

Research: Low income households are not catching up on living costs, despite our slowing WA economy

New research into the living costs of low income households in WA has clearly shown that a significant slowing of the WA economy has yet to lead to any improvement in their dire financial circumstances.

“Our Cost of Living research has clearly shown that low income families in WA were increasingly left behind in recent years by the rapid pace of our economy during the economic boom,” said WACOSS CEO Irina Cattalini today.

“Our latest economic analysis shows little change in the circumstances of our low income households, during a period when it was hoped the slowing of our economy would provide some respite and an opportunity for them to catch up.”

Marginal improvements in income for our three model households have kept pace with rising living costs, but have done little to make up for the significant increases in living costs for these households in recent years.

“We have seen significant growth in inequality in WA in recent years, and there appears little prospect of this improving.”

"Housing remains the biggest single cause of financial hardship for low income households in WA," said Ms Cattalini.

“The freeing up of the rental market and increases in the vacancy rate have yet to translate into any real gains for our model households.”

“There are also significant increases in household fees and charges announced in the 2014-15 State Budget - worth on average \$324 per household per year - that have still to impact.”

“The lack of availability of affordable rental properties in metropolitan Perth means that low income families are increasingly forced to live on the fringes of the city, in areas where the unemployment rate is high and public transport is limited.”

“Investing in more social housing and affordable rental properties as in-fill developments close to the heart of our city can improve access to employment opportunities and boost the productivity of our economy,” said Ms Cattalini.

The report also raises concern over the impact of significant ongoing increases in health and education costs on the productivity and well-being of disadvantaged Western Australians.

The WACOSS 2014 Cost of Living Report models the living costs of three low income households (a low income working family, a single parent household with some part-time work, and an unemployed single person in shared accommodation) to see the extent to which their income allows them to achieve a basic standard of living.

Figure 1: Weekly Income and expenditure of our three model households

	Income	Expenditure	Net Position
Single Parent Family	\$931.38	\$966.64	-\$35.26
Working Family	\$1,352.25	\$1,342.62	\$9.63
Unemployed Single	\$297.36	\$358.00	-\$60.64

The Council has been undertaking annual research into the impacts of changes in living costs on low income households in Western Australia since 2007.

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*To arrange an interview with Irina Cattalini please contact **Beth Jones** on **(08) 9420 7222***