

17 March 2023

Select Committee on Cost of Living Pressures in the ACT
ACT Legislative Assembly
GPO BOX 1020
Canberra ACT 2601

Dear Cost of Living Committee

RE: Cost of Living Pressures in the ACT

Suicide Prevention Australia welcomes the opportunity to contribute to this inquiry. Suicide Prevention Australia is the national peak body for the suicide prevention sector. With over 420 members representing more than 140,000 workers, staff, and volunteers across Australia, we provide a collective voice for service providers, practitioners, researchers, local collaboratives, and people with lived experience.

We are deeply concerned about the growing number of households in the ACT struggling with rising living costs.^{1,2} Research indicates that one in ten people in the ACT are living below the poverty line and unable to afford necessities.³ As cost of living escalates a record number of Canberrans are experiencing financial strain. A report has found that 62% of ACT residents are having difficulty affording medication and medical care and that 70% of car owners are having difficulty travelling to work or medical appointments due to high petrol prices.²

A recent survey identified that cost of living is one of the highest rated risk factors for suicide over the next 12 months for Australians.⁴ The evidence shows that people who have experienced severe financial strain may have a 20-fold higher risk of suicide.⁵ Unfortunately, suicide rates are between two and eight times greater in disadvantaged areas.^{6,7,8} Australian data also finds that suicide occurs more frequently in the lowest socioeconomic areas and has identified that problems related to housing and economic circumstances is a risk factor for suicide.⁹ Canberra is the most expensive city in Australia to rent a house and a single person on Jobseeker would need

¹ The Canberra Times, 2023, *Cost of living crisis pushes more Canberrans towards assistance services, HelpingACT says*, viewed 13 March 2023, <https://www.canberratimes.com.au/story/8079558/pressure-mounting-on-services-supporting-struggling-families/>

² CBR City News, 2023, *Cost of living hits Canberrans hard, report finds*, viewed 13 March 2023, <https://citynews.com.au/2022/cost-of-living-hits-canberrans-hard-actcoss/>

³ ACTCOSS, 2023, *Poverty and inequality in the ACT*, viewed 13 March 2023

https://www.actcoss.org.au/sites/default/files/public/publications/2022-factsheet-Poverty-and-inequality-in-the-ACT_0.pdf

⁴ Suicide Prevention Australia, 2022 State of the nation in suicide prevention report, viewed 14 March 2023, [SPA StateNationReport_2022_FINAL-2.pdf \(suicidepreventionaust.org\)](https://www.spa.org.au/sites/default/files/publications/2022-state-of-the-nation-in-suicide-prevention-report.pdf).

⁵ Medical News Today, 2020, *Financial hardship is a top risk factor for suicide attempts*, viewed 15 March 2023, [Suicidal tendencies: Definition, risk factors, and how to overcome \(medicalnewstoday.com\)](https://www.medicalnewstoday.com/articles/368888).

⁶ The Independent, 1995, *Suicide-poverty link is reinforced in new study*, viewed 15 March 2023, [Suicide-poverty link is reinforced in new study | The Independent | The Independent](https://www.independent.co.uk/news/health/suicide-poverty-link-is-reinforced-in-new-study-19950101.html).

⁷ O'Farrell, I, Corcoran P, Perry, I, 2016, 'The area level association between suicide, deprivation, social fragmentation and population density in the Republic of Ireland: a national study', *Soc Psychiatr Epidemiol*, vol. 51, no. 6, pp. 839-847.

⁸ Office for National Statistics, 2020, *How does living in a more deprived area influence rates of suicide?*, viewed 15 March 2023, [How does living in a more deprived area influence rates of suicide? | National Statistical \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/healthandcare/articles/how-does-living-in-a-more-deprived-area-influence-rates-of-suicide/)

⁹ Australian Institute of Health and Welfare, 2022, *Psychosocial risk factors and deaths by suicide*, viewed 14 March 2023, [Psychosocial risk factors & suicide - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/mental-conditions/psychosocial-risk-factors-and-deaths-by-suicide/).



to spend 117% of their income to afford a median-priced rental.^{10,11,12} Concerningly less than 3% of private rentals in the ACT are suitable for people on low incomes or for retirees on the Age Pension.^{13,14}

We would like to provide input relating to the following terms of reference for this inquiry:

- (a) *Cost of living pressures faced by low and moderate income households that are not currently alleviated by ACT or Commonwealth Government assistance programs.*

We refer the committee to four reports that address the link between cost of living and suicide and give recommendations for key actions that address cost of living and suicide risk. A brief overview of key points and relevant recommendations from these reports is below. The reports are attached to this submission and can be downloaded here:

- [Turning Points: Imagine a World Without Suicide](#)
- [Turning the Tide: A Six Point Plan for Change](#)
- [The role of housing insecurity and homelessness in suicidal behaviour and effective interventions to reduce suicidal thoughts and behaviours: a review of the evidence](#)
- [Suicide Prevention Australia: Social Security Policy Position](#)

These four reports address key aspects of cost of living and suicide: debt, insecure work, increased risks for specific populations, and inadequate welfare supports.

Debt:

Due to increasing cost of living pressures many Australian households and families are taking on more debt than they can afford.^{15,16} Sadly, the relationship between debt and poor mental health is well documented.¹⁷ Mortgage holders struggling to meet repayments can experience significant mental distress and worsening mental health outcomes. Housing costs can precipitate protracted financial stress and can result in loss of security due to eviction, insecure housing, and homelessness. For children and young people, housing insecurity and homelessness can have severe long-term ramifications and an adverse impact on mental health. Sadly, there is strong evidence that economic recessions and mediators such as unemployment, income decline, and unmanageable debts, are significantly associated with poor mental wellbeing, and suicidal

¹⁰ SGS Economics & Planning, 2022, *Rental Affordability Index: key findings November 2022*, viewed 16 March 2023, [Rental-Affordability-Index_Nov_2022_low-resolution.pdf \(sgsep.com.au\)](#)

¹¹ CoreLogic, 2023, *Quarterly Rental Review Report: a comprehensive analysis of Australia's ongoing rental market performance*, viewed 16 March 2023, [Quarterly Rental Review Report | CoreLogic Australia](#)

¹² Savvy, 2023, *Rental Crisis: Low-income households need 117% of income to pay rent*, viewed 16 March 2023, [Rental Crisis in Australia 2023 Report | Rental Stress | Savvy](#)

¹³ CBR City News, 2023, *Public housing wait now five years, says report*, viewed 13 March 2023, [Public housing wait now five years, says report | Canberra CityNews](#)

¹⁴ Anglicare Australia, 2023, *Rental Affordability Snapshot: regional reports*, viewed 16 March 2023, [Policy name \(anglicare.asn.au\)](#)

¹⁵ ABC News, 2022, *Rising cost of living sees more Australians rely on donations and spiral into debt*, viewed 12 March 2023, [Rising cost of living sees more West Australians rely on donations and spiral into debt - ABC News](#)

¹⁶ The Guardian, 2022, *How Australia's skyrocketing cost of living is pushing people into poverty*, viewed 12 March 2023, [How Australia's skyrocketing cost of living is pushing people into poverty | Australia news | The Guardian](#)

¹⁷ Fitch, C, Simpson, A, Collard, S, Teasdale, M, 2007, *Mental health and debt: challenges for knowledge, practice and identity*, *Journal psychiatric and mental health nursing*, vol. 14, no.2, pp.128-133.



behaviour. Living in areas with higher rates of foreclosure and evictions was also linked to an increased likelihood of depression, anxiety, psychological distress, and suicide.

Recommendation 1: The ACT Government should lobby the Commonwealth Government to better regulate mortgages and lenders to prevent abuse against borrowers.

The increasing popularity of buy-now-pay later schemes such as Afterpay increases vulnerability to debt and can compound financial stress. Concerningly, 40% of buy-now-pay-later service customers are on low incomes of less than \$40,000 per annum and one in six customers engage in at least one activity which negatively affects their finances with many overdrawing, delaying repayments, or incurring additional debt to service their buy-now-pay-later debt.

Unfortunately, the health impact of indebtedness can be dire, and people who are unable to pay their debt experience suicidal ideation and depression more often than the general population. Findings indicate that levels of personal debt are associated with thinking about suicide even after adjusting for socioeconomic factors, lifestyle behaviours and other risk factors. These services are not required to verify the financial capabilities of customers which can have dire consequences as borrowers can take on more debt than they can afford. To protect consumers from financial harm, buy-now-pay later schemes should be regulated.

Recommendation 2: The ACT Government should lobby the Commonwealth Government to strengthen responsible lending practices through legislation covering the Buy-Now-Pay later industry.

Insecure Work:

People engaged in insecure work are at greater risk of financial distress due to growing cost of living pressures compared to the permanently employed.¹⁸ The growth of the freelance workforce or gig economy has major financial ramifications for employees due to loss of superannuation, paid sick leave and annual leave. Worryingly, the growing casualisation of the workforce and shift towards contract work has coincided with rising underemployment and low wage growth in Australia.

Recommendation 3: The ACT Government should lobby the Commonwealth Government to co-fund:

- a. an online peer support platform for gig-economy workers
- b. toolkits to help gig companies to support better workplace mental health

Increased Risks for Specific Populations:

The report conveys that specific population groups are at greater risk of financial difficulties and economic disadvantage. Aboriginal and Torres Strait Islander peoples experience the highest rates of financial exclusion and are often unable to borrow for a home or car to build their future

¹⁸ Australian Union, 2022, *What you need to know about insecure work*, viewed 13 March 2023, [What you need to know about insecure work - Australian Unions](#)



financial security. Given that Aboriginal and Torres Strait Islander peoples experience higher rates of suicide and higher rates of disadvantage the report suggests that there is a potential link between suicide and deprivation.

Recommendation 4: The ACT Government should fund specialist financial counsellors for priority groups and a campaign to promote their services.

Current welfare supports are inadequate:

Australia's income support system has not kept pace with the rising cost of living¹⁹ and is failing to prevent poverty.²⁰ Sadly 55% of Australians receiving Newstart allowance and 64% of people receiving Youth Allowance are living in poverty.²¹ The Senate Community Affairs References Committee reported significant evidence on the inadequacy of income support payments and their current ability to meet basic living needs during their inquiry into poverty and financial hardship.²²

We know from previous recessions and pandemics that social safety nets play a crucial protective role in reducing distress and suicide risk.²³ A fair and efficient income support system which ensures that all Australians can afford necessities will lift people out of poverty²⁴ and protect against suicide. This was evident in 2020 when poverty levels in Australia were reduced and suicide rates contained following the roll out of additional COVID-19 support payments.²⁵ We support the Raise the Rate campaign championed by ACOSS²⁶ and recommend that Australia's welfare system is reformed in line with the recommendations of their campaign.

Recommendation 5: The ACT Government should lobby the Commonwealth Government to permanently increase the base rates of income support payments to adequate levels as outlined in the Raise the Rate campaign.

¹⁹ACOSS, 2022, *Income support and social security*, viewed 12 March 2023, [Income Support and Social Security - ACOSS](#)

²⁰ Pro Bono Australia 2022, *Charities say inadequate income support payments are leading to poverty*, viewed 16 March 2023, [Charities Say Inadequate Income Support Payments are Leading to Poverty - PBA \(probonoaustralia.com.au\)](#)

²¹ Davidson, P, Saunders, P, Bradbury, B, Wong, M, 2018, *Poverty in Australia*, ACOSS/UNSW Poverty and Inequality Partnership Report no. 2

²² The Senate Community Affairs References Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty, Commonwealth of Australia*, viewed 13 March 2023, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2002-04/poverty/report/index

²³ Stuckler, D, Basu, S, 2013, *The Body Economic: Why Austerity Kills*, Basic Books.

²⁴ Romig K, 2022, *Social security lifts more people above the poverty line than any other program*, Centre on Budget and Policy Priorities, viewed 16 March 2023, [Social Security Lifts More People Above the Poverty Line Than Any Other Program | Center on Budget and Policy Priorities \(cbpp.org\)](#)

²⁵ UNSW Sydney, 2022, *Reducing poverty and inequality in Australia is possible, report says*, viewed 13 March 2023, [Reducing poverty and inequality in Australia is possible, report says | UNSW Newsroom](#)

²⁶ ACOSS, 2020, *Raise the rate for good*, viewed 13 March 2023, [Home - Raise The Rate](#)



Suicide Prevention Act:

The Final Advice of the National Suicide Prevention Advisor is clear, a whole-of-government approach is needed to meaningfully reduce suicide rates.²⁷ A Suicide Prevention Act legislates this whole-of-government focus and should be introduced in the ACT.

Key elements of a Suicide Prevention Act would require a stand-alone Suicide Prevention Strategy that considers potential actions to address risk factors associated with suicide, including cost of living pressures. Legislation would also require transparent reporting on outcomes; enshrine suicide prevention objectives and require all agencies to consider and address suicide prevention in their work, including to address cost of living pressures.

Suicide Prevention Acts have been delivered in Japan,²⁸ South Korea,²⁹ Canada,³⁰ the United States³¹ and Argentina.³² South Australia has passed legislation^{33,34} and NSW Labor has committed to an Act if elected in March 2023.³⁵

Following the enactment of suicide prevention legislation in Japan, data indicates that between 2009 and 2018 there was a 36% decrease in the suicide mortality rate.^{36,37} Moreover, in 2019 the suicide rate dropped to the lowest level in over 40 years.³⁸ Similarly, there was also a significant decline in the suicide rate in South Korea between 2013–2017 which has been attributed to several suicide prevention initiatives including measures under the Act.³⁹

²⁷ Australian Government National Mental Health Commission, 2023, *National Suicide Prevention Advisor Final Advice*, viewed 16 March 2023, <https://www.mentalhealthcommission.gov.au/getmedia/5055eb07-71fa-4ca3-981c-5c978ade126e/Executive-Summary>

²⁸ Library of Congress, 2016, *Japan Basic Act on Suicide Prevention Amended*, viewed 16 March 2023, <https://www.loc.gov/item/global-legal-monitor/2016-06-07/japan-basic-act-on-suicide-prevention-amended/#:~:text=The%20Basic%20Act%20on%20Suicide,people%20who%20died%20by%20suicide>.

²⁹ Kyooseob H, 2011, Can a Suicide Prevention Law decrease the suicide rate in Korea? *Journal of the Korean Medical Association*, vol. 54, no. 8, pp. 792-794.

³⁰ Government of Canada, Department of Justice, Justice Laws Website, 2012, *Federal Framework for Suicide Prevention Act*, viewed 16 March 2023, https://laws-lois.justice.gc.ca/eng/annualstatutes/2012_30/page-1.html

³¹ United States Congress, 2021, *H.R.2955 – Suicide Prevention Act*, viewed 16 March 2023, [H.R.2955 - 117th Congress \(2021-2022\): Suicide Prevention Act | Congress.gov | Library of Congress](https://www.congress.gov/bills/117/house/2955)

³² Silverman, M, Barnaby L, Mishara B, Reidenberg, D, 2020, Suicide Prevention in the Americas, *The Journal of Crisis Intervention and Suicide Prevention*, vol. 41, no. 1, pp S30-S52.

³³ Government of South Australia, 2021, *Suicide Prevention Act 2021*, viewed 16 March 2023, <https://www.legislation.sa.gov.au/lz/path=/c/a/suicide%20prevention%20act%202021>

³⁴ Suicide Prevention Australia, 2023, *South Australia leading the way as first state to adopt a Suicide Prevention Act*, viewed 16 March 2023, <https://www.suicidepreventionaust.org/south-australia-leading-the-way-as-first-state-to-adopt-a-suicide-prevention-act/>

³⁵ Chris Minns, 2023, *Suicide Prevention Legislation*, viewed 16 March 2023, <https://www.chrisminns.com.au/suicidepreventionlegislation>

³⁶ Okada, M, Hasegawa, T, Shiroyama, T, 2020, Analysing regional unemployment rates, GDP per capita and financial support for regional suicide prevention programme on suicide mortality in Japan using governmental statistical data, *BMJ Open*, vol. 10, no.8, pp e037537

³⁷ Hasegawa, T, Matsumoto, R, Okada, M, 2021, Analysing effects of financial support for regional suicide prevention programmes on methods of suicide completion in Japan between 2009 and 2018 using governmental statistical data, *BMJ Open*, vol. 11, no. 2, pp e049538

³⁸ Reuters, 2020, *Japanese suicides decline to lowest in over 40 years*, viewed 16 March 2023, [Japanese suicides decline to lowest in over 40 years | Reuters](https://www.reuters.com/world/asia-pacific/japanese-suicides-decline-to-lowest-in-over-40-years-2020-12-15/)

³⁹ Paik J, 2021. Suicide Prevention action plan and post suicide attempt case management in South Korea, *Asia-Pacific Psychiatry*, vol. 13, no.1.





Suicide Prevention
Australia

Recommendation 6: The ACT Government should introduce a Suicide Prevention Act to ensure a whole-of-government approach to suicide prevention, including through addressing known risk factors such as cost of living pressures.

Given the accelerating cost of living across Australia it is imperative that there is increased investment in Government services and initiatives to support vulnerable ACT residents who are experiencing financial stress to prevent a potential increase in the suicide rate. If the Committee requires any further information please contact Christopher Stone, Policy and Government Relations Manager, chriss@suicidepreventionaust.org.

Yours sincerely

Matthew McLean
Acting Chief Executive Officer



Patron: His Excellency General the Honourable
David Hurley AC DSC (Retd)

Phone 02 9262 1130
admin@suicidepreventionaust.org
www.suicidepreventionaust.org
GPO Box 219 Sydney NSW 2001
ABN 64 461 352 676
ACN 164 450 882