



# MEDIA RELEASE

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## State Budget Neglects Energy and Housing Stress

The State Budget delivered today by Treasurer Mike Nahan does indeed follow the Premier's warning that there would be a little bit of Budget pain for everyone, but it is really those people living on low incomes that will be hurting.

The 2014-15 Budget is built on some sensible demand modelling that has seen appropriate funding increases to social services across health, child protection, disabilities and mental health, which are required to meet the growing population needs.

But this Budget has not taken cost of living pressures seriously enough. It is not good enough for successive Governments to keep talking about improving concession and tariff structures – and continually failing to deliver any.

Increasing the cost of living allowance by 4.5% is not commensurate with offsetting a 4.5% increase in electricity prices, let alone additional increases in water, transport, and other fees and charges. In reality it means concessions rise by \$9 but household fees and charges rise by \$324 – Households on low and fixed incomes cannot afford to be another \$315 worse off each year.

Most Western Australians can afford to absorb the price rises – but the Council is worried about the 80,000 families with children at risk, and the 120,000 households struggling to pay their bills – we are concerned for the 250,000 households in WA living on fixed low incomes.

There is a basic standard of living that we expect everyone in our community to be afforded to live with dignity and independence – these price rises not only break faith with the Western Australian community by failing to keep costs under CPI, they also render more families in the position where their living costs continue to rise beyond their means.

The Government must put greater priority on achieving market measures and complementary supports that actually stop the trend of people living on low incomes in our state going further into poverty and debt spirals. It is high time that Government delivers on this promise before any further price rises.

The end result of these price rises will be an increase in the demand for emergency relief from already over-stretched community services – at a time when the federal funding for emergency relief in next week's Federal Budget looks uncertain.

The Council welcomes Treasurer Mike Nahan's signalled focus on driving down costs in the electricity market. This is absolutely essential. We cannot continue to increase prices, while neglecting cost management, tariff and concession structures and consumption efficiency. The

Council urges the Treasurer to work with the community to ensure consumers voices and lived experience are paramount in driving this reform.

While we welcome the continuation of social housing investments that were already in the pipeline, including for regional and Aboriginal communities, it's hard to believe this Government is listening to the community when it has failed to address the issue of affordable housing, the consistent number one priority of the community. The Budget speech was silent on this issue and there is no new investment for more social or affordable housing.

Further, it introduces a \$624/year increase to public housing rents (on average) for tenants, many of whom rely on income support payments that have had no real increase over the past decade. For these households, the Budget impact is closer to an additional \$950/year to their cost of living.

Failure to invest adequately in affordable housing will drive up the cost of expensive acute service delivery for families at risk and in homelessness. It is not possible to have success in early intervention strategies that reduce pressure on the Budget in the longer term without a foundation of affordable housing as a starting point.

Another issue of significant concern is that the future of so many social programs funded through National Partnership Agreements is uncertain. The State Budget contains no funding in the out-years for any National Partnership programs. If the Federal Budget next week does not provide certainty of the future of these programs, the community services sector will not have the capacity to provide the care and support our community needs over the coming year and beyond.

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**WA State Budget 2014-15 - Household fees and charges**

	<b>Increase</b>	<b>Average household annual cost</b>
Electricity	4.5%	\$62.88
Water	6%	\$84.41
Transport	4%	\$91.00
Motor vehicle registration	3%	\$9.08
<b>Total</b>	<b>6.6%</b>	<b>\$324</b>
Public housing rent	\$12 pw (av)	\$624
<b>Total for Public Housing tenants</b>		<b>\$948</b>