's social and affordable housing investments effective. Without this uplift, the ACT faces rising homelessness, escalating crisis costs, and missed opportunities to prevent harm and support people to remain safely housed.

Financial Considerations

Investment in homelessness services provides strong fiscal returns through cost avoidance and improved service efficiency.

AHURI modelling from 2021 shows that reducing homelessness and sustaining tenancies in social housing generates approximately $15,300 per person per year in avoided health, justice and welfare costs.[73] Scaling these savings across the approximately 1,700 people receiving SHS support at any given day in the ACT demonstrates the substantial fiscal benefits of strengthening tenancy support capacity.[74]

Funding uplift also reduces reliance on high-cost crisis responses, including:

- emergency accommodation
- emergency department presentations
- mental health crisis services
- police and court interactions
- child protection involvement

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[71] AHURI (2021) [Return on investment for social housing in the ACT](), p3.

[72] *These figures are based on 2021 data and should be interpreted with consideration of inflationary pressures, particularly in construction, health, justice, and social services costs, as well as policy changes since that time, including the introduction of new subsidies such as those available under the Housing Australia Future Fund Facility. These changes affect costs, revenues and offsets. Updated modelling would be required to reflect current economic and policy conditions.*

[73] AHURI (2021) [Return on investment for social housing in the ACT](), p3.

[74] AIWH (2025) [Specialist homelessness services: On any given day, across the Australian Capital Territory 2024,]() Australian Government, last updated 11 March 2025.

Earlier intervention and sustained support are significantly less expensive than crisis management.

While detailed costings will vary by provider and service model, homelessness organisations, including smaller services that often cannot engage fully in budget processes, have consistently demonstrated that current funding levels are insufficient. A system-wide uplift is needed to stabilise the sector, respond to unmet demand, and ensure the ACT's housing investments reach their intended impact.

Risks

The main risks are those associated with further inaction:

- Rising homelessness, with greater reliance on crisis accommodation
- Increasing pressure on health, justice, AOD, mental health and child protection systems
- Tenancy failures in new and existing social housing, reducing the effectiveness of recent investment
- Escalation in unsheltered homelessness, including rough sleeping
- Loss of smaller, specialist and ACCO providers who play a critical role in supporting priority cohorts

On the implementation side, the risks associated with increasing funding are low. Existing homelessness services have demonstrated strong governance, clear and sustained demand, and well-established evidence of cost-effectiveness through the commissioning process and broader research literature. The main implementation consideration is ensuring that smaller and specialist providers, who often have limited capacity to participate in budget consultations, are fully captured in uplift calculations so the entire service system is strengthened.

Strategic Links

This proposal directly supports:

ACT Housing Strategy

- Goal 1: An equitable, diverse and sustainable supply of housing
- Goal 2: Reduce homelessness
- Goal 3: Strengthening social housing assistance

ACT Human Rights Act reforms – upholding the right to adequate housing requires sufficient and stable supports.

Closing the Gap Targets 9 and 9a, noting Aboriginal and Torres Strait Islander peoples disproportionate use of Specialist Homelessness Services (SHS) and experience of chronic homelessness in the ACT, as well as the ongoing need for culturally secure, continuous supports.

ACT Wellbeing Framework, particularly:

- the Housing and home, Health, Safety, and living standards, Social connection, Identity and belonging domains.

ACT Labor election commitments:

- Delivering new public housing supply, increasing social and community housing as a proportion of dwellings, and making 75 public housing properties available for specialist housing and homelessness services, including to Aboriginal Community Controlled Organisations.

This investment also strengthens the impact of Recommendation 3.1 (social housing supply) and Recommendation 3.3 (contract certainty) of this submission.

Evaluation Approach

Evaluation should assess whether sustained investment improves the sector's ability to deliver early intervention, stabilise tenancies, and reduce reliance on crisis responses. ACT funding should include adequate resourcing for meaningful evaluation where evaluation needs to be undertaken by the services themselves.

Key measures may include:

- Evaluating trends in repeat homelessness and rough sleeping
- Changes in crisis accommodation use
- The proportion of clients who remain housed at three, six and twelve months after receiving support
- Changes in waitlist length and waiting times
- Rates of crisis accommodation use and changes over time
- Changes in demand for health, justice, child protection and emergency services

These measures should be reported annually to enable timely policy and service adjustments across the homelessness and housing systems.

3.3 – Provide contract certainty for homelessness services, through multi-year contracts and renewal decisions made at least six months before expiry

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The homelessness sector delivers essential early intervention and tenancy sustainment services that directly influence whether people can remain safely housed. However, many providers continue to operate under short term, annual contracts, with renewal decisions often made only weeks, or even days, before expiry. This uncertainty undermines service continuity, destabilises the workforce, and reduces the effectiveness of previous government investment in both social housing and homelessness supports.

Lack of contract certainty results in predictable and avoidable problems, including the loss of skilled staff, rising recruitment and training costs, and the diversion of effort away from frontline support and into contract management. These avoidable costs compound demand pressures and increase reliance on acute responses such as crisis accommodation, emergency departments, and policing.

Multi-year contracts, paired with renewal decisions made at least six months before expiry, would provide stability for the homelessness sector, protect workforce capability, and maximise the return on homelessness and housing investments. This approach is consistent with the aims of commissioning, supports better outcomes for those experiencing or at risk of homelessness, and reduces the administrative burden on both government and service providers.

Financial Considerations

Contract certainty is a cost-avoidance measure rather than a new funding request. Longer-term contracts reduce the substantial costs created by workforce turnover, including recruitment, onboarding and re-training. Early renewal decisions also limit service disruption and allow providers to plan caseloads, staffing and partnerships with greater efficiency.

Stable services are more effective. Multi-year contracting prevents gaps in support, strengthens early-intervention capacity and improves tenancy sustainment. These outcomes are far less expensive than crisis responses and ensure that past and current investments in homelessness and housing achieve their intended impact. Greater stability also helps reduce demand for high-cost services, including crisis accommodation, policing, child protection, emergency departments and mental health care.

Risks

The risks associated with adopting multi-year contracts and early renewal decisions are low, but could include reduced Government contractual flexibility. Instead, the risks lie overwhelmingly in maintaining the status quo:

- Loss of skilled staff and corporate knowledge
- Increased service disruption and reduced ability to respond to demand
- Higher turnover and administrative burden for both government and providers
- Reduced effectiveness of social housing investments if tenancies fail due to lack of support

These risks are mitigated through longer-term contracts, clearer renewal timelines, and more predictable planning cycles.

Strategic Links

This proposal aligns with:

- ACT Housing Strategy:
    - Goal 2: Reduce homelessness
    - Goal 3: strengthening social housing assistance[75]
- ACT Human Rights Act reforms, which rely on stable supports to uphold the right to adequate housing.
- Closing the Gap Targets 9 and 9a, noting Aboriginal and Torres Strait Islander peoples disproportionate use of Specialist Homelessness Services (SHS) and experience of chronic homelessness in the ACT, as well as the ongoing need for culturally secure, continuous supports.
- ACT Wellbeing Framework, particularly the Housing and home, Health, Safety, and Living standards, Social connection, Identity and belonging domains.
- ACT Government commitments to improved commissioning, including longer-term stability and reduced administrative burden.
- ACT Labor election commitment to increase the proportion of all housing that is social and community housing in the ACT.
- ACT Labor election commitment to make 75 public housing properties available for specialist housing and homelessness services, including to Aboriginal Community Controlled Organisations.

Evaluation approach

Evaluation should focus on whether greater contract certainty improves continuity of service delivery and contributes to more stable housing outcomes. ACT Government funding for homelessness services should include adequate resourcing for meaningful evaluation. Relevant measures may include:

- Workforce retention rates within funded services over the contract period

[75] ACT Government (2020) *ACT Housing Strategy Implementation Plan*, p3-8.

- The proportion of clients who remain housed at three, six and twelve months after receiving support
- Changes in waitlist length and waiting times
- Rates of crisis accommodation use and changes over time

4 – Supporting self-determination for Aboriginal and Torres Strait Islander peoples

In recent decades the ACT has made steps to recognise the right of Aboriginal and Torres Strait Islander peoples to self-determination through its policy and legislation. The *Aboriginal and Torres Strait Islander Agreement 2019 – 2028* explicitly acknowledges Aboriginal and Torres Strait Islander peoples as Australia's First Peoples and affirms their right to self-determination.[76] Our policy recommendations in this budget are intended to support this right by ensuring long-term funding for Aboriginal Community Controlled Organisations (ACCOs), ensuring the Aboriginal and Torres Strait Islander Elected Body is adequately resourced to fulfil their important role in the Territory, and commencing the work to fund the recommendations within the Jumbunna Review.

Recommendations

Recommendations

- Ensure funding for ACCOs is long-term and establishes a varied and positive community sector to support Aboriginal Torres Strait Islander peoples.
- Increase resourcing and funding certainty to strengthen the Aboriginal and Torres Strait Islander Elected Body
- Fund the establishment of an interim Aboriginal and Torres Strait Islander-led justice body to oversee implementation of recommendations made in the Jumbunna Institute's *Independent Review into the Over-Representation of First Nations People in the ACT Criminal Justice System*.

4.1 – Ensure funding for ACCOs is long-term and establishes a varied and positive community sector to support Aboriginal and Torres Strait Islander peoples

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

Despite Aboriginal Community Controlled Organisations (ACCOs) being formally recognised as central to self-determination in both the *National Agreement on Closing the Gap* and the *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*, current funding settings do not reflect this. A commitment to long term investment is essential to developing the ACCO landscape in the ACT. Too few are well established. Many emerging ACCOs, despite achieving successful outcomes, have no secure funding for long term service delivery. Short funding cycles impact

[76] ACT Government & ACT Aboriginal and Torres Strait Islander Elected Body (2019) *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*, p1.

workforce retention and client outcomes. Program-only grants that exclude core and operational costs undermine the holistic service delivery focus of ACCOs.

The short funding cycles promote competition among service organisations. Increasing competition for delivery of social services has been a policy choice by governments across Australia over the last 30 years to try and improve the efficiency and availability of services by encouraging innovation. This has occurred, for example, in disability services (through the NDIS), employment services and childcare. However, service competition in social service markets has often not served consumers well, especially in small markets. It presumes that creating more choice for service users is the optimal goal and that transfer costs are low for service users. This has discouraged long-term, holistic planning in favour of short-term, niche servicing.[77] For ACT ACCOs in particular, short funding cycles have driven exactly this sort of harmful competition – both between ACCOs and between ACCOs and mainstream providers - rather than addressing unmet, long-term need in the community and enabling a diverse and complementary ecosystem of ACCOs.[78]

We therefore recommend that ACCOs are funded in long-term cycles of five or more years to allow a more complementary and holistic service ecosystem to develop.

Financial Considerations

Long term funding reduces staff turnover, costs associated with procurement, and inefficiencies created by repeated short term bidding. Longitudinal investment is necessary to shift complex, intergenerational outcomes.[79] Short-term funding cycles, however unintended, actively work against this.

Risks

If long term resourcing is not delivered, outcomes for Canberra's Aboriginal and Torres Strait Islander community will continue to stall as the ACCO infrastructure and ecosystem will remain fragile. This increases the risk of talent drain of community leadership into constant funding management and advocacy rather than service delivery. Newer ACCOs may never get the opportunity to mature into stable service platforms and overreliance on costly crisis interventions will remain.

Strategic Links

This proposal directly aligns with Closing the Gap Priority Reform Two, which focuses on strengthening the ACCO sector to deliver services that advance Closing the Gap outcomes.[80]

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[77] For a comprehensive account of issues in social service markets, see Considine (2024) *The Careless State: Reforming Australia's Social Services*, Melbourne University Press.

[78] Cunneen, C., Fiona, A., Beaufils, J., Corrales, T. and Selcuk, A (2025) *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System: Strategies and Recommendations for Reducing Aboriginal and Torres Strait Islander Over-Representation in the ACT Criminal Justice System.* Jumbunna Institute for Indigenous Education and Research, University of Technology, Sydney, p78.

[79] Ibid.

[80] Department of the Prime Minister and Cabinet (2020) *Priority Reform Two – Building the Community-Controlled Sector*, National Agreement on Closing the Gap, Australian Governments and Coalition of Peaks.

It also reflects commitments under the *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*. The ACT Annual Impact Statement 2024–25 reinforces such commitments by confirming the ACT Government’s plan to undertake Aboriginal and Torres Strait Islander expenditure reviews across Directorates. The intention of these reviews is to ensure that funding is aligned with the needs of the community and supports the goals of the National Agreement on Closing the Gap.

The recent Jumbunna Review recommendations similarly highlight the connection between transparency and effectiveness of funding decisions in spending as a means to strengthen self-determination.[81]

Evaluation Approach

Long term funding agreements create the conditions for more representative, longitudinal impact measurement. In contrast, short term grants of 6-12 months structurally prevent the accumulation of evidence and hinder the ability to demonstrate sustained outcomes.

Evaluation should assess service continuity, workforce stability, and client outcomes, and reflect the holistic nature of ACCO service delivery. Crucially, measures must be codesigned with ACCOs, ensuring that evaluation frameworks capture culturally grounded and community defined success. This could include verbal interviews alongside program data to reflect the holistic and community-oriented approach of ACCO service delivery.[82]

[81] *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System,* 2025.

[82] *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System,* 2025, p 79-80.

4.2 – Increase resourcing and funding certainty to strengthen the Aboriginal and Torres Strait Islander Elected Body

Responsible Directorate/s: Health and Community Services Directorate

Investment Rationale

The ACT was the only jurisdiction to vote in favour of the Voice to Parliament in the 2023 referendum. The level of disappointment in the national defeat of the referendum was profound. However, the ACT has an opportunity to advance many of the functions associated with a national Voice at the local level through the established Aboriginal and Torres Strait Islander Elected Body (Elected Body). Created in 2008, the Elected Body's purpose is to amplify the voices of Aboriginal and Torres Islander peoples in engaging with politicians, the ACT public service and the wider community. The intent of the Elected Body is to hold the government accountable for the effectiveness and outcomes of programs and services impacting the Aboriginal and Torres Strait Islander community. The Elected Body has been serving this function through the *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028* with the ACT Government, and producing outputs, including twice yearly community consultation reports and two Aboriginal and Torres Strait Islander Elected Body Hearing reports every three years.

The Elected Body includes seven part-time members elected every three years, with independent secretariat support. The ACT Remuneration Tribunal sets the annual fees for the Chair, Deputy Chair and other members for their time spent in meetings with additional funding provided to commission the required reports. The ACT Government commissioned an independent review of the structure and functions of the Elected Body which was due to report in the first half of 2025 and to be implemented in 2026.[83] ACTCOSS acknowledges and strongly supports the ACT Government's ambition and commitment to self-determination and Closing the Gap as outlined in ACT Labor's election platform which included 'strengthening the Elected Body'.[84] We too recognise that the Elected Body is a critical mechanism to promote self-determination. However, with such constrained resourcing, particularly the absence of full-time members and staff, the Elected Body is limited in the extent to which it can advise the government and advocate for the ACT Aboriginal and Torres Strait Islander community.

In 2023, the ACT Auditor-General recommended the Elected Body be strengthened and provided with resourcing to enable it to fulfil its accountability, consultation and oversight roles, and that the Elected Body be responsible for determining and requesting its own resourcing through the ACT budget process.[85] The government agreed in principle to this recommendation and yet, more than two years later, their funding model is still insufficient and short-term. ACTCOSS supports the recommendation that the Elected Body be provided with appropriate resourcing and,

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[83] ACT Government (2024) Strengthening the ACT Aboriginal and Torres Strait Islander Elected Body - Chief Minister, Treasury and Economic Development Directorate. At the time of writing, the independent review had not been published.

[84] ACT Labor (2024) ACT Labor Policy Position Statement, p35-36.

[85] ACT Government (2024) Report No. 6 of 2023 - Implementation of the ACT Aboriginal and Torres Strait Islander Agreement.

aligned with the principled of self-determination, that the Elected Body be responsible for requesting resourcing appropriate to their requirements. For more than a decade, the Elected Body has recommended to the government that the Chair's position be full-time noting it is 'critical to the success and effectiveness of the Elected Body in achieving improved outcomes for our community in the future.'[86]

We recommend that the Elected Body be enabled to fulfil the functions envisioned through permanent, ongoing funding and a budget allocation which adequately supports members to perform their roles. At a minimum, the position of Chair should be converted from a two-day per week, part-time role, to a full-time employed role.[87] The support functions provided by the secretariat should also be bolstered with an additional full time equivalent employee to draft briefings, submissions etc. This would help to demonstrate the government's continued commitment to enabling self-determination for Aboriginal and Torres Strait Islander peoples and recognise the potential envisaged under the Agreement.

Financial Considerations

The employment costs associated with this proposal would include:

- an increase from a part-time stipend awarded to the Chair, to a full-time salary commensurate with the responsibilities of the role.[88]
- an increase in funding allocated to the Elected Body secretariat to employ a full-time equivalent support staff with the experience and responsibilities equivalent to an Administrative Service Officer 6.

For the (approximate) additional costs of $230,000 per year, the increase in the level of impact this would have for the work of the Elected Body would provide a significant return on investment. Indeed, it would also send a strong signal to the ACT Aboriginal and Torres Strait Islander community that the government is serious about self-determination and listening to the advice provided by the Elected Body.

Risks

There is an ongoing risk that the Elected Body is unable to deliver its functions without an increase in resourcing. This failure would diminish any aims the ACT

[86] P.4 ATSIEB 2013 Submission to the ACT Remuneration Tribunal: https://www.remunerationtribunal.act.gov.au/__data/assets/pdf_file/0012/499584/PTOH-ATSIEB-Submission.pdf

[87] ACTCOSS acknowledges the perceived conflict of interest in advocating for an increase in resourcing for the Chair of the Elected Body while the current Chair is a member of the ACTCOSS Board. However, this risk has been managed through consultation with ACTCOSS members, including ANTaR ACT, and supporting evidence of this policy position which predates the current Chair. The decision to include this recommendation was taken by ACTCOSS management, independent of the ACTCOSS Board.

[88] Note: Currently, the Chair is paid a base remuneration (per annum) of $37,415 for two days per week (Table 2.1, p.5 Determination 13 of 2025 Part-time Statutory Office Holders). In comparison, other jurisdictions provide a much higher stipend to members of equivalent bodies. For example, the First Peoples' Assembly of Victoria receive $96 946 minimum stipend to 22 members (of a possible 32) for one-two days per week of work on Assembly business, and to attend engagement activities and events with the Community (see Assembly-Elections-What-is-the-Role-of-Assembly-Member)

government has of achieving the Closing the Gap targets or recognising the right of the ACT Aboriginal and Torres Strait Islander community to self-determination.

It is understood that this recommendation predates the findings of the review of the Elected Body commissioned by the ACT Government. ACTCOSS is concerned that the findings of the review have yet to be released but assumes that implementing the review's recommendations will come at a cost. This proposal could be viewed as a starting point of anticipated funding.

Strategic Links

- ACT Aboriginal and Torres Strait Islander Agreement 2019-2028
- National Agreement on Closing the Gap, particularly Priority Reform One: formal partnerships and shared decision-making
- ACT Wellbeing Framework: the positive impact of increasing self-determination for Aboriginal and Torres Strait Islanders is likely to be seen across most of the Wellbeing domains (health, education, living standards). However, it is anticipated that bolstering the Elected Body's capacity will directly influence domains including governance and institutions, identity and belonging and social connection.

Evaluation Approach

This recommendation could be evaluated against the following criteria:

- 1 July 2026: the Chair of the Elected Body transitions to a full-time employee position and the new support officer position within the secretariat is filled.
- Resourcing is sufficient to enable increased engagement between ACT Government directorates and the Elected Body, and for members of the Elected Body to consult with community and provide considered and informed advice on policy proposals which will affect the ACT Aboriginal and Torres Strait Islander community.

4.3 – Fund the establishment of an interim Aboriginal and Torres Strait Islander-led justice body to oversee implementation of recommendations made in the Jumbunna Institute's *Independent Review into the Over-Representation of First National People in the ACT Criminal Justice System.*

Responsible Directorate/s: Justice and Community Safety Directorate (primary) – in coordination with all directorates (as per the Jumbunna report) and in partnership with the ACT Aboriginal and Torres Strait Islander Elected Body.

Investment Rationale

The data presented in the Jumbunna Review shows an ACT criminal justice system moving sharply in the wrong direction for Aboriginal and Torres Strait Islander people. Between 2023 and 2024, the ACT's Aboriginal and Torres Strait Islander imprisonment rate increased by around 21%, reaching its highest point in the last 11 years. Meanwhile, since a peak in 2018, the non-Indigenous imprisonment rate continued to fall. The consequence is a widening gap in the imprisonment rate of Aboriginal and Torres Strait Islander peoples and non-Indigenous people in the ACT, **the ACT now having a higher rate of over-representation than any other state or territory in the nation**.[89]

This trajectory demonstrates that current approaches to reducing imprisonment are not working for Aboriginal and Torres Strait Islander people in the ACT. ACT Corrective Services (ACTCS) data on sentenced and unsentenced detainees confirms this pattern. Reductions in the overall sentenced population since 2019–20 (from 444 in 2019-20 to 389 in 2023-24), were largely driven by the 28.4 per cent reduction in the non-Indigenous sentenced population, while the sentenced population of Aboriginal and Torres Strait Islander men *increased* by 4 per cent over this same period. The remand population has increased over this 5-year period (5.2 per cent) and driving part of this increase is the 17.6 per cent increase in the average number of Aboriginal and Torres Strait Islander men on remand.[90]

Such over-representation occurs across the ACT criminal justice system, with Aboriginal and Torres Strait Islander defendants twice as likely to receive custodial sentences than non-Indigenous defendants. Four in every ten Aboriginal and Torres Strait Islander defendants receive a custodial sentence, compared with two in ten non-Indigenous defendants.[91] In 2023-24, Aboriginal and Torres Strait Islander young people in the ACT were nine times more likely to be under youth justice supervision, and 14 times more likely to be in youth detention, relative to non-Indigenous children.[92]

The Jumbunna Institute's Independent Review (the Review), makes clear that the ACT's current governance arrangements are not capable of addressing the structural

[89] Jumbunna Institute for Indigenous Education and Research (2025) *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System* Jumbunna Institute, p287.

[90] Ibid, p288.

[91] Ibid, plx.

[92] Ibid, p184.

drivers of Aboriginal and Torres Strait Islander over-representation in the criminal justice system. These structural drivers include inadequate Aboriginal and Torres Strait Islander participation in decision-making, systemic racism, limited accountability for government action, and fragmented coordination across directorates.

The Jumbunna Review identifies an interim Aboriginal and Torres Strait Islander-led justice body as the most effective immediate governance response (Recommendation 2.1). This body would provide independent, representative, and authoritative oversight of the Review's implementation, advising on sequencing and prioritisation of implementation, ensuring Aboriginal and Torres Strait Islander-led decision-making at each stage of reform. The Review concluded that without a dedicated and empowered Aboriginal and Torres Strait Islander-led governance model, progress on reducing over-representation will continue to stall and implementation efforts will lack legitimacy and traction.

Establishing this interim body now provides a practical first step in implementation of the Review recommendations, which will improve cross-government coordination and put self-determination into practice to achieve the goal of reducing the over-representation of Aboriginal and Torres Strait Islander peoples in the ACT criminal justice system. Failure to assign any funding to delivery of the Jumbunna Review recommendations in the 2026-27 budget would increase distrust in the government and further disillusion stakeholders involved in the extensive consultation process. We have seen many reports and recommendations come before the Jumbunna Review which make similar recommendations.[93] The government commissioned and received a roadmap for change; now is the time for action.

Financial Impacts

The financial case for establishing an interim Aboriginal and Torres Strait Islander-led justice body is incredibly strong. Using ACTCS daily average data and the ACT's cost of imprisonment, the ACT spends approximately $25.5 million per year detaining Aboriginal and Torres Strait Islander people in the AMC alone. This is based on:

- an average of 112.9 (59.4 sentenced and 53.5 unsentenced) Aboriginal and Torres Strait Islander detainees per day [94]
- a cost of $618.22 per prisoner per day – the highest of any jurisdiction in Australia[95]
- 365 days per year

[93] *Royal Commission into Aboriginal Deaths in Custody – Final Report – 1991*

Pathways to Justice – Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples (ALRC Report 133) - Final Repot - 2018

[94] Ibid, p288.

[95] Productivity Commission (2025) *Report on Government Services 2025, Part C Justice, Section 8 Corrective Services*, table 8A.20, Australian Government, 4 February 2025.

For young people detained at Bimberi, the daily cost per young person is even higher at $4,537.[96] With an average of four Aboriginal and Torres Strait Islander young people held in custody each day, this represents a further $6.6 million per year of public funds.[97]

These figures capture only the cost of detention at AMC and Bimberi. They do not include:

- policing and frontline interactions
- court processes
- community corrections and supervision (youth and adults)
- crisis responses and associated health, housing or emergency interventions linked to criminal justice legal system involvement.

The ACT Government does not currently produce coordinated, cross-directorate costings of criminal justice legal system expenditure for Aboriginal and Torres Strait Islander peoples. This lack of transparency prevents a clear understanding of the full scale of ACT spending on punitive responses. Based on the evidence available, **one of the single largest areas of ACT government expenditure on Aboriginal and Torres Strait Islander peoples is the cost of detaining them, at least $32.1 million per year.**

The AMC has proven to be a harmful and deadly environment with seven deaths in custody occurring in the past two years (March 2023- February 2025) which is more than in the ten years prior (2012-13 and 2021-22 inclusive). Of the deaths occurring in the last two years, three of these deaths were Aboriginal and Torres Strait Islander people.[98] The Government must act swiftly and decisively to turn this trajectory around. The evidence and recommendations are clear; what remains is the political will to act. Establishing an interim Aboriginal and Torres Strait Islander-led justice body is essential to drive this change.

The Review outlines the minimum financial requirements for the interim body, which allow indicative cost parameters to be estimated, the details of which can be found on page 381-383 of the Review.

While these represent a modest upfront investment, downstream savings are a virtual certainty and align with the justice reinvestment principle of ‘preventative financing’ that the ACT Government has committed to.[99]

Risks

[96] Productivity Commission (2025) *Report on Government Services 2025, Part F Community Services, Section 17 Youth Justice Services*, table 17A.20, Australian Government, 30 January 2025.

[97] Ibid, table 17A.5

[98] Jumbunna Institute for Indigenous Education and Research (2025) *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System* Jumbunna Institute, p339-340.

[99] Justice and Community Safety Directorate (2025) *RR25by25 and Beyond: A Justice Reinvestment Strategy for the ACT*, ACT Government, p14.

Risk of worsening outcomes and escalating costs
Without coordinated, Aboriginal and Torres Strait Islander-led oversight, the trend of deepening over-representation identified in the Jumbunna Review will continue. Given the ACT's extremely high cost of imprisonment, this poses both a social and fiscal risk.

Risk of fragmented or stalled implementation
The Review contains a significant number of cross-directorate recommendations. Without a dedicated, Aboriginal and Torres Strait Islander-led body to guide sequencing and prioritisation, implementation is likely to be uneven, delayed, or inconsistent with the evidence.

Risk that justice reinvestment commitments remain unrealised
The Review identified that current justice reinvestment efforts lack the governance, modelling and accountability needed to redirect resources away from punitive responses and into community-led solutions.[100]

Risk of ongoing distrust from the Aboriginal and Torres Strait Islander community
Aboriginal and Torres Strait Islander peoples repeatedly told the Review that government processes lack transparency and do not support meaningful participation. Failing to establish an Aboriginal and Torres Strait Islander-led body would further erode trust and undermine the legitimacy of the ACT's reform commitments.

Risk of reputational and ethical harm
With the highest over-representation ratio in the nation and seven deaths in custody in the past two years, three of whom were Aboriginal and Torres Strait Islander people, the ACT faces significant reputational, ethical and human rights risks if decisive action is not taken.

Strategic Links

The proposal is strongly aligned with core Government priorities:

- Closing the Gap:
    - Priority reform one – Formal partnerships and shared decision making
    - Priority reform three – Transforming government organisations[101]
    - Target 10: By 2031, reduce the rate of Aboriginal and Torres Strait Islander adults held in incarceration by at least 15 per cent.
    - Target 11: By 2031, reduce the rate of Aboriginal and Torres Strait Islander young people (10-17 years) in detention by at least 30 per cent.
- ACT Aboriginal and Torres Strait Islander Agreement 2019 – 2028.

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[100] Jumbunna Institute for Indigenous Education and Research (2025) *Independent Review into the Overrepresentation of First Nations People in the ACT Criminal Justice System* Jumbunna Institute, p88 - 94.
[101] See Jumbunna Review pxvi for further detail.

- ACT Wellbeing Framework – Self-determination spans across most, if not all of the wellbeing framework. The domains of Governance and Institutions, Economy, Identity and Belonging and Safety are all central wellbeing objectives to this proposal.
- The ACT Government justice reinvestment goals – as set out in *RR25by25 and Beyond*, phase 2.[102]

Evaluation Approach

Given the depth of expertise and detailed system analysis undertaken by the Jumbunna Institute in preparing the Review, it is recommended that government consult directly with the Jumbunna Institute on the most appropriate evaluation measures for the interim Aboriginal and Torres Strait Islander-led justice body. This could include advice on how to assess progress in sequencing, coordinating and implementing the Review's recommendations, and how to monitor improvements in cross-government accountability and Aboriginal and Torres Strait Islander participation in decision-making.

[102] ACT Government (2025) *RR25by25 and Beyond: A Justice Reinvestment Strategy for the ACT*.

5 – Improving transparency of budget processes

There is an opportunity to improve transparency and inputs into the ACT budget to the benefit of both the government and community. Public sector budgets ought to be transparent in their development and presentation to allow the public and civil society to understand where money is being spent and hold the government to account. To improve transparency and support informed budget bids, recommendation 5.1 proposes new line items to be included in the budget that show community sector and ACCO funding levels. Recommendation 5.2 builds on the theme of transparency, proposing that ACT budgets list programs and contracts that are ending in this financial year. These recommendations would assist the community to plan and understand where servicing gaps may be arising. To support better inputs into the budget, recommendation 5.3 suggests that government develop a template for budget submissions for members of the public. Recommendation 5.4 takes a broader view of the design of the budget process and proposes that the ACT Government consider moving towards an early intervention approach to its budgets.

Recommendations

Recommendations

- Dedicated budget line items for community sector and ACCO funding at both directorate and aggregate levels.
- Directorate budgets to include a list of programs and policies that have ceased and/or are not being renewed.
- Develop a submission template and guide for the public, businesses and community sector to more effectively and transparently contribute to the budget.
- The future of budgeting in the ACT – towards a model of prevention and early intervention.

5.1 – Dedicated budget line items for community sector and ACCO funding at both directorate and aggregate levels.

Investment Rationale

A clear and transparent budget is essential for accountability and informed decision-making. Funding for community sector organisations and ACCOs is scattered across multiple directorates, making it difficult to see the full picture of government investment. A clearer picture of this investment would enable both the community sector and the government to understand where there are gaps in funding and to plan effectively for the future.

The ACT Government provides funding to the community sector and to ACCOs via various grants and partnerships that are managed individually through the relevant directorates. This model aligns expenditure with portfolio responsibilities of the ACTPS. While this model makes sense for the ACTPS, it does mean the overall picture of funding is difficult to discern. The absence of a complete picture of funding for the sector risks duplication of activities and can increase overheads for community sector organisations and ACCOs working to commission with multiple directorates. Moreover, it creates a strategic challenge as the full distribution of funding is not always clear. Introducing dedicated budget line items for community sector funding and ACCOs would make it easier to track spending and measure impact; ensure funding commitments are clear and accessible; and help both government and the sector plan effectively for the future. This simple change will bring greater transparency and clarity to the level at which the ACT Government invests in the community sector and the Aboriginal Community Controlled sector within it.

Clear visibility of funding for the ACCO sector apart from the rest of the community sector is important given the separate policy priority of increasing funding to ACCOs. It is a simple quantitative indicator of the path to self-determination and reconciliation, and allows better understanding of how the ACT Government is meeting its commitments.

Aggregated figures should not include funding for the construction or maintenance of government-owned buildings which will be used by the community sector, though this information should also be made available.

Financial Considerations

Nil. Any expense incurred would be in ACTPS time dedicated to collating existing contracts. This will not impact the budget bottom line other than through potential savings through identifying where contracts could be merged to reduce administrative overheads for all parties involved.

Risks

This is a low-risk proposal, given that the dedicated line items highlight existing funding. The only risk is that of inaction, a risk that both the ACT Government and community sector continue to bear with the current approach in which nobody has complete information about funding in these domains.

Strategic Links

This proposal aligns with the ACT Government's commitments in the Aboriginal and Torres Strait Islander Agreement. In particular that:

> *The ACT Government agrees to explore opportunities across other areas and directorates, acknowledging this is a critical component of investing in the Aboriginal Community-Controlled Organisation (ACCO) sector in line with commitments under Priority Reform Two of the National Agreement on Closing the Gap. Undertaking Aboriginal and Torres Strait Islander*

Expenditure Reviews in line with the National Agreement on Closing the Gap will allow us to review and track this across directorates.[103]

This proposal contributes to an improved democratic conversation around budgets in the ACT, benefitting government and the public. It also aligns with ACT Labor's election commitment to 'Allow Canberrans to have their say… [and] be able to engage with their local Government.'[104]

[103] ACT Government (2024) Aboriginal and Torres Strait Islander Agreement Annual Impact Statement 2024 -25 p93
[104] ACT Labor (2024) Policy Position Statement, p60.

5.2 – Directorate budgets to include a list of programs and policies that have ceased and/or are not being renewed

Investment Rationale

While the ACT budget comprehensively outlines new spending or revenue initiatives and recurrent spending, it does not include a list of programs or policies that are no longer funded moving forward. Programs ending can create gaps in servicing that put pressure on community sector organisations who operate in the same service environments. Having a clear list of the programs and policies that are ceasing would enable the sector to better plan for those servicing gaps. Beyond the specific benefit for the community sector, this additional transparency would be a welcome accountability mechanism for the spending of public money in general.

Budgets are about new and current spending rather than looking backwards to policies past. However, those outside the constant machinations of government and the public sector are not always focused on the changing policy landscape and particularly, which policies are coming to the end of their funding cycles. There is an opportunity here to help the community sector and other interested policy actors by simply listing these programs, whether in the budget itself or in the mid-year budget update, that might highlight programs at the end of their cycle in this budget. This would support the sector to plan and organise servicing and policy advocacy, especially where the end of a program might cause an unanticipated gap that the government may not have anticipated.

Financial Considerations

Nil. This is a minor administrative change that could be incorporated into existing work on the budget by the ACTPS.

Risks

There is a political risk in listing programs that are ceasing, because it provides a record that, depending on the policy, advocates and political opposition can use to criticise the government. However, the programs would cease anyway, and the same advocacy opportunity exists irrespective of whether the programs are listed.

Strategic Links

This proposal contributes to an improved democratic conversation around budgets in the ACT, benefitting government and the public. It also aligns with ACT Labor's election commitment to 'Allow Canberrans to have their say… [and] be able to engage with their local government.'[105]

[105] Ibid, p60.

5.3 – Develop a submission template and guide for the public, businesses and community sector to more effectively and transparently contribute to the budget

Investment Rationale

The ACT Government encourages members of the public, community sector organisations and businesses to contribute to the budget each year with a view to including the wider ACT community in the generation of policies important to the region. However, public sector budgeting is a complex process that can be difficult to navigate and contribute towards for those without experience of them. While the ACT provides the Yoursay form to encourage budget submissions, recommendations for the budget typically require significant supporting information and evidence that members of the public may not be aware they need to provide.

A budget business case in the ACT needs to be developed by a directorate and submitted through a Cabinet process to be included in the budget. Material that is prepared for Cabinet's Expenditure Review Committee (ERC) needs to contain certain information to be considered for the budget, including financial considerations, strategic links and risks. If submissions from members of the public, community sector groups or businesses do not include that information it might mean their policy position is weaker than it could be, and it creates more work for the relevant directorate that might consider their policy proposal.

To encourage improved quality of public inputs to the budget, we recommend that the ACTPS develop a template for budget submissions, including key headings and information the public sector typically looks for in a budget submission. We also recommend that the Yoursay website provides an overview of the budget timeline. This would enable those outside the public sector to contribute better quality and more timely submissions.

Financial Considerations

Nil. Any expense incurred would be a small amount of ACTPS time.

Risks

This is a low-risk proposal. Currently, many organisations and individuals submit to the budget at times and in formats that make their ideas less likely to be fully considered or translated into the ACT budget, without producing the desired outcomes of new and novel policy ideas.

Strategic Links

This proposal contributes to an improved democratic conversation around budgets in the ACT, benefitting government and the public. It also aligns with the government's election commitment to 'Allow Canberrans to have their say… [and] be able to engage with their local Government.'[106]

[106] ACT Labor (2024) Policy Position Statement, p60.

5.4 – The future of budgeting in the ACT – towards a model of prevention and early intervention

We conclude this budget submission with a broader recommendation on the state of the budget. The ACT Government will inevitably need to make changes to the organisation of the budget to manage debt repayments, escalating costs in acute healthcare and to manage the financial precarity of low income Canberrans. The most sustainable and equitable path out of the present fiscal situation is to grasp the opportunity to invest in a collaborative, early intervention model of budget-making that focuses on outcomes and avoided future costs. The community sector would welcome the chance to work with the ACT Government to develop an early intervention model that supports the wellbeing of the Territory.

It would be better for all involved – both affected people and the government's budget bottom line – if moments of crisis were averted before they occurred through early intervention. Preventative measures and community services are not only much cheaper in the long term, they also prioritise individual and societal wellbeing by providing a way to keep people out of crises and acute care by supporting them before their situation escalates. This idea is neither new nor controversial. However, it is not easy to implement, requiring effective evidence-based processes to measure the outcomes and avoided costs of policies, services and interventions.

The Commonwealth and Victorian governments have, separately, been exploring these preventative social policy approaches in recent years. The Commonwealth has been funding the Priority Investment Approach in Social Security. This has included an actuarial analysis of social investment over the life course and led to a number of pilot programs over the last decade that built evidence around the effectiveness of different types of policies.[107] More recently, the Victorian Government developed an Early Intervention Investment Framework. Through this framework Victoria has invested billions in preventative programs with a view to reducing 'unsustainable pressure on Victoria's service systems,' [108] similar to those experienced in the ACT. This has included looking at mental health, disability services and child and family servicing models. All of it is linked to their wellbeing budget approach. The early lessons from Victoria suggest that to make such an approach widespread and effective requires serious collaboration with the community service sector to inform design, and an investment in the capability of the public sector to be able to build and use the evidence necessary to make early intervention work.

We recommend the government look to the Victorian model and engage with the community sector to establish a world class model of early intervention budgeting to support a sustainable and equitable ACT.

[107] Department of Social Services (2024) Priority investment approach, Commonwealth of Australia.

[108] Department of Treasury and Finance (2022) The Early Intervention Investment Framework, Victorian Government.

Appendix A – Refresh of the Targeted Assistance Strategy – Terms of Reference

1. Examine the current range of ACT Government programs and policies designed to assist lower income Canberrans. These measures would include concessions, community service obligations, regulations and legislation as well as contracted non-government organisation provided services and in-kind assistance;
2. Assess the effectiveness of current responses for lower income Canberrans using relevant data on household types and population groups as well as economic, income, housing and other cost of living data;
3. Take note of factors outside the control of the ACT Government, such as the Commonwealth Government's role in determining taxation rates, pensions and allowances and other income and labour market policies and fiscal strategy; and
4. Develop a renewed evidence-based ACT Targeted Assistance Strategy that includes policy options for the government as well as community, market and individual responses.
5. Develop key indicators and data points to strengthen the ACT Wellbeing Framework by ensuring that supports for people experiencing disadvantage are properly accounted for.
6. Ensure a mechanism for regular review of the targeted assistance and concessions to ensure that it keeps up with changes in the cost of living and community need.