



MEDIA RELEASE

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Rising household costs will hit most vulnerable - WACOSS

“Increasing the cost of essential household fees and charges in this way will directly result in more vulnerable and low income households in financial hardship,” said Louise Giolitto, CEO of WACOSS today.

Ms. Giolitto was responding to the announcement of significant rises in electricity, water and transport prices by WA Treasurer, Ben Wyatt today.

“Budget repair should not come at the expense of our most vulnerable.”

“We appreciate the Treasurer is focused on improving WA’s bottom line, but we are very disappointed that his first announcement as Minister for Energy is a huge rise in power prices without adequate compensation for those who can least afford it,” she said.

An annual increase of \$169 to the fixed access cost for electricity will impact on all household budgets, as will a 6% increase in water and sewerage charges, a 1.8% increase in public transport costs and significant rises in other household fees and charges.

“Together these hikes take an extra \$438 per year away from the average household budget – at a time when wage growth is flat and increasing numbers of households in hardship seeking assistance are being turned away from overstretched services.”

“By comparison, the \$66 increase to the Energy Assistance Payment to those with a Commonwealth healthcare or pensioner’s concession card is clearly inadequate.”

“A more principled and effective response would be to quarantine low-income households from these price rises through matching concessions.”

Essential household fees and charges impact disproportionately on those on lower incomes, who may spend less on them overall but devote a much greater proportion of their disposable income to covering their daily living costs.

Progressive tax measures are a fairer and more equitable way to fix the budget bottom-line, as they levy increasing charges based on a household’s capacity to pay.

“Increasing funding to the Hardship Utility Grants Scheme (HUGS) is not a mitigation strategy, because support only becomes available once households are already in debt. Quite simply, it’s the ambulance at the bottom of the cliff, not the fence at the top.”

The Council has been critical of the administration and effectiveness of the HUGS scheme for many years, and is disappointed this announcement has come without consultation. It has written to the Minister suggesting a review of state concessions and offering assistance, and welcomes today's announcement that there will be a comprehensive review into the concession system.

"The announcement of an extra \$1.1m for financial counselling services will come with increased demand from households without concessions needing approval to get a hardship grant."

"We hope this is in addition to the \$2m cut by the Barnett Government that WA Labor promised to reinstate during State election."

"Financial counsellors want to work with people in hardship to better manage their finances. It is not clear whether this funding will be enough to enable them to help more people to budget, or simply result in more time spent administering grants at the expense of providing assistance."

"The Council is calling on the WA Government to rethink its approach," said Ms Giolitto.

"They should put in place measures that ensure concessional households are fully shielded from rising prices," she concluded.

Media Contact: Louise Giolitto, CEO WACOSS **0411 534 911** or **9420 7222**