



wa council of
social service

Cost of Living 2023

About WACOSS

The Western Australian Council of Social Service is the peak body for the community services sector in Western Australia and works to create an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians, and to strengthen the community services sector that supports them. WACOSS is part of a network consisting of National, State and Territory Councils of Social Service, who advance the interests of people on low incomes and those made vulnerable by the systems that have been put in place.

Acknowledgment of Country

WACOSS respectfully acknowledges the Traditional Owners of Country throughout Western Australia and recognises their continuing connection to land, waters and community. We pay our respects to them, their cultures, and to elders both past and present. We acknowledge the land on which we live and work is, and always will be, Aboriginal land. Sovereignty was never ceded.

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Introduction

Reports from frontline community sector organisations make it very clear that people in Western Australia are feeling the pressure of wage inequity and increasing costs. Supermarket chains are posting record profits, at the same time that many people are struggling to cover the cost of groceries. Likewise, banks see their profits balloon, while households fall further behind. Interest rates keep on rising and rental prices continue to skyrocket, making it harder for people to keep a roof over their heads.

Western Australian community services have reported that inadequate access to safe and secure housing is the face of this cost-of-living crisis, with large numbers of clients in private rental arrears due to significant rent increases. One service reported to WACOSS that a client had their rent increase by \$200 per week. Unable to cover increasing rental costs, households are reaching out for support, with demand for emergency relief funds to cover arrears rapidly growing.

The community should be able to have confidence that the rental market will provide liveable, affordable, and stable housing where people can happily make their home. Instead, we have a rental system in crisis. When considering the current rental market, it is important to recognise that this crisis is a *crisis for renters*. For landlords, our current rental system is a dream state, where they have free rein to hike rents as much as they please, with little consequence due to the supply-demand imbalance and a lack of regulation around those increases.

The support provided to households by the State Government to date, such as electricity credits, has been unable to keep up with the scale of rental increases that burden tenants. While the WA Government's new rent relief scheme – due to commence in January 2024 – will support tenants facing immediate eviction due to rental arrears, it will not address the issue of price rises. To do that, direct state intervention is needed. It requires the State Government to:

- reform and rebalance the rental system to better protect the rights of tenants.
- stabilise rental increases, and place a cap on rents that limit increases to no more than the Consumer Price Index.
- commit to significant and sustained investment to increase the stock of public and community housing.

The Federal Government has a key role to play too. The recent industrial relations reforms will be critical in improving the position of low-paid workers, but more needs to be done. Now is not the time to go through with the Stage 3 tax cuts. Rather, that \$320 billion over 10 years could be used to increase JobSeeker and other income support payments. Further, the Federal Government should take action to address potential price-gouging by supermarkets in the midst of a cost-of-living crisis.

This year's Cost of Living Report outlines the impact of increasing costs on families and communities and offers a call to action – asking communities and government to support change for the common good and stand strong against opposition rooted in self-interest. Responding to this call is the only way we can create a Western Australia where all families, communities and individuals can thrive.

Key findings of the 2023 Cost of Living Report

Substantial growth in expenditure, particularly for rental costs, has drastically increased financial pressure on the model households. Those renting households which are solely reliant on government income support are unable to meet their living costs. Alarming, for all the model households that rent, their expenditure has grown by more than their income.

Weekly income and expenditure of our model households

	Income	Expenditure	Net Position
Single Parent Family	\$1,134.28 ▲	\$1,132.88 ▲	\$1.40 ▼
Two Parent Family	\$1,596.81▲	\$1,548.27 ▲	\$48.54 ▼
Unemployed Single	\$372.28▲	\$401.77 ▲	-\$29.49 ▼
Age Pensioners (Renters)	\$849.39▲	\$874.47 ▲	-\$25.08 ▼
Age Pensioners (Home Owners)	\$778.87 ▲	\$657.42 ▲	\$120.45 ▲

Note: All estimates of cost and consumption are intentionally conservative and, as a result, likely understate the cost impacts on households in hardship. The arrows indicate growth or reduction in values from the previous financial year.

- The model *single parent family* has only \$1.40 left per week after meeting their estimated basic living costs.
- The income of our model *two parent family* surpasses their estimated basic living costs by just \$48.54 per week.
- The weekly income of our model *unemployed single* is inadequate to meet their basic living costs each week, with a gap of \$29.49 between the income support they receive and a basic standard of living in line with community expectations.
- The model *home-owning age pensioners* have \$120.45 after meeting their basic living costs, while the *renting age pensioners* are \$25.08 short of covering their basic weekly costs.

Methodology

WACOSS has produced its Cost of Living Report annually since 2007. The first reports simply investigated the changes in basic living expenses such as housing, transport, fuel, food and other essentials in WA over the preceding year. In 2009, we developed a model comparing the adequacy of income against the costs of living for a low-income family in Western Australia, which was subsequently picked up by other states. In 2012, we revised and expanded our Cost of Living Report to model two families and a single unemployed person, representing different at-risk household types on low incomes. The 2017 report introduced two age pensioner models, with one couple homeowners and the other couple renters.

The *2023 Cost of Living Report* uses the same methodology as our 2012 and subsequent reports.¹ It models the income and expenditure of five household types during the 2022/23 financial year in comparison to the two preceding financial years (2020/21 and 2021/22). Doing so allows us to analyse relative changes in living costs and understand their likely impacts on current and future levels of relative comfort, deprivation and need. Every household and family in WA is different, and so it would be unrealistic to expect these models to be a precise reflection of all living costs or household expenditures.

WACOSS is confident that the conservative assumptions underpinning each model (clearly considered and referenced in Appendix 1 of the 2012 report) ensure the conclusions drawn reflect the real-life experiences of low-income households in WA. They provide a window into the pressures of changing living costs on their everyday lives that can guide policy and decision-making.

¹ The [2012 Cost of Living Report](#) provides a more detailed account of the methodology.

Our model households

The key assumptions for our households' income and expenditure are described below:

	Single Parent Family	Two Parent Family	Unemployed Single	Age Pensioners
Household members	Single parent with two dependent children.	Two parents with two school aged children.	Single, unemployed female.	Couple, retired.
Age	34 years old, with two children aged 7 and 8.	Two adults aged 40 and 38 years, with two children aged 11 and 13.	44 years old.	Two adults aged 67 and 69 years.
Income source	Parent – works 18 hours a week for 39 weeks a year at minimum wage + casual loading. Eligible for government payments.	One works full-time (minimum wage + 33%); the other casual (16 hours per week at minimum wage with casual loading). Eligible for government payments.	JobSeeker Payment only.	Age Pension and supplements only.
Housing	Rents a unit (85% median unit rental).	Rents a house (85% median house rental).	Shares a house with two other adults (paying one third of 85% median house rental).	<i>Renters:</i> Rent a unit (85% median unit rental). <i>Owners:</i> Own a house.
Education	Both children attend a public primary school.	Both children attend a public primary school.	N/A	N/A
Transport	Owens a small car.	Own a small car and uses public transport for five round trips per week.	Public transport is only mode of transport (five round-trips per week).	<i>Renters:</i> Public transport is only mode of transport (five round-trips per week, on and off peak). <i>Owners:</i> Own a small car.
Health	No private health insurance.	Has basic private health insurance.	No private health insurance.	No private health insurance.

Determining household income

Each of our five households' income across the **2022/23 financial year** has been estimated by using:

- Services Australia Payment and Service Finder;²
- The Department of Social Services' *Guide to Social Security Law*;³
- The WA Industrial Relations Commission's *2022 State Wage Case* decision;⁴ and
- The Australian Taxation Office's online tax calculator.⁵

Determining household expenditure

Household expenditure in the *2023 Cost of Living Report* has been calculated using up-to-date and publicly available sources that reflect the average price and usage of products and services by Perth residents wherever possible. Where such figures are not readily available, we have modelled costs based on the Australian Bureau of Statistics' (ABS) *2015/16 Household Expenditure Survey*⁶ with relevant CPI applied, consistent with the way the model has been applied in previous years.

Further detail on each of the essential costs in the household expenditure model is provided below:

- **Housing** — Expenditure is based on quarterly *Market Update* statistics of average house and unit rental prices advertised in the Perth metropolitan region published by the Real Estate Institute of Western Australia (REIWA).⁷ The models assume that our households have been able to acquire rental accommodation at 85 per cent of the median market rate.
- **Utilities** — Our households' consumption of electricity, gas and water are based on State Government estimates of average usage.⁸ Prices were obtained directly from the utility providers for Perth residential households.
- **Food and beverages** — Food and beverage costs are based on the second quintile figures published in the ABS *Household Expenditure Survey 2015/16* (with CPI applied), and vary depending on household size.
- **Transport** — Two of our households are assumed to own and use a small inexpensive car, travelling 12,000 km per year. The costs are based on the RAC WA annual *Car Running Costs* guide.⁹ We have used the Kia Picanto automatic hatchback for modelling purposes.
- **Other household and living costs** — Other essential household costs, such as education, communication, and household services have been calculated based on the ABS *Household Expenditure Survey 2015/16* with CPI applied.

² Services Australia [Online Estimators](#) (2023).

³ Department of Social Services [Guide to Social Security Law](#) (2023).

⁴ WA Industrial Relations Commission [State Wage Order Pursuant to Section 50a of the Act](#) (2022).

⁵ Australian Tax Office [Income Tax Estimator](#) (2022).

⁶ ABS, Cat. 6530.0 - [Household Expenditure Survey, Australia: Summary of Results, 2015-16](#) (2017).

⁷ REIWA, [The WA Market](#) (2023).

⁸ Government of Western Australia, [Budget Paper No. 3, State Budget 2022/23](#) (2022).

⁹ RAC WA, [Vehicle Running Costs Guide](#) (2023).

Household Analysis

Single Parent Family

Our single parent family is comprised of a single parent with two primary school aged children. The parent works part-time, rents a unit, and owns a small car. The parent in this household is assumed to be working 18 hours per week for 39 weeks of the year while their children attend school. Our calculations assume that they are unable to work during school holidays when they must care for the children. In reality, this kind of work pattern is difficult to maintain, which is why single parents have one of the highest rates of movement in and out of part-time work.

Single parent family - WEEKLY INCOME					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Wage (gross)	\$446.16	\$459.38	\$485.44	5.67%	\$26.06
Parenting payment	\$260.22	\$295.22	\$330.32	11.89%	\$35.10
Coronavirus Supplement	\$115.60	\$0.00	\$0.00	0%	\$0
Other regular Government Benefits	\$332.58	\$336.72	\$350.50	4.09%	\$13.79
Government supplements (one off payments, converted to weekly amount)	\$40.34	\$40.69	\$42.09	3.43%	\$1.40
Tax paid	\$68.24	\$49.08	\$80.07	-63.15%	-\$30.99
Total household income/week	\$1,132.61	\$1,088.93	\$1,134.28	4.16 %	\$45.35

Our single parent remains eligible to receive *Parenting Payment Single* to one of the children being below the age of eight years. This makes a dramatic difference to their weekly income, as demonstrated in our *2013 Cost of Living Report*.¹⁰ The 2022-23 Commonwealth Budget expanded

¹⁰ In the *2013 Cost of Living Report* we undertook a comparison of the income of a single parent eligible for *Parenting Payment Single*, and a parent only eligible for *Newstart Allowance*. The single parent family's income was reduced considerably (-\$77.12 per week) as a result of being shifted to *Newstart* when the youngest child reached 8 years of age. For more information refer to: WACOSS (2013) [2013 Cost of Living Report](#).

the eligibility for Parenting Payment Single, which means that as 20 September 2023, single parents remain eligible until their youngest child turns 14 years old.¹¹

The income of the single parent household has increased by 4.16 per cent (\$45.35 per week) over the last 12 months. The parent's weekly wages have increased by 5.67 per cent, the parenting payment by 11.89 per cent, other regular government payments by 4.09 per cent and one-off payments by 3.43 per cent. The largest contributor to the increase in the single parent household's income was the rise in the Parenting Payment that they receive. Tax payments for the household increased by 63.15 per cent, likely as a result of the cessation of the Low and Middle Income Tax Offset.

As described in more detail in our *2013 Cost of Living Report*, a casual employee like our single parent typically does not have sick leave or annual leave entitlements. This puts them in a precarious financial situation, especially when either they or their children become unwell (requiring time off work), or during times when business may be slow.

Single parent family - WEEKLY EXPENDITURE					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Rent	\$320.88	\$352.75	\$402.69	14.16%	\$49.94
Food and beverage	\$220.59	\$231.93	\$248.73	7.24%	\$16.80
Utilities	\$25.60	\$37.64	\$30.61	-18.68%	-\$7.03
Transport	\$152.58	\$168.17	\$162.71	-3.25%	-\$5.46
Other - household and living costs	\$263.69	\$275.19	\$288.14	4.71%	\$12.95
Total household expenditure/week	\$983.33	\$1,065.68	\$1,132.88	6.31%	\$67.20

Weekly expenditure for the single parent family has risen by \$67.20 per week (6.31 per cent), with an increase seen in each of the expenditure categories. Rental costs have continued to climb, with the single parent family paying an extra \$49.94 per week (an increase of 14.16 per cent). After housing costs, the largest dollar increase occurred in the 'Other – household and living costs' category, which includes clothing, household contents, health and education. This increased by \$12.95 per week (4.71 per cent).

¹¹ Michael Klapdor and Dr Matthew Thomas, '[Expanding eligibility for Parenting Payment Single and ending ParentsNext](#)', *Parliament of Australia* (Web Page, 2023).

Expenditure on utilities decreased by \$7.03 due to the \$400 electricity credit for every Western Australian household provided by the State Government from 2 July 2022.¹² The further \$400 electricity credit provided in 2023 will be reflected in next year's report.¹³

Single parent family - WEEKLY DIFFERENCE			
	2020/21	2021/22	2022/23
Total weekly income	\$1,132.61	\$1,088.93	\$1,134.28
Total expenditure	\$983.33	\$1,065.68	\$1,132.88
Difference	\$149.28	\$23.25	\$1.40

In 2022/23, the single parent family's weekly income surpassed their basic living costs by just \$1.40. The growth that the household saw in its income has been subsumed by the increases in its living costs. It is important to note that these calculations make little allowance for the family to save, for the single parent to undertake training in order to improve their employment prospects, or to enable the family to be able to respond to an unexpected cost or crisis (for example, if the fridge or car breaks down). It is also important to recognise that this modelling assumes the single parent is able to secure sufficient work during the school term (and/or affordable care arrangements during holidays), but the casual nature of their work means they may be at increased financial risk.

¹² Hon Mark McGowan MLA, '[Strong surplus delivers all WA households a \\$400 electricity credit](#)', *Media Statements*, Government of Western Australia (2022).

¹³ Hon Mark McGowan MLA, '[Budget surplus delivers cost of living support to all WA households](#)', *Media Statements*, Government of Western Australia (2023).

Two Parent Family

The two parent family consists of one parent working full-time, one in part-time casual employment and two school-aged children. They rent a house, own a small car and use public transport for five round trips a week.

Two parent family - WEEKLY INCOME					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Combined wages (gross)	\$1,375.21	\$1,429.67	\$1,504.89	5.26%	\$75.22
Regular government benefits	\$245.89	\$238.65	\$243.53	2.04%	\$4.88
Government supplements (one off & temporary payments, converted to weekly figures)	\$61.23	\$37.60	\$39.00	3.72%	\$1.40
Tax paid	\$136.06	\$142.20	\$190.62	34.05%	\$48.42
Total household income/week	\$1546.28	\$1,563.73	\$1,596.81	2.12%	\$33.08

The combined wages of the two parent family have increased by \$75.22 per week or 5.26 per cent in 2022/23. The household also saw the tax it pays increase by \$48.42 per week or 34.05 per cent, likely as a result of the cessation of the Low and Middle Income Tax Offset. As such, the total weekly household income of the two parent family has increased by just 2.12 per cent or \$33.08 per week.

Two parent family - WEEKLY EXPENDITURE					
	2020/21	2021/22	2022/23	% increase 2020/21 to 2021/22	\$ increase 2021/22 to 2022/23
Rent	\$357.00	\$398.44	\$450.50	13.07%	\$52.06
Food and beverage	\$318.24	\$334.29	\$358.38	7.21%	\$24.09
Utilities	\$46.72	\$59.15	\$49.53	-16.26%	-\$9.62
Transport	\$190.56	\$206.15	\$201.59	-2.21%	-\$4.56
Other - household and living costs	\$446.42	\$465.31	\$488.27	4.94%	\$22.97
Total household expenditure/week	\$1,358.94	\$1,463.33	\$1,548.27	5.80%	\$84.94

The model two parent family's weekly expenditure on basic living costs has increased by 5.80 per cent or \$84.94 per week over the last 12 months. This increase is predominantly the result of the substantial rise in the model household's weekly rental costs by \$52.06 per week, followed by increases in its expenditure on food and beverages by \$24.09 per week.

Like the single parent household, the two parent household saw a decrease in utilities expenditure, due to the \$400 electricity credit provided by the WA Government for residential electricity bills in 2021/22, rather than decreases in utility prices

Two parent family - WEEKLY DIFFERENCE			
	2020/21	2021/22	2022/23
Total weekly income	\$1,546.28	\$1,563.73	\$1,563.73
Total expenditure	\$1,358.94	\$1,463.33	\$1,478.94
Difference	\$187.34	\$100.40	\$48.54

In 2022/23, the two parent family's weekly income surpassed their basic living costs by \$48.54 per week (down from \$100.40 in 2021/22). The significant increases in both their rental costs and their tax paid have outstripped the growth in the family's wages. The tightening of the family's financial position substantially reduces the ability for the family to save or to have money in reserve to cover unexpected or non-essential expenditure. It should be noted that if either of the couple had lost their job or had their hours reduced during this period, their financial position would be even more precarious.

Unemployed Single

The unemployed single person's only income comes from government allowances and benefits. They are currently looking for work, live in shared accommodation, and rely on public transport to get to appointments (e.g. with Centrelink, job interviews, medical), to visit friends or family, and to reach the supermarket or local library.

Unemployed single – WEEKLY INCOME					
	2020/21	2021/22	2022/23	% increase 2020/21 to 2021/22	\$ increase 2020/21 to 2021/22
JobSeeker Payment	\$283.58	\$310.02	\$334.78	7.99%	\$24.77
Rent assistance	\$31.03	\$31.60	\$33.11	4.77%	\$1.51
Energy supplement	\$4.39	\$4.39	\$4.39	0%	\$0
Coronavirus Supplement	\$115.55	\$0	\$0	0%	\$0
Total household income/week	\$434.55	\$361.58	\$372.18	7.59%	\$26.27

The weekly income of the unemployed single increased by 7.59 per cent or \$26.27 per week. The increases in the JobSeeker Payment and Commonwealth Rent Assistance that this household received remain insufficient to compensate for the loss of the Coronavirus Supplement that it was provided in 2020/21. The payments received by the model unemployed single only totalled 18.2 per cent of average weekly ordinary time earnings in Western Australia.¹⁴ As the calculations below show, the income support payments do not meet a basic standard of living and may present significant barriers to a person's ability to find work.

Unemployed single - WEEKLY EXPENDITURE					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Rent (Share)	\$119.00	\$132.81	\$150.17	13.07%	\$17.35
Food and beverage	\$97.66	\$102.36	\$109.65	7.12%	\$7.29
Utilities	\$13.62	\$17.73	\$14.47	-18.37%	-\$3.26
Transport	\$16.38	\$16.38	\$16.92	3.30%	\$0.54
Other - household and living costs	\$100.74	\$105.54	\$110.56	4.76%	\$5.02
Total household expenditure/week	\$347.40	\$374.82	\$401.77	7.19%	\$26.95

The unemployed single's weekly expenditure on basic living costs has increased by 7.19 per cent (or \$26.95 per week) over the last 12 months. This increase is driven largely by increases in rental costs.

¹⁴ As of May 2023, average weekly ordinary time earnings (seasonally adjusted) in Western Australia was \$2,039.30. ([Australian Bureau of Statistics, Average Weekly Earnings, Australia, May 2023](#)).

It should also be noted that the housing calculations assume that our unemployed person can find shared accommodation where they pay one-third rent of a house at 85 per cent of the Perth median house price. Like the other model household, the decrease shown in 2022/23 for utility costs is a result of the State Government's \$400 payment.

Unemployed single - WEEKLY DIFFERENCE			
	2020/21	2021/22	2022/23
Total weekly income	\$434.55	\$346.01	\$372.28
Total expenditure	\$347.40	\$374.82	\$401.77
Difference	\$87.15	-\$28.81	-\$29.49

The gap between the unemployed single's income and expenditure means they will have to make some very tough choices about which basic costs of living are most essential in any week. The negative difference between income and expenditure is a clear indication that this person is unable to meet a basic standard of living in WA and is facing significant financial hardship.

These calculations make no allowance for our unemployed single to be able to save any money, to pay for any unexpected medical expenses, to purchase or contribute towards the cost of new appliances, to pay for training to increase their employment options, or to spend on any non-essential items or service debt. It is reasonable to assume that they would need to take on debt if any of these circumstances were to occur.

Age Pensioners

The model Age Pensioner households are composed of retired couples aged 67 and 69. As retirees, the couple's only income is from the Age Pension and supplements. Two housing scenarios are provided: one where the couple rents a unit (at 85 per cent of the median unit rental cost) and the other where the couple owns a house.

The assumptions around their expenditure are very conservative, with the renters choosing a unit rather than a house, neither household having private health insurance, and the renters travelling exclusively by public transport.

Age Pensioners (Renters) – WEEKLY INCOME					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Age Pension	\$650.36	\$679.00	\$707.42	4.19%	\$28.42
Rent assistance	\$65.97	\$68.70	\$71.52	4.11%	\$2.82
Energy supplement	\$10.60	\$10.60	\$10.60	0%	\$0
Pension supplement	\$52.64	\$55.89	\$57.10	2.16%	\$1.21
Cost of Living Rebate	\$2.63	\$2.68	\$2.75	2.76%	\$0.07
Economic Support Payment	\$23.97	\$0	\$0	0%	\$0
Total household income/week	\$806.18	\$816.86	\$849.39	3.98%	\$32.53

The weekly income of the renting Age Pensioners increased by 3.98 per cent or \$32.53 in 2022/23. The Age Pension is their largest source of income, followed by the Pension Supplement and Rent Assistance.

Age Pensioners (Renters) – WEEKLY EXPENDITURE					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Rent	\$320.88	\$352.75	\$402.69	14.16%	\$49.94
Food and beverage	\$195.31	\$204.72	\$219.30	7.12%	\$14.57
Utilities	\$29.66	\$41.79	\$31.69	-24.18%	-\$10.10
Transport	\$8.19	\$8.19	\$8.46	3.30%	\$0.27
Other - household and living costs	\$194.02	\$202.85	\$212.34	4.68%	\$9.49
Total household expenditure/week	\$748.06	\$801.80	\$874.47	7.92%	\$64.17

The largest increase in living costs for the renting Age Pensioner model household is in rent at \$48.94 per week. Food costs have also increased for the model household, along with other household and living costs, and a small increase in transport costs.

Age Pensioners (Renters) – WEEKLY DIFFERENCE			
	2020/21	2021/22	2022/23
Total weekly income	\$806.15	\$816.86	\$849.39
Total expenditure	\$748.06	\$810.300	\$874.47
Difference	\$58.12	\$6.56	-\$25.08

The renting Age Pensioner household experienced a substantial decline in their financial position across 2022/23. Their total weekly income now falls short of what is necessary to cover basic living costs in Western Australia. This means they will have to make some very tough choices about which basic costs of living are most essential in any week. These calculations do not provide any allowance should the couple face a medical emergency or need to replace a household appliance. The couple does not have private health insurance, life insurance or funeral cover, and could potentially face expensive medical costs should an adverse life event occur.

Age Pensioners (Home Owners) – WEEKLY INCOME					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Age Pension	\$650.36	\$679.00	\$707.42	4.19%	\$28.42
Energy supplement	\$10.60	\$10.60	\$10.60	0%	\$0
Pension supplement	\$52.64	\$55.89	\$57.10	2.16%	\$1.21
Cost of Living Rebate	\$2.63	\$2.68	\$2.75	2.76%	\$0.07
Economic Support Package	\$23.97	\$0	\$0	0%	\$0
Total household income/week	\$740.20	\$748.16	\$777.87	3.97%	\$29.71

The income of the home owner couple is lower than the renters, as they are not receiving Rent Assistance. The renting couple, however, are dedicating over 47 per cent of their income to covering their rental costs alone. In comparison, the home owners only need to dedicate less than 5 per cent of their income to pay the council rates and other charges they are liable for as a result of owning their home. The home owners do not have a mortgage and so do not have any other ongoing costs associated with home ownership.

Age Pensioners (Home Owners) – WEEKLY EXPENDITURE					
	2020/21	2021/22	2022/23	% increase 2021/22 to 2022/23	\$ increase 2021/22 to 2022/23
Rates and Charges	\$30.16	\$36.21	\$36.06	-4.11%	-\$1.55
Food and beverage	\$195.31	\$204.72	\$219.30	7.12%	\$14.57
Utilities	\$31.62	\$43.78	\$33.78	-22.85%	-\$10.00
Transport	\$145.94	\$161.41	\$155.95	-3.38%	-\$5.46
Other - household and living costs	\$194.02	\$202.85	\$212.34	4.68%	\$9.49
Total household expenditure/week	\$596.58	\$650.36	\$657.42	1.09%	\$7.06

The largest expenditure increase for the home owning age pensioners was food and beverages, which rose by \$14.57 per week (7.12 per cent), followed by other household and living costs at \$9.49 more per week (4.68 per cent).

Age Pensioners (Home Owners) – WEEKLY DIFFERENCE			
	2020/21	2021/22	2022/23
Total weekly income	\$740.20	\$748.16	\$777.87
Total expenditure	\$596.58	\$650.36	\$657.42
Difference	\$143.63	\$97.80	\$120.45

The home owning age pensioners were the only model household whose financial position improved during 2022/23 and had the largest gap between their income and expenditure. This demonstrates the considerable detrimental impact that the substantial and sustained increases in rental costs have had on the financial security of those households in rental accommodation.

The Cost of Living in Regional WA

Limitations of the data on detailed household expenditure patterns in the *ABS Household Expenditure Survey* mean there is insufficient detail to confidently extend the WACOSS household models to individual regions within WA. The data below reflects the differences in costs of essential items, but we recognise that low income households living in these regions will likely be forced to change their actual expenditure patterns where prices are higher.

Analysis of rental costs for the four model households based on *REIWA market data* is included in the table below. It is important to note that availability can become an even more critical factor in regional areas with smaller housing markets and a more limited range of choice. While our analysis reflects the costs for the type of appropriate housing assumed in the four models, real households may not be able to secure appropriate housing in some regional centres, and so would be forced to compromise on either the appropriate dwelling size for their household composition, or on its affordability.

Weekly Expenditure across the Regions - RENT										
	Perth	Gascoyne	Goldfields Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheat -belt
Single parent & Age pensioners	\$402.69	\$425	\$363.38	\$323	\$436.69	\$238	\$365.50	\$425	\$354.24	\$236.94
Two parent family	\$450.50	\$637.50	\$420.75	\$356.36	\$669.38	\$315.99	\$467.50	\$680.43	\$443.06	\$308.13
Unemployed single (1/3 rd share)	\$150.17	\$212.50	\$140.25	\$118.79	\$223.13	\$105.33	\$155.83	\$226.81	\$147.69	\$102.71

Source: Calculations based on REIWA market data

The most affordable region to rent in for all household types was the Wheatbelt, followed closely by the Mid West. The Kimberley was the most expensive region for the single parent and age pensioner model households, spending \$34 more each week than their equivalents in Perth. For the working family and unemployed single models, the Pilbara was also the most expensive region in which to rent, followed by the Kimberley.

Weekly Difference from 2021/22 across the Regions - RENT										
	Perth	Gascoyne	Goldfields Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheat -belt
Single parent & Age pensioners	\$49.94 14.16%	-	\$55.25 17.93%	\$34.64 12.01%	\$88.40 25.38%	\$36.12 17.89%	\$35.49 21.13%	\$63.75 4.60%	\$41.86 13.40%	\$23.38 10.22%
Two parent family	\$52.06 13.07%	-	\$61.62 17.16%	\$17.63 5.21%	\$171.07 34.33%	\$20.61 6.98%	\$46.33 30.18%	\$108.37 12.35%	\$65.87 17.46%	\$44.63 16.94%
Unemployed single	\$17.36 13.07%	-	\$20.54 17.16%	\$5.88 5.21%	\$57.03 34.33%	\$57.03 6.98%	\$6.87 30.18%	\$36.12 12.35%	\$21.96 17.46%	\$14.88 16.94%

Source: Calculations based on REIWA market data.

No comparison available for Gascoyne due to limitations on available data.

Median rents increased across every region in 2022/23. Particularly substantial increases occurred in the Kimberley and the Pilbara, for both units and houses. In the Pilbara, the two parent family saw their rent increase by \$108.37 per week, while in the Kimberley it rose by a staggering \$171.07.

Weekly Expenditure across the Regions – FOOD AND BEVERAGES										
	Perth	Gascoyne	Goldfields Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheat- belt
Single parent	\$248.73	\$250.72	\$259.63	\$250.72	\$271.62	\$258.18	\$248.48	\$261.42	\$247.49	\$255.20
Two parent family	\$358.28	\$361.25	\$373.79	\$361.25	\$391.35	\$372.00	\$358.02	\$376.66	\$356.59	\$367.70
Unemployed single	\$109.65	\$110.53	\$114.36	\$110.53	\$119.74	\$113.81	\$109.54	\$115.24	\$109.10	\$112.50
Age pensioners	\$219.30	\$221.05	\$228.73	\$221.05	\$239.47	\$227.63	\$219.08	\$230.48	\$218.20	\$225.00

Source: Calculations based on ABS 2015/16 HES, 2023 CPI and 2021 RPI data

The cost of food and beverages is the highest in the Kimberley, followed by the Pilbara. Food prices in Peel, Gascoyne, the Southwest and Great Southern regions are all comparable to Perth metropolitan prices. Food prices in the Mid West, the Wheatbelt and Goldfields/Esperance are also noticeably higher than Perth.

Financial Counselling Data

Financial counselling is a free and independent service to assist people who are experiencing financial difficulty. A qualified financial counsellor will work through a person's weekly household income and expenditure with them to provide expert advice on how to tackle their financial challenges.

WACOSS has analysed data provided by the Financial Wellbeing Collective¹⁵ of 1,675 clients who accessed their services from January to November 2023 to reveal the real-life living cost pressures being faced by households across the Perth metropolitan region who are experiencing financial hardship and stress.

Financial Position of Clients – Average per Fortnight								
Regions	Household Income (After Tax)	Housing Costs	Cost of Groceries	Cost of Essential Utilities	Medical Costs	Debt Repayments	Deficit *	No of Clients
North Metro	\$2,165.76	\$873.13	\$381.51	\$124.54	\$48.16	\$380.54	-\$152.16	621
East Metro	\$2,011.20	\$854.06	\$370.04	\$146.47	\$56.22	\$1,015.29	-\$53.23	587
South Metro	\$1,952.24	\$746.04	\$344.15	\$123.19	\$65.09	\$363.88	\$2.25	416
Overall	\$2,056.68	\$795.38	\$368.21	\$132.07	\$55.39	\$623.59	-\$74.03	1,982

Source: Calculations based on data supplied by the Financial Wellbeing Collective.

* Note: 'Deficit' is the average amount that the expenditure of each financial client was above or below their income and so does not equal the expenditure columns subtracted from 'Household Income (After Tax)'.

Where households in the lower 40 per cent of incomes are spending more than 30 per cent of their gross income on housing costs, they are deemed to be in housing stress.¹⁶ With the costs below represented as percentages of income after tax, it can be observed that financial counselling clients

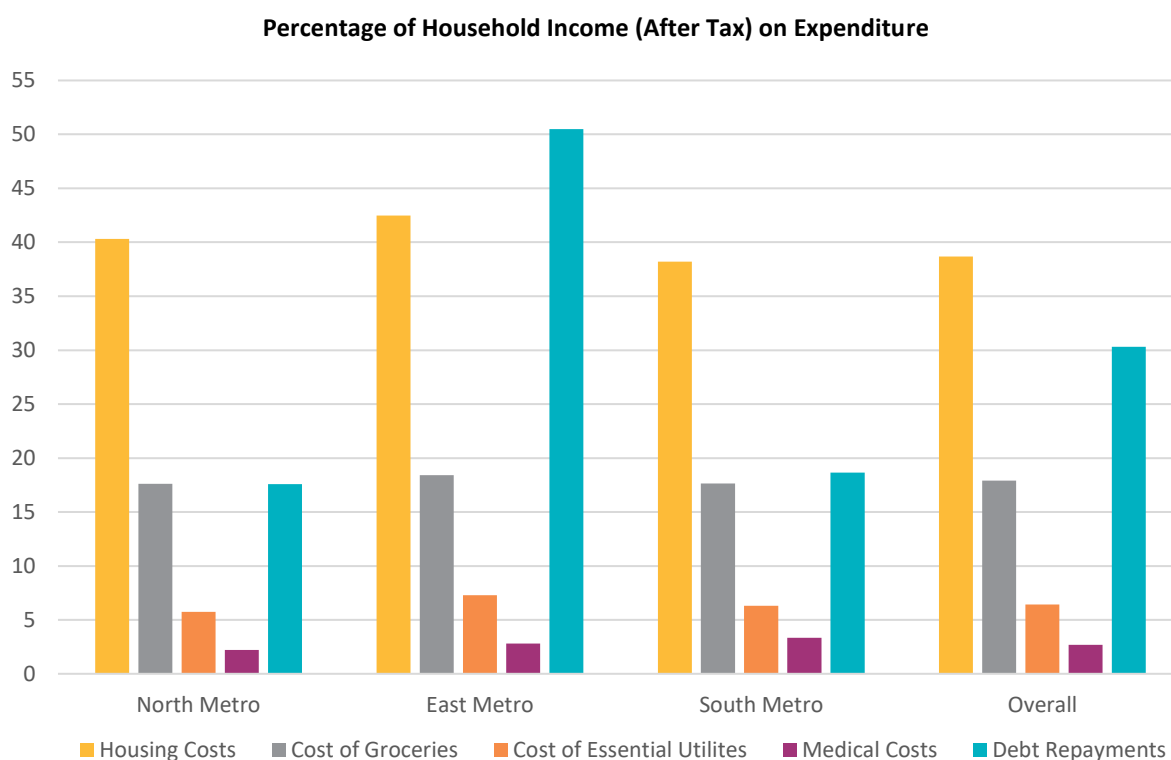
¹⁵ The Financial Wellbeing Collective is a partnership of not-for-profit community service organisations and local government across the Perth metropolitan region who provide advice, assistance and education to people experiencing financial hardship. <https://thefwc.org.au/>.

¹⁶ Australian Bureau of Statistics, *4130.0 – Housing Occupancy and Costs, 2015-16* (2017).

in each metropolitan region of Perth are on average in housing stress, with those in the East metropolitan region dedicating the greatest proportion of their income to their housing costs.

The Financial Wellbeing Collective has found that clients in the data set who were receiving the JobSeeker payment are paying an average of 45.5 per cent of their income on housing. Single people were found to be on average spending 44.2 per cent of their income on housing, with women spending an average of 39.1 per cent. Notably, those in public housing were found to be dedicating an average of 32.3 per cent on housing costs, indicating that they too were in housing stress.

As many people seek assistance from financial counsellors in relation to debts they are struggling with, it is not surprising that these clients have substantial debt repayments each fortnight. When it is considered how much of their income is required in order to service these debts, the burden that these debts have on these households is readily apparent. This risks trapping households in an ever-growing debt trap, as they have to resort to cash or payday loans to not only cover their living costs, but to also service other loans they carry.



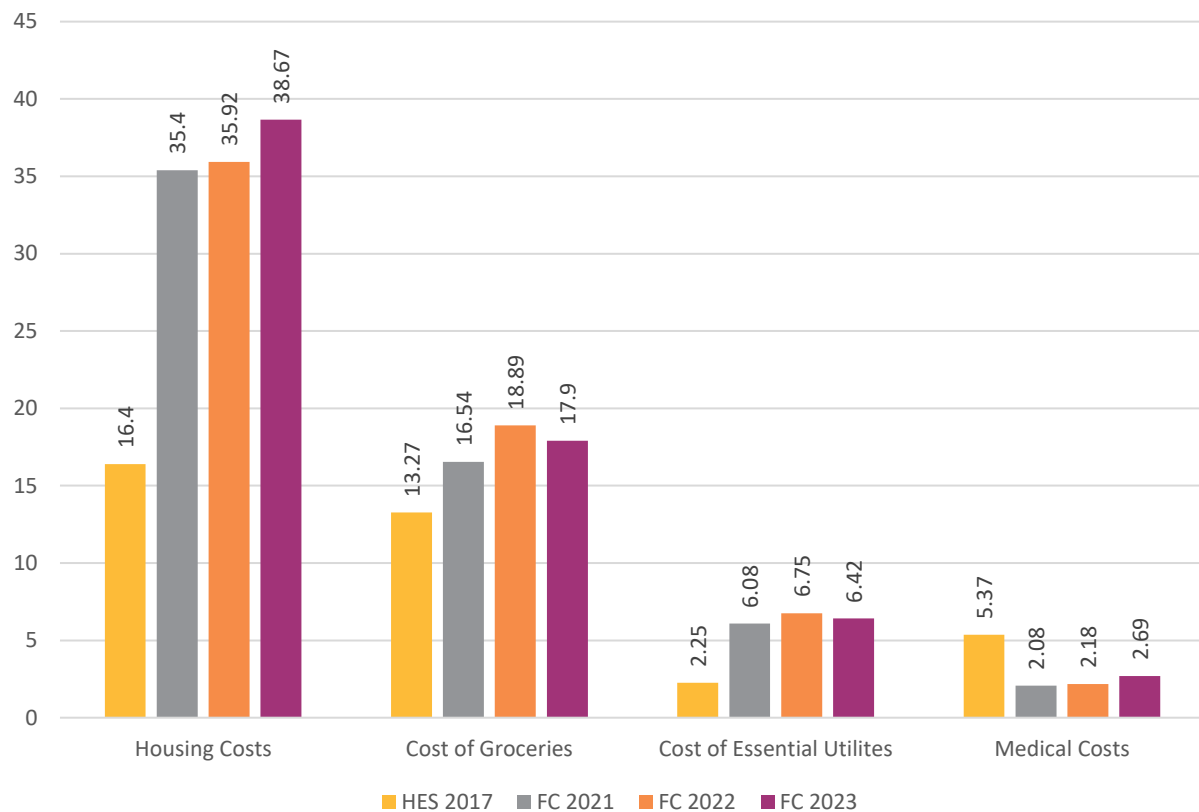
Source: Calculations based on data supplied by the Financial Wellbeing Collective.

Financial counsellors may be able to contact their clients' creditors to halt or defer debt-recovery proceedings, negotiate debt waivers or reductions, and put in place a payment plan. They may also be able to provide access to emergency relief in the form of charitable donations or food parcels to help them through an immediate crisis.

When households turn to payday loans and other fringe financial lending to help resolve short-term financial problems, this can result in increasing levels of longer-term financial stress. Households pursuing this type of credit to resolve other debts and cover everyday expenses pay a significant premium for access to instant-cash and may be vulnerable to misleading and predatory lending practices that can lead to further spiralling debt.

Comparing the data collected by the Financial Wellbeing Collective (FC 2021, FC 2022, FC 2023) to that of the 2017 *ABS Household Expenditure Survey (HES 2017)* illustrates the significant differences between the expenditure patterns of the average Western Australian household and those experiencing financial hardship.

Percentage of Income on Expenditure – ABS Household Expenditure Survey and Financial Counselling Data



Source: Calculations based on the ABS (2017) Household Expenditure Survey and data supplied by the Financial Wellbeing Collective.

While prices and incomes have changed since the HES was undertaken, some very clear differences between the financial counselling clients and the HES participants can be observed. The proportion of income that the financial counselling clients are dedicating to housing is substantially higher than it was for the average WA household in the HES. Notable too, the percentage of their income that is needed to cover their housing costs has continued to climb. Similarly, the financial counselling clients have a much greater proportion of their income being spent on covering the costs of their utilities like electricity, gas and water.

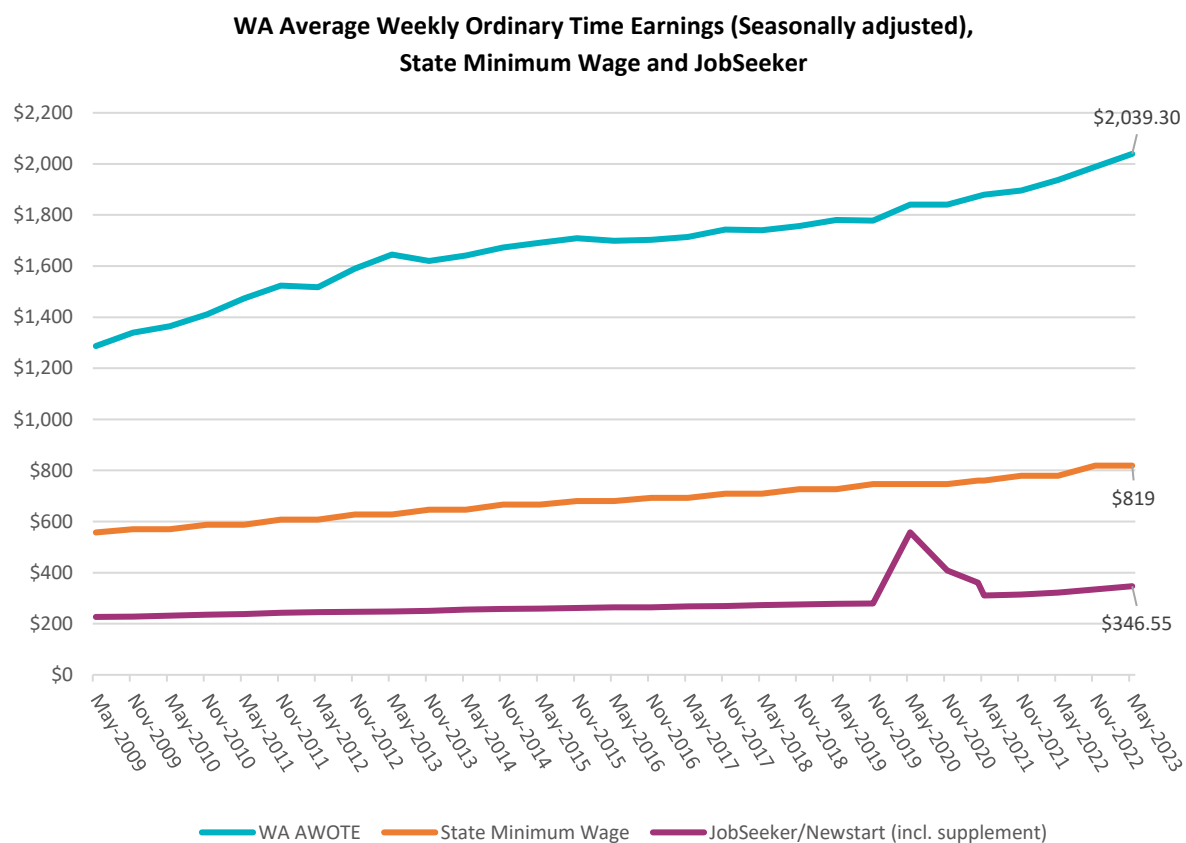
The financial counselling clients can also be observed to be spending a much lower percentage of their income on medical costs than the average WA household in the HES. This would suggest that medical costs are an area that the financial counselling clients have been forced to avoid spending on in order to cover their other living costs, which will likely have a negative impact on their quality of life and personal health.

Analysis and Discussion

Income, Poverty and Wealth

More than 325,000 Western Australians, including 85,000 children, are living below the poverty line.¹⁷ These households may be in low-waged work or reliant on government income support that is not sufficient to cover basic household costs, such as food, transport, utility bills, and medical expenses, let alone allow for saving or financial flexibility. As of September 2023, 90,905 people in WA were recipients of JobSeeker and Youth Allowance payments.¹⁸ Under current rates, a single person on JobSeeker receives \$374.60 per week as well as a maximum Commonwealth Rent Assistance of \$92.40 per week; payments provide a weekly maximum income of only \$467.

The substantial gap between JobSeeker, the state minimum wage and median pay levels is a strong indicator of the profound income inequality within our state. As of May 2023, JobSeeker now makes up just 17 per cent of the full-time average weekly ordinary time earnings in Western Australia. The State Minimum Wage sits at just over 40 per cent of the average weekly earnings.



Source: ABS 6302.0, WA Department of Commerce, Australian Department of Human Services

During 2023, increases in both government supports and wages were not sufficient to cover rising costs. In the 2023-24 Federal Budget, Job Seeker, Youth Allowance and Parenting Payment

¹⁷ Alan Duncan *Behind the Line: Poverty and disadvantage in Australia 2022*, Bankwest Curtin Economics Centre Focus on the States Series (Report, 2022).

¹⁸ [‘DSS JobSeeker Payment and Youth Allowance recipients’](#), *Data.gov.au* (Webpage, 2023).

Partnered were increased by \$40 per fortnight, or just \$2.86 per day. While an increase is welcome, this year's increase will do little to help families cover the essentials. In June 2023, the WA State Minimum wage was increased by 5.3 per cent to \$863.40 per week.¹⁹ This increase fell behind both the 5.75 per cent increase to National Minimum Wage, which saw minimum wage workers earning up to \$882.80 per week²⁰, and national CPI which rose 5.4 per cent in the previous twelve months.²¹ While in June the State Minimum wage increase came slightly ahead of Perth CPI this has not lasted with Perth CPI rising to 5.8 per cent in the September 2023 quarter.²²

When coupled with increasing costs of living tepid wage growth means many people, particularly those on minimum wage or government supports, are struggling to cover the cost of essentials. For example, the Anglicare Australia 2023 Living Costs Index reports that after paying for rent, transport, and food:²³

- a minimum wage worker in a single household will only have \$57 per week remaining;
- two minimum wage workers in a two-parent household would have \$73; and
- a minimum wage worker in a single-parent household would not be able to cover basic expenses, even with Family Tax Benefit.

Each week these households are faced with difficult decisions around which expenses they can cover. Often these households are unable to pay for bills, medication, or incidentals and unexpected costs, such as a health crisis, car failure or a fine, can thrust them into a downward financial spiral.²⁴

The Australian Council of Social Service report *Inequality in Australia 2023* highlights that pressures associated with tepid wage growth and increasing costs are not evenly distributed across Australia. Currently, the nation's highest 20 per cent of income earners earn five times the income of the lowest 20 per cent.²⁵ The wealthiest 20 per cent hold an average wealth six times the wealth of the middle 20 percent and 90 times that of the lowest 20 percent.²⁶ Significantly, those in top earning percentiles are more likely to stay there over time compared to a generation ago. Increasing inequity in both income and wealth is a key driver in persistent poverty and reinforces cycles of inequity across one's life course and between generations.

As demonstrated by the Gini coefficient in the most recent ABS Survey of Income and Housing data, Western Australia has the highest rate of income inequality in Australia. The Gini coefficient is a measure of income distribution amongst a population. The numbers range between 0 and 1, with 0 corresponding to perfect income equality and 1 corresponding to perfect income inequality. Examining the Gini coefficient for all Australian states, Western Australia can be seen to have the most unequal distribution of income across Australia and in comparison, to the nation as a whole.

¹⁹ WA Industrial Relations Commission, [State Wage Order Pursuant to Section 50a of the Act](#) (2023).

²⁰ ['Minimum wage increased from 1 July 2023'](#), Fair Work Ombudsman (Web Page, 2023).

²¹ Australian Bureau of Statistics, *Monthly Consumer Price Index Indicator* (June 2023).

²² Australian Bureau of Statistics, *Consumer Price Index, Australia* (October 2023).

²³ Maiy Azize, *Living Costs Index: Minimum Wage Households*, Anglicare Australia (Report, 2023).

²⁴ Ibid.

²⁵ Peter Davidson et al, *Inequality in Australia 2023: Overview*, ACOSS and UNSW (Report 2023).

²⁶ Ibid.

Gini Coefficient 2019-20 (National, States and Territories)²⁷

State	Gini Coefficient
WA	0.331
NSW	0.329
Victoria	0.325
Australia	0.324
Queensland	0.317
NT	0.297
SA	0.312
Tasmania	0.301
ACT	0.277

People in WA are feeling the pressure of wage inequity and increasing costs, and an increasing number of households are seeking emergency relief support. WACOSS operates a free online directory of community service providers for people looking for assistance in WA, called WACONNECT. The directory contains real time search results of emergency and community relief providers, including food relief, financial counsellors, emergency accommodation and other services.²⁸

From January to October 2023, the directory saw 303,116 searches for services, from 55,330 people. Compared to the same period last year, the number of users increased by 18 per cent, the number of visits to the directory increased by 18 per cent, and the number of searches for services increased by 15 per cent, which is equivalent to 40,116 more searches for services.

The services with the most searches during this period fell within the following categories:

1. Help with food (31 per cent of all searches) – approx. 94,150 searches;
2. Help with accommodation (5.2 per cent of all searches) – approx. 15,900 searches;
3. Financial services (5.5 per cent of all searches) – approx. 16,660 searches.

74 per cent of people accessed WACONNECT by looking for assistance through internet search engines or via social media. The remaining 26 per cent accessed WACONNECT directly, without going through a search engine. This indicates that many of those people who are using the platform are repeat visitors who have had to search for services through it in the past.

²⁷ ABS, 6523.0 – Household Income and Wealth, Australia, 2019-20 (2022).

²⁸ <https://waconnect.org.au/>

The Gendered Impacts of Increasing Costs

In Australia, women are more likely to be out of the labour force, engaged in unpaid care work, receiving some form of working-age income support payment, and underemployed.²⁹ As such, many Australian women either live in poverty, or are at risk of falling below the poverty line.³⁰

While increased cost of living impacts all West Australians, systematic factors relating to gender norms, pay structures, care responsibilities, and job security mean that women disproportionately bear the brunt of cost increases. This is particularly so for women living below the poverty line, women experiencing violence, or women in marginalised community groups, such as Aboriginal and Torres Strait Islander women, women from culturally and linguistically diverse backgrounds, women with disability, single mothers, and women over 65 years of age.

The disproportionate impact of the cost of living on women is stark and has been recognised in the national and international policy agenda. Earlier this year, the Parliament of the United Kingdom opened an inquiring into the impact of rising cost of living on women.³¹ In Australia, both federal and jurisdictional efforts are being made to reduce systemic drivers that leave women exposed to economic insecurity and financial disadvantage, including the gender pay gap, unpaid caring responsibilities, and intersectional disadvantage.

The gender pay gap refers to the average difference in women's and men's full-time earnings. The gender pay gap exacerbates the impact of increased cost of living on women for two key reasons. Firstly, women simply earn less than men. As of August 2023, Australian women's average full-time earnings are 13 per cent less than their male counterparts. This equates to women earning \$252.30 less per week. Income disparities mean the cost of essential goods and services absorbs a higher proportion of women's income.³² For example, the average weekly shop for an Australian family equates to 9.4 per cent of a woman salary but only 8.1 per cent of a man's salary.³³ In WA, this disparity is even more pronounced as the state boast a gender pay gap of 21.4 per cent.³⁴

As the cost of essential items increases, an even greater proportion of a woman's wage is consumed. For many women, essential items absorb their entire income and any increase in cost exceeds what is available. Increase cost pressures have significant ramifications for women's long-term economic security with women under financial pressure less likely to make additional superannuation contributions or save³⁵.

Secondly, a lifetime of lower earnings exposes women to an increased risk of debt and means many women have less opportunity to accumulate savings that can be used as a safety net or absorb

²⁹ Commonwealth of Australia, [Women's Budget Statement 2023/24](#) (9 May 2023).

³⁰ Australian Council of Social Service, [Why lifting income support is essential to gender equality and economic security for women](#) (Briefing Paper, 2022).

³¹ ['Impact of the rising cost of living on women'](#), UK Parliament (Web Page, 2023).

³² ['The ABS data gender pay gap'](#), Workplace Gender Equality Agency (Web Page, 2023).

³³ Emma Charlton, ['This is why women are bearing the brunt of the cost of living'](#), World Economic Forum (Web Page, 2023).

³⁴ WGEA (n 31).

³⁵ Alison Preston, [Gender and the cost of living in Australia: Submission 58 to the Senate Select Committee on Cost of Living](#) (Submission, 2023).

economic shocks. A lifetime of lower paid work means that many women accumulate poverty rather than accumulate wealth.

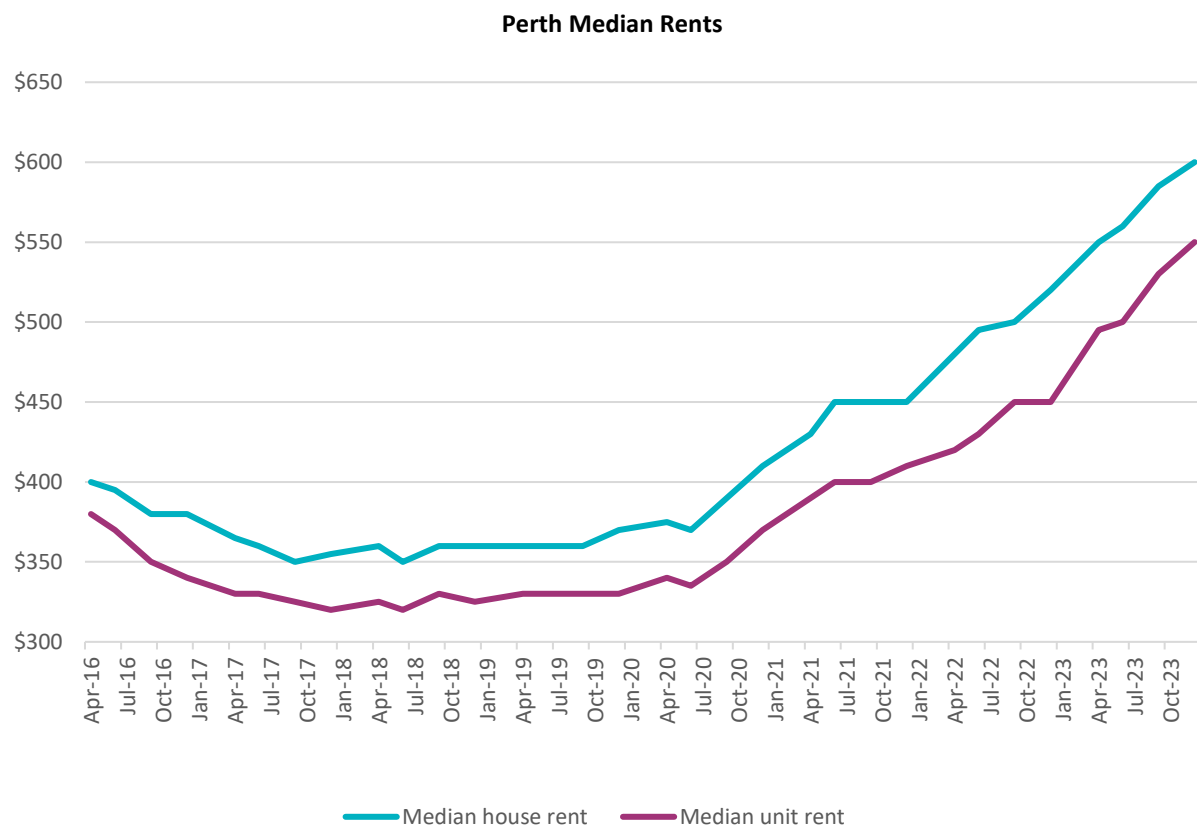
Gender norms relating to care provision see Australian women holding a disproportionate amount of the care responsibility for children and other dependants, such as elderly parents. Caring responsibilities may be the most fundamental barrier to women's full economic participation, with the burden of this responsibility significantly impacting women's ability to engage in stable paid work – a protective factor against cost-of-living increases.

Caring for dependents not only takes women out of the workforce but directly impedes their ability to increase their earnings - care responsibility make it difficult to take on additional hours or secondary employment. This is particularly problematic in a cost-of-living crisis, as many women do not have access to common mechanisms used to fund cost increases. Additionally, as cost-of-living pressures bite, and families work to reduce their spending, it can seem uneconomical to pay for childcare. Often in these circumstances, as a cost saving measure, women who are the secondary household earner give up hours of paid employment to take on an even greater proportion of the care responsibility. While for some households this strategy may provide immediate relief such decisions significantly impact women's long-term economic security.

Housing

Housing remains the single largest cost for households in Western Australia, and housing costs have a disproportionate impact on those living on the lowest incomes.³⁶ Access to safe, secure and affordable shelter is essential for people to be able to fully engage in our community. The more income households must dedicate to covering housing costs, the less they will be able to spend on other essentials like food, energy, and health. When housing costs consume 30 per cent or more of the household budget any slight increase in rent can have a dramatic impact on their ability to stay in a property and maintain important connections to their local community, along with their proximity to jobs and services. Insecurity and instability in housing creates the circumstances for increased hardship and entrenched disadvantage.

In Perth, the pressure of increasing rental costs has never been more apparent. Median rents have been increasing since 2018 and drastically rising since 2020. Since mid-2020 rents in Greater Perth have increased by 52.4 per cent.³⁷ Over the last two years this has led to a rapid deterioration of housing affordability.³⁸



Source: REIWA data³⁹

³⁶ ACOSS/UNSW Poverty and Inequality Partnership, *Poverty, Property and Place: A geographic analysis of poverty after housing costs in Australia* (Report, 2020).

³⁷ National Shelter, the Brotherhood of St Laurence, and SGS Economics and Planning [Rental Affordability Index](#) (Report, 2023).

³⁸ Ryan Brierty et al, [Housing Affordability in Western Australia](#) (BCEC Focus on WA Report 17, 2023).

³⁹ REIWA, [Perth property market](#) (2023).

Rental price increases have dramatically reduced the number of affordable rental properties in Western Australia. This is reflected in the 2023 *Rental Affordability Index*, which indicates Perth's rental affordability index score declined to its lowest level since 2016 and that rentals in the city are moderately unaffordable for households on a gross annual income of \$103,805.⁴⁰ Over the past year, regional WA also saw a decline in its rental affordability index score.

For low-income households, and households on income supports, rental properties in WA are extremely unaffordable.⁴¹ The annual Anglicare *Rental Affordability Snapshot* takes a 'snapshot' on a given day of the rental market and examines whether the properties being advertised are affordable for a range of different low-income types and whether those properties are appropriate for the composition of their household.

Affordable and Appropriate Properties by Region and Household Type

Household Type	Payment Type	Perth Metro		South West and Great Southern		North West	
		#	%	#	%	#	%
Couple, two children	JobSeeker Payment (both adults)	1	0	1	0	0	0
Single, two children	Parenting Payment Single	1	0	1	0	0	0
Couple	Age Pension	7	0	2	1	1	1
Single, one child	Parenting Payment Single	0	0	0	0	0	0
Single, one child	JobSeeker Payment	0	0	0	0	0	0
Single	Age Pension	0	0	1	0	0	0
Single aged over 21	Disability Support Pension	0	0	1	0	0	0
Single	JobSeeker Payment	0	0	0	0	0	0
Single aged over 18	Youth Allowance	0	0	0	0	0	0
Single in share house	Youth Allowance	0	0	0	0	0	0
Couple, two children	Minimum Wage + FTB A (both adults)	294	12	68	33	12	6
Single, two children	Minimum Wage + FTB A & B	3	0	4	2	1	1
Single	Minimum Wage	5	0	0	0	2	0
Couple, two children	Minimum Wage + Parenting payment (partnered) + FTB A & B	15	1	20	10	5	3

Source: Anglicare WA (2023) *Rental Affordability Snapshot*

⁴⁰ National Shelter (n 36).

⁴¹ Anglicare WA, [Rental Affordability Snapshot – Western Australia](#) (Report, 2023).

The 2023 Rental Affordability Snapshot took place over 17-18 March 2023. It found that for a single person on JobSeeker, there was no rental properties in the entirety of Western Australia that were affordable and appropriate. This was also the case for a single person on Disability Support Pension, a single person on the Age Pension, a single person on JobSeeker with a child, and a single person aged over 18 on Youth Allowance whether they were seeking to rent in a share house or on their own.

For a couple receiving JobSeeker, with two children, there was only 1 property in the Perth metropolitan area that was affordable and appropriate, 1 in the South West and Great Southern, and none in the North West. For a single with two children, relying on the Parenting Payment Single, they would only be able to find two properties that were affordable in all of WA.

The very low level of accessible properties available to rent for households receiving government payments and for single minimum wage earners, including single parents, strongly indicates the likelihood that many of those households will be living in housing stress or making do with housing that is not appropriate for their circumstances. Fewer appropriate and affordable housing choices often means that low-income households are being forced onto the fringes of the metropolitan region to find housing, putting them further away from jobs, schools and services and placing a greater strain on the weekly travel budget.

Transport

Access to adequate transport, either via public transport or a private vehicle, is critical to the functioning of daily life. However, rising costs are making it more difficult for many low-income families, and families experiencing financial hardship, to access appropriate transport.

The increasing cost of transport is concerning, as inadequate access to transport places people at risk of economic and social isolation, making it difficult for people to get to work, see friends and family, and access the good and services they need. For example, 17 per cent of the participants in the 100 Families WA study reported inadequate transport was a barrier for them to gain employment.⁴² As the housing crisis sets in, and increasing numbers of people are evicted from their homes, access to a registered car can be a lifeline – providing a place for people to store their belongings, or sleep. Despite significant safety risks, the number of people living in their cars in 2023 has risen and is now all too common.⁴³ Increasing car costs place these communities even further at risk as registration and running costs become unaffordable.

The WA Government has made great strides to improve access to transport in WA Communities by investing in service upgrades, such as the Metronet, and capping fares at the cost of a two-zone journey. While these efforts have made public transport an affordable option for commuters, limited access to public transport services in outer suburban and regional areas mean many households still depend on cars as their primary form of transportation.

The RAC 2023 *Car Running Cost Guide* indicates households can spend between \$162.71- \$500 per week on running a car, noting the total amount varies depending on the car make and model, car loan repayments, level of insurance, and frequency of use.⁴⁴ For many this is a significant and increasing proportion of the household budget. As of June 2023, in Perth, total transport costs were 14.6 per cent of a typical weekly household income, with the annualised cost of transport being \$21,824.⁴⁵ In Bunbury, total annual household transport costs also exceeded \$20,000 and consumed approximately 15 per cent of a typical household's income. These cost position Bunbury as the fourth most unaffordable regional centre for transport in Australia.

Increasing transport costs are largely due to increasing interest rates, which increase car loan repayments, and increasing fuel prices. Rate freezes or fuel price fluctuation may offer moments of temporary relief however, baseline prices remain significantly higher than historical averages. For example, while the average 182.9 cents per litre for petrol during the June 2023 quarter is a welcome relief from the high prices of June 2022 (188.0 cents per litre) it is a significant increase on the 142.0 cents per litre average in June 2021 and the 145.3 cents per litre average in June 2019.⁴⁶

⁴² Ami Seivwright and Paul Flatau, *Insights into hardship and disadvantage in Perth, Western Australia: The 100 Families WA Baseline Report*, The 100 Families WA project (Report, 2019).

⁴³ Kate Christian and Kenith Png, '[Perth councils defend crackdown on people sleeping in vans](#)', ABC News (Web Page, 2023).

⁴⁴ RAC WA, [Vehicle Running Costs Guide](#) (2023).

⁴⁵ Australian Automobile Association, [Transport Affordability Index Quarter 2 2023](#) (Report, 20223).

⁴⁶ Ibid.

Energy and Water

The cost of energy disproportionately impacts households on the lowest incomes, as they spend a significantly higher percentage of their disposable income on energy bills and have little, if any, capacity to absorb additional costs. People on the lowest incomes spend on average 6.4 per cent of their income on energy, compared to households in the highest income quintile, who spend on average only 1.5 per cent. Further, 25 per cent of the lowest income quintile are spending over 8.8 per cent of their income on energy.⁴⁷

The disproportionate impact of electricity bills on low-income households can lead to mounting unpaid bills and a greater risk of disconnection, which in turn can have a significant impact on people's wellbeing. Reported impacts include feelings of shame at being unable to provide for the family along with personal and relationship stress arising from difficult decisions about spending priorities.

The Economic Regulation Authority WA has noted that disconnection data is a 'valuable indicator of how affordable energy is to customers.'⁴⁸ Recent figures on household disconnections were reported in the Western Australian Legislative Council on 17 October 2023 and are reproduced below. Though these figures fluctuate due to seasonal variations, they clearly demonstrate the scale of disconnections and the need for assistance in the community.

Horizon Power Disconnections between 1 June 2023 to 31 August 2023

	Residential non-payment disconnection notices issues	Residential non-payment disconnection completed
Jun 23	1,647	353
Jul 23	1,087	235
Aug 23	929	204

Synergy Disconnections between 1 June 2023 to 31 August 2023

	Residential non-payment disconnection notices issues	Residential non-payment disconnection completed
Jun 23	470	311
Jul 23	1,353	852
Aug 23	1,383	1,055

Source: [WA Parliament Hansard](#)

To support households with rising living costs, the 2023/24 State Budget included another round of household electricity credits. All Western Australian households will receive a minimum \$400 electricity credit, with Energy Assistance Payment eligible households receiving a \$500 credit.

⁴⁷ ACOSS and the Brotherhood of St Laurence, [Energy Stressed in Australia](#) (Report, 2018).

⁴⁸ Economic Regulation Authority (2020) *Annual Data Report – Energy Retailers 2018/19*

A critical step in improving the ongoing affordability of energy in Western Australia is the electrification of households. By removing the gas connection, households will no longer be required to pay the fixed costs of two networks. These are costs that households are otherwise unable to avoid, no matter whether they use appliances reliant on that energy source or not. Analysis by Renew has shown that for WA households, no matter the location or tariff type, it is more economic for new homes to avoid a gas connection altogether. In the majority of circumstances where a gas appliance needs to be replaced, it was more economic to replace it with an electric appliance.⁴⁹

The 2023/24 State Budget also included the very welcome and much needed increases to the Hardship Utility Grant Scheme (HUGS) payment limits by 10 per cent. HUGS payment limits had remained static since 2017/18, thus not keeping pace with increases in energy and water costs. This increase provides better support for those households experiencing difficulties with their utility bills. There does remain, however, barriers to accessing these grants for certain utility consumers, despite their financial situation. In particular, eligibility for these grants should also be expanded to include pre-payment meter customers and water utility customers living in public housing. The current exclusion of pre-paid meter customers from HUGS is profoundly inequitable. These customers are likely to be experiencing hardship and are at risk of being disconnected from their electricity should their funds run out.

Similarly, public housing tenants are likely to be in or at risk of financial hardship. Though these tenants are able to access HUGS grants for energy bills, they are unable to access these grants for water bills as they are billed by the Department of Communities rather than a water utility. With the Department of Communities also responsible for administering HUGS, it should be simple to develop a solution that enables Communities to refer tenants who are having difficulties paying their water bills to the HUGS Service Centre to be assessed for the grant. Access to water is essential for people's health and wellbeing, and to meet their basic needs. Unlike with electricity, eligibility for concessions to support access to water is extremely limited. The State Government's rebates for consumption and service charges are principally available only to people who hold a pensioner concession card or seniors' card.

This means that many people who require additional financial support to access enough water to sustain reasonable living standards, such as those who may be currently unemployed and reliant on Commonwealth income support, will likely not be eligible for these concessions. As such, expanding the eligibility for water concessions to include people who hold a Health Care Card is essential.

Though many tenants may be being charged by their landlord for water consumption, current legislation and billing systems can make it challenging for water utilities to be able to provide support to renters facing water hardship. To provide support to households, including renters, in water hardship it is recommended that water efficiency education and assistance be included as part of or in conjunction with programs such as the Household Energy Efficiency Scheme. Many of the households struggling with energy bills will likely also have difficulties making payments for water. Providing the tools and skills to manage water use could assist those households to reduce their water bills.

⁴⁹ Renew, [Affordable energy choices for WA households](#) (Report, 2021).

Food

Low income is the strongest and most consistent predictor of food insecurity. Food insecurity is the state of being without regular access to enough safe, nutritious food to meet an individual or household's nutritional needs. It often corresponds with lower access to other basic needs, such as safe and affordable housing and secure employment.

Over 2023 it is undeniable that food prices have taken up a greater portion of household budgets, with 48 per cent of Australians reporting a significant increase and 31.2 per cent reporting an increase in food costs over the past 12 months.⁵⁰ Data published by the ABS reflects consumer sentiment and reports a 4.8 per cent increase in CPI for food and non-alcoholic beverages between September 2022 and September 2023.⁵¹

Increases to CPI translate to real costs for consumers and increases to household food bills. Research conducted by Compare the Market reports that the average annual Australian household food bill has increased by \$1,565 in just under two years.⁵² For families on low incomes increasing food prices, when coupled with increases in the costs of other essentials such as rent, utilities and transport, simply cannot be absorbed.

Compare the Market data on Australian average weekly grocery spend

Year	Average weekly spend	Average yearly spend
September 2021	\$169.45	\$8,811.4
June 2022	\$184.21	\$9,578.92
April 2023	\$199.46	\$10,371.92
<i>Difference 2021 to 2023</i>		<i>\$1,560.52</i>

Increases in food costs have contributed to a sharp decrease in food security. In 2023, 3.7 million Australian households experienced food insecurity, with most reporting that the cost of living and increased food prices were a key driver of this experience.⁵³ Communities in WA have been significantly impacted, with only 63 percent of households reporting that they are food secure. This is a significant drop compared to the 70 per cent of households who reported being food secure in 2022. Significantly, 77 per cent of households experiencing food insecurity are in this position for the first time, and more young people, employed people, and people on mid to higher incomes reported food insecurity. Increased food prices and other cost of living increases are hurting a broad range of Australian households and factors, such as full-time employment or owning your own home, can no longer be seen as a guarantee against financial hardship.

To cope with the rising cost of food, 94 per cent of food insecure households report changing their behaviour to make ends meet, for example, by seeking cheaper alternatives.⁵⁴ However, for many

⁵⁰ Rachel Rosel, 'Cost of Living Survey & Statistics', [Budget Direct](#) (Web Page, 2023).

⁵¹ Australian Bureau of Statistics, *Consumer Price Index, Australia* (October 2023).

⁵² Phillip Portman, '[Rising grocery costs having the biggest impact on budget for a third of Aussies](#)', *Compare the Market* (Web Page, 2023).

⁵³ Foodbank, [Hunger Report](#) (Report, 2023).

⁵⁴ Ibid.

households, seeking less expensive food is not viable - before cost increases, they were already seeking the cheapest options. Price increases mean many people are simply being priced out of the market and just cannot afford food. Resultantly, many households actively go hungry, reducing their food intake, skipping meals, or going entire days without eating. This is because the household food budget is seen to be more flexible than other fixed expenses, such as rent, utility and medical bills.

The Foodbank *Hunger Report 2023* provides countless examples of Australian families' experience with food insecurity:

"My wife and I just shared meals so there was plenty for the kids and we would only eat once a day" (Male, 45-54, metro NSW, employed full-time)

"I just didn't eat for 3 days and when I did eat, I'd try to only eat small amounts to do my best to make the food last" (Female, 25-34, metro VIC, employed full-time)

Inadequate access to food disrupts the foundational elements of health and wellbeing. Applying a social determinants of health model, it is evident that limited access to nutrition, a foundational element of health, creates significant and long-term inequity – including poorer long-term health outcomes and lower life expectancy.

Recommendations

The issues facing low-income households trying to balance their finances are complex and are impacted by numerous factors at the personal, local, state and national level. This report highlights the need for multiple responses to address the key drivers of financial hardship. Effectively tackling cost of living pressures requires collaboration across sectors, including the different levels of government, industry, unions, and community organisations in areas such as secure and affordable housing, income and job security, climate justice and gender equity, to name a few.

Increasing the rate of JobSeeker and associated payments is essential for ensuring that those who are unemployed are able to cover the costs of meeting a standard of living in line with community expectations. Actions by the Federal Government to address the affordability of housing, through tax reform (such as abolishing negative gearing) and providing financial support to the states to build more social housing, are crucial. Investment and policy action on these issues by the Federal Government impacts directly on demand for state services and supports, and so state governments have a key role to play in advocating for more efficient and effective economic and social policy at the national level.

The WACOSS [State Budget Submission 2024-25](#) provides a suite of detailed recommendations to the State Government to help reduce levels of poverty and disadvantage, improve the living and working conditions of people on low incomes, and build a more equitable and inclusive WA. The following list restates these recommendations for the WA Government to address the disproportionate impact of cost of living pressures on low-income households.

Recommendations

- Abolish no-fault evictions, including at the end of a fixed term tenancy; stabilise rent prices; and introduce minimum energy efficiency standards.
- Establish a \$1 billion affordable housing future fund.
- Increase emergency relief and financial counselling funding.
- Additional investment in homelessness services to address the indexation gap.
- Ban gas connections to new homes and develop a roadmap to all-electric households.
- Expand eligibility for HUGS to include public housing tenants in water hardship and households with pre-payment electricity meters.
- Expand eligibility for water concessions and support water efficiency in low-income households.
- Extend transport concessions to all Centrelink Health Care Card holders.
- Provide per-capita grants and targeted subsidies to community-based early education and care services.
- Create a universal child lunch program in all WA schools.
- Build housing subsidies into service contracts for regional centres and create more key worker housing.
- Review the Patient Assisted Travel Scheme.
- Improve access to fixed and mobile broadband in regional and remote locations, and support more free Wi-Fi hubs in public spaces.



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