



Cost of Living

2018



wacoss
WA COUNCIL of
SOCIAL SERVICE

Ways to make a difference

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About WACOSS

The Western Australian Council of Social Service (WACOSS) represents 300 community service organisations and individuals, and more than 500 organisations involved in the provision of community services to the people of Western Australia.

The work of WACOSS is underpinned by seven core values which lead our strategic direction: collaboration, Indigenous culture, diversity, ethics, innovation, human rights, and recognition.

WACOSS is one of nine peak councils of social service, collaborating across Australia to bolster the united strength and weight of the work of each peak body, working collectively on campaigns of national significance.

The organisation is committed to genuine engagement, authentic collaboration, and building trusted relationships with members, communities, and governments. WACOSS is non-partisan and free from private interests, which allows the organisation to play a unique and objective role with the sector.

WACOSS tackles difficult issues, systems, behaviours, and attitudes that contribute to inequality and exclusion, and develops evidence-based social policy and research to inform and influence government policy to change the lives of those facing adversity.

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Introduction

Has WA finally turned a corner since the end of the mining boom?

We hear reports that consumer confidence is high, the State's credit rating is stable, a budget surplus is predicted for 2019/20, unemployment is down and speculation abounds that a lithium boom is on the horizon.

Hidden by these positive developments, however, is a very different story.

That stable credit rating was in part the result of large-scale redundancies and wage growth 'restraint' for public sector workers. In an effort to improve the government's balance sheet, state-imposed household fees and charges have been dramatically increased in the last two budgets. These increases impact disproportionately on those on low and fixed incomes – at a time they can least afford it.

While the overall full-time employment figure may have grown, so has the precariousness of employment and the unemployment rate for women.

More and more Western Australians are seeking assistance to pay their power bills and to put food on the table. Sustained low wage growth has meant that even those who secure work can struggle to meet their daily living costs.

Housing remains the single largest expense for households. Median rents across Perth have continued to fall, though the rate of decline appears to have slowed and rents in some regional areas have seen increases. Despite this, affordable and appropriate rental housing has remained difficult to access for those on the lowest incomes, particularly single parents and people on fixed incomes, such as retirees and those currently unemployed.

The data provided by financial counsellors around the state shows households experiencing hardship and stress are encumbered by mounting debts and loan repayments that are preventing them from being able to reach a position of financial security.

This is why it is never enough to rely on upswings in the overall economy to support those experiencing hardship. Direct government intervention is essential to improve their wellbeing, address poverty and break the cycle of intergenerational disadvantage. Whether it is increases to social security payments, reforms to industrial relations that put more power back into the hands of workers, improving the state concession system, reforming tax policy to better support provision of low-income affordable rentals, or investing in public and community housing, action is needed across all levels of government.

Without these kinds of initiatives, improvements in the economy continue to leave those doing it hardest behind. Poverty is an unnecessary evil in a society as wealthy as ours. Depriving children growing up in low-income households of the essentials of life undermines their development, reduces their life opportunities, and ultimately leaves us all poorer as a society. We all have a role to play in achieving an inclusive, just and equitable society in Western Australia.

Key findings of the 2018 Cost of Living Report

Improvements in the financial position of the model households has been driven by the continued decline in median rental costs in the Perth metropolitan area, though this is not indicative of the availability of appropriate affordable housing for real-life households. Food expenditure has also declined slightly, while utility costs have seen sizeable increases. For those households that own a car, transport costs have decreased slightly, though households dependant on public transport have seen an increase. Increases in costs for utilities and public transport places particular pressure on the fixed income households of the unemployed single and the renting age pensioners.

Weekly income and expenditure of our model households

	Income	Expenditure	Net Position
Single Parent Family (Parenting Payment Single)	\$983.20	\$876.01	\$107.19
Working Family	\$1,456.62	\$1,227.77	\$228.75
Unemployed Single	\$308.25	\$321.53	-\$13.27
Age Pensioners (Renters)	\$791.40	\$700.35	\$91.05
Age Pensioners (Home Owners)	\$728.56	\$527.76	\$200.81

-  The single parent family has \$107.19 left after meeting their estimated basic living costs. The decline in government income supplements, particularly the cancellation of the Schoolkids Bonus, has resulted in very low income growth for the household.
-  The income of our working family surpasses their estimated basic living costs by \$228.75 per week. With their access to two sources of wages, they remain in the best position of the model households.
-  The weekly income of our model unemployed single remains inadequate to meet basic living costs, with a gap of \$13.27 between income support provided and a basic standard of living in line with community expectations.
-  The renting age pensioner has a higher level of income due to receiving rent assistance, but has dramatically larger expenditure. While the home-owning age pensioner comes out \$200.81 ahead, the renting age pensioner has only \$91.05 after meeting their basic living costs.

The 2017/18 data supplied by Western Australian financial counsellors provides an insight into the real-life living cost pressures being faced by households across Western Australia who are experiencing financial hardship and stress.

Fortnightly mean income and expenditure of households who sought financial counselling

	Income	General Expenditure	Debt Payments	Surplus/Deficit	Debt to Income Ratio
All WA	\$1,740.29	\$1,591.25	\$290.78	-\$141.74	16.7%
Perth	\$1,837.08	\$1,720.43	\$287.89	-\$171.24	15.7%
Regional	\$1,770.34	\$1,525.21	\$329.51	-\$84.39	18.6%
Low-income	\$1,120.39	\$1,071.30	\$240.57	-\$191.48	21.5%

-  Housing was on average the most significant cost for all households who received financial counselling in 2017/18, comprising 45.5 per cent of their general expenditure.
-  Wages comprised 79.4 per cent of the average incomes of Perth households who received financial counselling in 2017/18. At \$1,457.72 per fortnight, this was \$39.92 more than the minimum wage in that financial year.
-  Regional households in financial hardship were on average more reliant on social security payments, with wages making up less than half of their average income.
-  Though the average debt levels of the low-income households who received financial counselling were lower than the mean of all the households, they had a higher debt to income ratio at 21.5 per cent compared to 16.7.

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 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 renters.

The *2018 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 2017/18 financial year in comparison to the two preceding financial years (2015/16 and 2016/17).

Doing so allows us to analyse relative changes in living costs and understand their likely impacts on current and future levels of 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, however, 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.

The report includes analysis of 404 household budgets collated by financial counsellors across Western Australia during 2017/18. The analysis of this data includes breakdowns examining clients in metropolitan and regional areas, as well as those living below the poverty line.

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	Working Family	Unemployed Single	Age Pensioners
Household members	Single mother with two dependent children.	Working family 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	Mother – works 18 hours a week for 39 weeks a year at minimum wage + casual loading. Eligible for government payments.	One works full (minimum wage + 33%); the other casual (16 hours per week at minimum wage with casual loading). Eligible for government payments.	Newstart Allowance 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 three households' income has been estimated by using:

- W Department of Human Services' Payment and Service Finder;²
- W The Department of Social Services' *Guide to Social Security Law*;³
- W The WA Industrial Relations Commission's *2017 State Wage Case* decision;⁴ and
- W The Australian Taxation Office's online tax calculator.⁵

Determining household expenditure

Household expenditure in the *2018 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* (with relevant CPI applied), consistent with the way the model has been applied in previous years.

All estimates of cost and consumption are intentionally conservative and, as a result, likely understate the cost impacts on vulnerable households. Further detail on each of the essential costs in the household expenditure model is provided below:

- W **Housing** — Expenditure is based on quarterly statistics of average house and unit rental prices advertised in the Perth metropolitan region published by the Real Estate Institute of Western Australia (REIWA). The models assume that our households have been able to acquire rental accommodation at 85 per cent of the median market rate.
- W **Utilities** — Our households' consumption of electricity, gas and water are based on State Government estimates of average usage.⁶ Prices were obtained directly from the utility providers for Perth residential households.
- W **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.
- W **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.⁷ The car used in this report is a late model Mitsubishi Mirage manual hatchback.
- W **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 Department of Human Services (2018) [Online Estimators](#)

³ Department of Social Services (2018) [Guide to Social Security Law](#)

⁴ WA Industrial Relations Commission (2017) [State Wage Order Pursuant To Section 50a of the Act](#)

⁵ Australian Tax Office (2018) [Income Tax Estimator](#)

⁶ Government of Western Australia (2018) *State Budget 2018/19*, [Budget Paper No. 3](#)

⁷ RAC WA (2018) *Vehicle Running Costs Guide* <https://rac.com.au/car-motoring/info/buying-a-car/running-costs>

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 already be working 18 hours per week for 39 weeks of the year while their children attend school. Our calculations assume that she or he is 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.

Our single parent remains eligible to receive Parenting Payment Single (rather than being shifted to the much lower Newstart Allowance) due to one of the children being below the age of eight years.⁸

Single parent family (Parenting Payment Single) - WEEKLY INCOME					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Wage (gross)	\$402.56	\$410.25	\$419.81	2.33%	\$9.56
Parenting payment	\$245.27	\$247.57	\$250.92	1.35%	\$3.35
Other regular Government Benefits	\$318.15	\$319.27	\$320.81	0.48%	\$1.54
Government supplements (one off payments, converted to weekly amount)	\$54.25	\$46.00	\$38.24	-16.86%	-\$7.76
Tax paid	\$48.23	\$50.13	\$52.58	4.9%	\$2.46
Total household income/week	\$978.00	\$978.96	\$983.20	0.4%	\$4.24

The income of the single parent household has increased 0.4 per cent (\$4.24) over the last 12 months. Despite increases to the parent's wage of \$9.56, the reduction in government supplements, principally as the result of the cessation of the Schoolkids Bonus, and an increase in tax paid sees little extra income in the single parent's pocket at the end of the week.

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 sick (requiring time off work), or during times when business may be slow. Increases in the unemployment and

⁸ 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. 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](#).

underemployment rate put them at further risk. Unpredictable pay can also result in difficulties in reporting income to Centrelink, particularly when income moves above and below key thresholds.

Single parent family - WEEKLY EXPENDITURE					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Rent	\$324.06	\$289	\$274.83	-4.9%	-\$14.17
Food and beverage	\$203.52	\$204.52	\$203.82	-0.69%	-\$0.34
Utilities	\$33.64	\$34.58	\$36.53	5.64%	\$1.95
Transport	\$110.05	\$108.10	\$102.73	-4.97%	-\$5.37
Other - household and living costs	\$256.56	\$256.50	\$258.09	0.6%	\$1.59
Total household expenditure/week	\$927.83	\$892.70	\$876.01	-1.87%	-\$16.69

Expenditure as whole has decreased, with a decline in the CPI for food and non-alcoholic beverages, and a reduction in the costs associated with operating a car. It should be noted that the modelling uses the costs of owning and running a new car and it is likely that low-income households would be reliant on less fuel efficient vehicles with higher maintenance costs. The continued decreases in median rents has continued to have the biggest impact on the expenditure level, dropping \$14.17. Utility costs, up 5.64 per cent, as well as other household and living costs such as health, telecommunications, recreation and education, have seen an increase from 2016/17.

Single parent family (Parenting Payment Single) - WEEKLY DIFFERENCE			
	2015/16	2016/17	2017/18
Total weekly income	\$978.00	\$978.96	\$983.20
Total expenditure	\$927.83	\$892.70	\$876.01
Difference	\$50.16	\$86.26	\$107.19

In 2017/18, the single parent family's weekly income surpassed their basic living costs by \$107.19. Despite continuing to see improvement in their financial position, it is important to remember 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 (if the fridge or car breaks down). It also assumes they are able to secure sufficient part-time 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.

Working Family

The working 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.

Working family - WEEKLY INCOME					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Combined wages (gross)	\$1,247.68	\$1,271.42	\$1,301.32	2.35%	\$29.89
Regular government benefits	\$262.42	\$262.99	\$259.40	-1.37%	-\$3.59
Government supplements (one off payments, converted to weekly figures)	\$59.33	\$47.02	\$35.15	-25.24%	-\$11.86
Tax paid	\$143.85	\$131.40	\$139.35	6.05%	\$7.95
Total household income/week	\$1,425.59	\$1,450.04	\$1,456.52	1.72%	\$6.48

The wages of the working family have increased by \$29.89 or 2.35 per cent in 2017/18. As with the single parent family, reductions in government payments and an increase in tax paid sees very low growth for the weekly total household income at just 1.72 per cent.

Working family - WEEKLY EXPENDITURE					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Rent	\$344.25	\$316.63	\$301.63	-4.7%	-\$14.88
Food and beverage	\$314.72	\$316.27	\$294.34	-0.25%	-\$0.73
Utilities	\$51.80	\$53.30	\$57.37	7.65%	\$4.08
Transport	\$143.23	\$141.76	\$139.27	-1.76%	-\$2.49
Other - household and living costs	\$429.33	\$431.80	\$435.03	0.75%	\$3.23
Total household expenditure/week	\$1,262.22	\$1,238.55	\$1,227.77	-0.87%	-\$10.78

Our working family's weekly expenditure on basic living costs has decreased by 0.87 per cent or \$10.78 per week over the last 12 months. As with our single parent, the largest decrease in expenditure is in housing, which outweighs the increased cost of utilities, and other household and living costs.

Working family - WEEKLY DIFFERENCE			
	2015/16	2016/17	2017/18
Total weekly income	\$1,425.59	\$1,450.04	\$1,456.52
Total expenditure	\$1,262.22	\$1,238.55	\$1,227.77
Difference	\$163.36	\$211.49	\$228.75

In 2017/18, the family's weekly income surpassed their basic living costs by \$228.75 per week (up from \$211.49 in 2016/17). This continued improvement to their position provides some allowance for the family to save, or to have some money to cover unexpected or non-essential expenditure. It should be noted, however, that if either of the couple had lost their job or had their hours reduced during this period, their financial position would be very different.

Unemployed Single

Our unemployed single person's only income comes from government allowances and benefits. She or he is currently looking for work, lives in shared accommodation, and relies on public transport to get to appointments (e.g. with Centrelink, job interviews, doctor), to visit friends or family, and to reach the supermarket or local library (to access the internet).

Unemployed single – WEEKLY INCOME					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Newstart Allowance	\$261.83	\$265.21	\$270.03	1.82%	\$4.83
Rent assistance	\$42.80	\$35.37	\$33.83	-4.35%	-\$1.54
Energy supplement	\$4.39	\$4.39	\$4.39	0%	\$0
Tax paid	\$0	\$0	\$0	0%	\$0
Total household income/week	\$309.02	\$304.97	\$308.25	1.07%	\$3.29

The weekly income of the unemployed single increased by just 1.07 per cent in 2017/18. In real terms, this means they only have an additional \$3.29 per day to try to make ends meet. They saw a decrease in the amount of Commonwealth Rent Assistance that they received as a result of the lower rent they are paying and the rent assistance thresholds.

Unemployed single - WEEKLY EXPENDITURE					
	2015/16	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Rent	\$114.75	\$105.54	\$100.58	-4.7%	-\$4.96
Food and beverage	\$90.10	\$90.55	\$90.52	-0.03%	-\$0.03
Utilities	\$15.81	\$16.27	\$17.21	5.76%	\$0.94
Transport	\$13.26	\$13.80	\$14.94	8.26%	\$1.14
Other - household and living costs	\$98.41	\$98	\$98.28	0.29%	\$0.28
Total household expenditure/week	\$332.34	\$324.16	\$321.53	-0.81%	-\$2.63

In 2017/18, our unemployed person was receiving government benefits totalling around 43 per cent of the WA State Minimum Wage while searching for work.⁹ As the calculations below show,

⁹ In 2017/18 the WA State Minimum Wage full time weekly rate for adults was \$708.90

despite the decrease in weekly expenditure, unemployment benefits do not meet a basic standard of living and may present significant barriers to a job-seeker's ability to find work.

The unemployed person's weekly expenditure on basic living costs has decreased by 0.81 per cent (or \$2.63 per week) over the last 12 months. As with the other households, this is principally the result of declining median rents, as well as a reduction in food costs. Unlike with the other households, these decreases have been more strongly counteracted by the increases in utility costs and public transport fares. 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.

Unemployed single - WEEKLY DIFFERENCE			
	2015/16	2016/17	2017/18
Total weekly income	\$309.02	\$304.97	\$308.25
Total expenditure	\$332.34	\$324.16	\$321.53
Difference	-\$23.31	-\$19.20	-\$13.27

The gap between the unemployed person'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 ongoing, negative difference between income and expenditure is a clear indication that this person is struggling to meet a basic standard of living in WA and 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 white goods, to pay for training to increase their employment options, or to spend on any non-essential items or service debt. It is entirely reasonable to assume that they would need to go into debt if any of these circumstances were to occur.

Age Pensioners

The 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 as just mentioned, neither household having private health insurance, and the renters travelling exclusively by public transport.

Age Pensioners (Renters) – WEEKLY INCOME				
	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Age Pension	\$603.16	\$615.23	2%	\$12.07
Rent assistance	\$61.70	\$62.84	1.84%	\$1.13
Energy supplement	\$10.57	\$10.57	0%	\$0
Pension supplement	\$98.50	\$100.26	1.79%	\$1.77
Cost of Living Rebate	\$2.45	\$2.50	1.75%	\$0.05
Total household income/week	\$776.39	\$791.40	1.93%	\$15.01

The weekly income of the renting Age Pensioners increased by 1.93 per cent in 2017/18. The Age Pension is their largest source of income, followed by the Pension Supplement and Rent Assistance.

Age Pensioners (Renters) – WEEKLY EXPENDITURE				
	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Rent	\$289	\$274.83	-4.0%	-\$14.17
Food and beverage	\$181.10	\$181.04	-0.03%	-\$0.06
Utilities	\$37.92	\$40.39	6.5%	\$2.47
Transport	\$6.90	\$7.47	1.75%	\$0.05
Other - household and living costs	\$188.40	\$189.15	0.4%	\$0.75
Total household expenditure/week	\$703.32	\$692.88	-1.48%	-\$10.44

The renting Age Pensioners have seen increases in their utility, transport, and other household and living costs, but these have been more than offset by the 4 per cent reduction in their rent.

Age Pensioners (Renters – WEEKLY DIFFERENCE		
	2016/17	2017/18
Total weekly income	\$776.39	\$791.40
Total expenditure	\$703.32	\$692.88
Difference	\$73.07	\$98.52

While their total weekly income comes out ahead of their expenditure, these calculations do not provide much 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 something occur.

Age Pensioners (Home Owners) – WEEKLY INCOME				
	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Age Pension	\$603.16	\$615.23	2%	\$12.07
Energy supplement	\$10.57	\$10.57	0%	\$0
Pension supplement	\$98.50	\$100.26	1.79%	\$1.77
Cost of Living Rebate	\$2.45	\$2.50	1.75%	\$0.05
Total household income/week	\$714.69	\$728.56	1.94%	\$13.88

The income of the home owner couple is lower than the renters as they are not receiving Rent Assistance. The renting couple, however, is dedicating nearly 35 per cent of their income to covering their rental costs. In comparison, the home owners only need to dedicate 3.7 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				
	2016/17	2017/18	% increase 2016/17 to 2017/18	\$ increase 2016/17 to 2017/18
Rates and Charges	\$25.51	\$27.01	5.47%	\$1.40
Food and beverage	\$181.10	\$181.04	-0.03%	-\$0.06
Utilities	\$39.78	\$42.29	6.3%	\$2.51
Transport	\$91.36	\$88.27	-3.38%	-\$3.09
Other - household and living costs	\$188.40	\$189.15	0.39%	\$0.84
Total household expenditure/week	\$526.24	\$527.76	0.3%	\$1.51

As they do not benefit from declining median rental prices, the Age Pensioner home owners are the only household to have seen an increase in their expenditure, though only of 0.3 per cent or \$1.51 per week.

Age Pensioners (Home Owners) – WEEKLY DIFFERENCE		
	2016/17	2017/18
Total weekly income	\$714.69	\$728.56
Total expenditure	\$526.24	\$527.76
Difference	\$188.44	\$200.81

The home owner has \$102.29 more than the renter after expenses. Their expenditure has remained very stable, unlike the renters who are deeply impacted by changes in the rental market. This suggests that home ownership is critical to the financial resilience of retirees, particularly those reliant on the age pension. With an ongoing trend of fewer households owning their home on retirement, we are likely to see an increased risk of poverty and financial hardship in age over time.

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 accurately reflects the differences in costs of essential items, but we recognise that low income households living in these regions will change their actual expenditure patterns to compensate so they can balance their weekly budget.

Analysis of rental costs for the four WACOSS model households based on REIWA 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 makeup or on 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	\$274.83	\$191.25	\$234.81	\$250.75	\$324.06	\$159.38	\$224.83	\$257.13	\$250.75	\$191.89
Working family	\$301.75	\$261.38	\$300.69	\$298.78	\$461.76	\$242.89	\$267.75	\$394.83	\$281.56	\$240.13
Unemployed person	\$100.58	\$87.13	\$100.23	\$99.59	\$153.92	\$80.96	\$89.25	\$131.61	\$93.85	\$80.04

Source: Calculations based on REIWA data

The Mid West is the most affordable region to rent in for the single parent and age pensioner model households, with rental costs nearly 42 per cent lower (\$155.18 less per week) for those household types than in Perth. The Wheatbelt is slightly more affordable than the Mid West for the working family and unemployed person households as a result of slightly lower median rental costs for houses in the region, but higher costs for renting units. The Kimberley is significantly more expensive for all household types than any other region, including Perth. Analysis of the REIWA quarterly market data shows particularly high median rents advertised during the December and June quarters, which can be assumed to be the result of the tourism seasons, though rents are consistently higher than those recorded in other regions across the entire year.

Examining the changes from 2016/17 in the regions shows a very different rental experience for the model households compared to the Perth metropolitan area.

Weekly Difference from 2016/17 across the Regions - RENT										
	Perth	Gascoyne	Goldfields Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheat-belt
Single parent & Age pensioners	-\$14.17 -4.90%	-\$144.50 -43.04%	-\$5.32 -2.21%	\$12.96 5.45%	\$21.67 7.17%	-\$15.94 -9.09%	-\$10.63 -4.51%	\$3.62 1.43%	-\$5.95 -2.32%	-\$55.67 -22.49%
Working family	-\$14.88 -4.70%	-\$158.32 -37.72%	\$2.13 0.71%	-\$4.04 -1.33%	\$1.91 0.42%	-\$0.42 -0.17%	-\$4.89 -1.79%	\$60.99 18.27%	-\$7.02 -2.43%	-\$11.91 -4.72%
Unemployed person	-\$4.96 -4.70%	-\$52.77 -37.72%	\$0.71 0.71%	-\$1.35 -1.33%	\$0.64 0.42%	-\$0.14 -0.17%	-\$1.63 -1.79%	\$20.33 18.27%	-\$2.34 -2.43%	-\$3.97 -4.72%

Source: Calculations based on REIWA data

The rental market appears much more volatile, with significantly larger swings in either direction, in large part because the number of residential rental arrangements being entered into are much fewer than in Perth. What can be observed is a particular increase in median rents for units in the Kimberley and Great Southern, with a sizeable increase in advertised rents for houses in the Pilbara as well. Advertised rents in the Gascoyne were also clearly considerably lower in 2017/18 than in the previous year.

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	\$202.07	\$219.24	\$219.65	\$201.87	\$227.13	\$215	\$201.06	\$222.88	\$203.89	\$210.76
Working family	\$290.84	\$315.56	\$316.14	\$290.55	\$326.90	\$309.45	\$289.38	\$320.79	\$293.46	\$303.34
Unemployed person	\$88.85	\$96.40	\$96.58	\$88.76	\$99.87	\$94.54	\$88.41	\$98.00	\$89.65	\$92.67
Age pensioners	\$177.54	\$192.63	\$192.98	\$177.36	\$199.55	\$188.90	\$176.65	\$195.82	\$179.14	\$185.17

Source: Calculations based on ABS 2015/16 HES, 2018 CPI and 2017 RPI data

The cost of food and beverages is also highest in the Kimberley, followed closely by the Pilbara. Food prices in Peel, the Southwest and Great Southern regions are all comparable to Perth metropolitan prices, with prices in the Mid West and Gascoyne higher than those areas, but still lower than in the Kimberley and Pilbara.

Weekly Expenditure across Network Areas - ELECTRICITY					
	SWIS	NWIS	West Kimberley	Gascoyne/ Mid-West	Esperance
Single parent	\$15.71	\$47.79	\$38.55	\$22.17	\$18.00
Working family	\$33.04	\$70.78	\$59.51	\$40.63	\$35.65
Unemployed person	\$9.09	\$21.68	\$18.05	\$11.63	\$9.96
Age pensioners	\$23.32	\$55.41	\$46.16	\$29.78	\$25.61

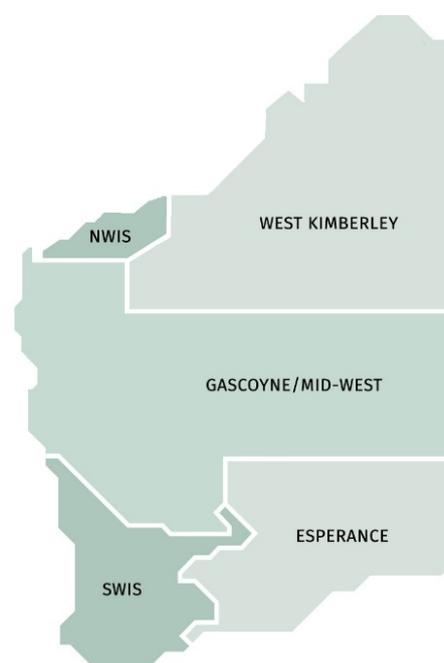
Source: Calculations. Usage data supplied by Horizon Power and Synergy.

All households are paying more for electricity in the Northwest Interconnected System (Pilbara), West Kimberley, Gascoyne/Mid-West and Esperance network areas than those in the Southwest Interconnected System (Perth, Peel, Southwest and Great Southern). The model household in the NWIS and West Kimberley in particular are on the receiving end of very considerable electricity bills.

As the Uniform Tariff Policy means that Horizon Power customers are charged for electricity at the same rate as Synergy customers, these divergences are the result of different levels of energy consumption. Climatic conditions outside of the SWIS have a significant impact on the amount of energy required to maintain temperatures in homes at a liveable and comfortable level.

The high level of energy consumption and the resultant size of the bills, combined with their seasonal and intermittent nature, mean that low-income households in regional areas can be at substantial risk of bill shock, and with the likelihood of falling into utility debt even higher during the peak summer period.

Map: WA Network Areas



Weekly Expenditure across the Regions – WATER										
	Perth	Gascoyne	Goldfields Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheat-belt
Single parent	\$7.52	\$9.07	\$7.77	\$5.04	\$12.05	\$7.77	\$6.57	\$12.27	\$7.37	\$7.12
Working family	\$9.13	\$10.67	\$4.83	\$6.21	\$14.84	\$9.43	\$8.01	\$15.10	\$8.96	\$8.66
Unemployed person	\$3.04	\$3.56	\$1.61	\$2.07	\$4.95	\$3.14	\$2.67	\$5.03	\$2.99	\$2.89
Age pensioners	\$3.76	\$4.53	\$3.89	\$2.52	\$6.03	\$3.89	\$3.28	\$6.14	\$3.69	\$3.56

Source: Cost calculations based on average regional residential usage data supplied by the Water Corporation

Households in the Great Southern Region are on average spending the least on water, followed by those in the Peel and Wheatbelt regions. Tariff cap policies mean that up to the first 300kL in ‘country south’ and 500kL in ‘country north’, residential water consumption charges are no more than metropolitan charges after which the charges reflect the cost of providing services in the different country schemes. The lower water expenditure in those regions is directly the result, as a consequence, of lower consumption.

Households in the Pilbara are consuming slightly less than double those in Perth and nearly two and half times as much as those in the Great Southern, seeing their average water expenditure the highest across the regions. The expenditure of these households is closely followed by those in the Kimberley.

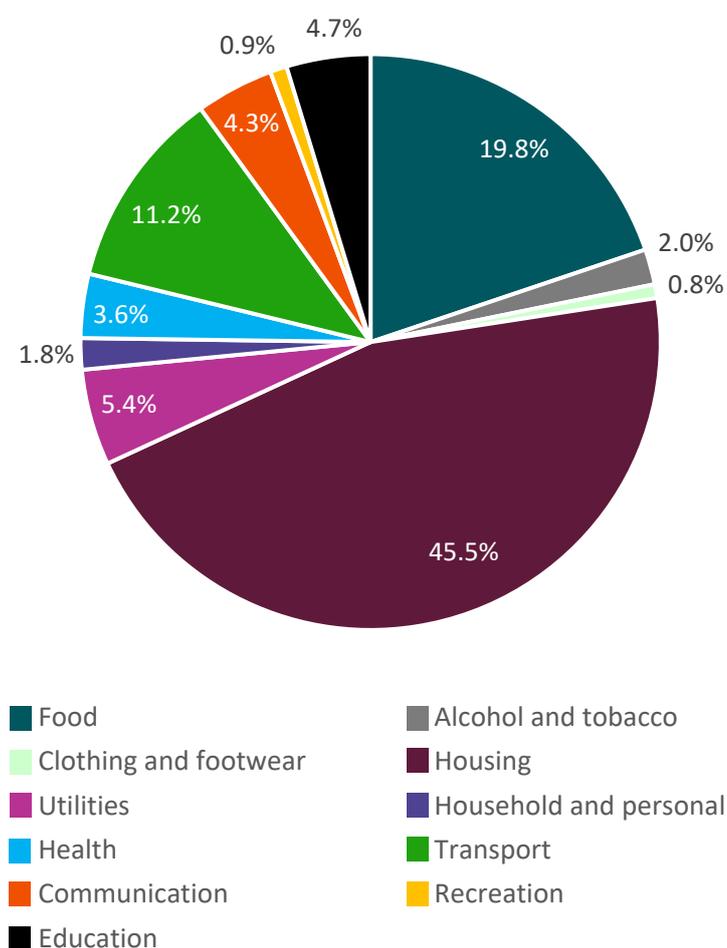
This may suggest that more action is needed to address water efficiency in those particular regions or that climatic conditions mean that the current block tariff structure is having an inequitable impact in WA’s north. It may also be the case that a smaller number of households with especially high water consumption (e.g. uncovered backyard pools) are resulting in higher averages in those areas.

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, producing a weekly budget.

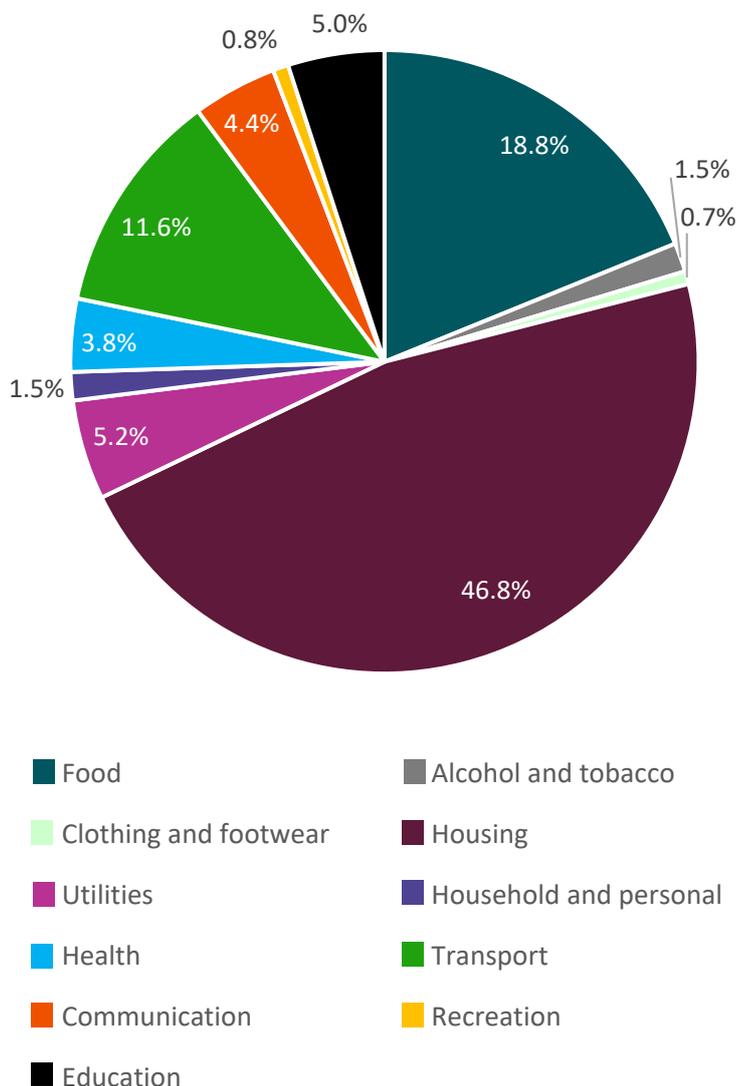
WACOSS has compiled income and expenditure data provided by financial counselling agencies of 404 households who accessed their services during 2017/18 to reveal the real-life living cost pressures being faced by households across Western Australia who are experiencing financial hardship and stress.

Mean of all WA households



Fortnightly income and expenditure		
Income	\$/fortnight	Per cent
Wages	\$1,211.33	69.6
Family Tax Benefit	64.61	3.7
Newstart Allowance	36.04	2.1
Other Centrelink Payments	306.62	17.6
Other	121.42	6.9
Total	1,740.29	100
General Expenditure		
	\$/fortnight	Per cent
Housing	725.68	45.5
Food	314.50	19.8
Transport	178.24	11.2
Utilities	85.71	5.4
Communication	69.06	4.3
Health	57.13	3.6
Household and personal	27.95	1.8
Education	74.33	4.7
Alcohol/tobacco	31.48	2.0
Recreation	14.88	0.9
Clothing	12.28	0.8
Total	1,591.25	100
Debt Payments		
	\$/fortnight	Per cent
Centrelink advance	11.68	4.0
Credit card	50.91	17.5
Personal loan	62.70	22
Other	165.50	56.91
Total	290.78	100
Debt to income		
	\$/fortnight	Per cent
Ratio		16.7
Surplus/deficit		
	\$/fortnight	
Total	-141.74	

Perth households

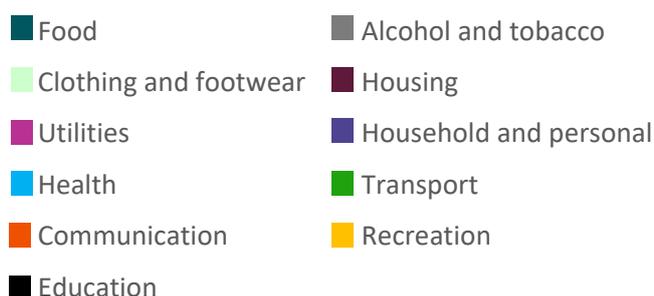
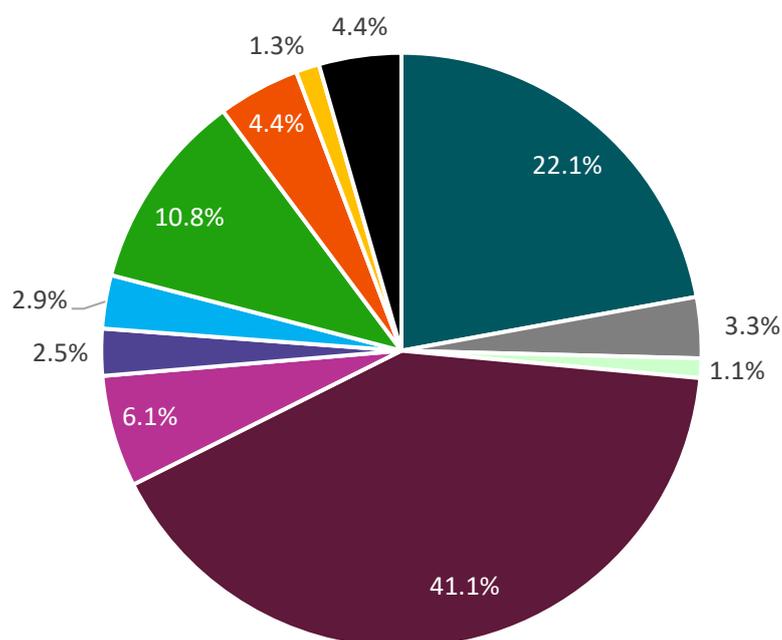


Fortnightly income and expenditure		
Income	\$/fortnight	Per cent
Wages	1,457.72	79.4
Family Tax Benefit	38.12	2.0
Newstart Allowance	14.20	0.7
Other Centrelink Payments	247.26	13.5
Other	79.78	4.3
Total	1,837.08	100
General Expenditure		
	\$/fortnight	Per cent
Housing	805.96	46.8
Food	323.68	18.8
Transport	199.76	11.6
Utilities	89.09	5.2
Communication	74.96	4.4
Health	65.16	3.8
Household and personal	25.28	1.5
Education	85.40	5.0
Alcohol/tobacco	25.74	1.5
Recreation	13.78	0.8
Clothing	11.63	0.7
Total	1,720.43	100
Debt Payments		
	\$/fortnight	Per cent
Centrelink advance	4.29	1.5
Credit card	61.98	21.5
Personal loan	62.72	21.8
Other	158.90	55.2
Total	287.89	100
Debt to income		
	\$/fortnight	Per cent
Ratio		15.7
Surplus/deficit		
	\$/fortnight	
Total	-171.24	

On average, wages comprised 79.4 per cent of the incomes of Perth households who received financial counselling in 2017/18. Sitting at \$1,457.72 per fortnight, they were receiving an average of \$39.92 more than the minimum wage. With 75.4 per cent of Perth households in the data set receiving some form of wage, this suggests that households in Perth were more likely to seek financial counselling if they were in employment. In part, this is undoubtedly due to the fact that for those on low fixed-incomes, no amount of financial counselling will be able to assist with the reality of simply having insufficient income to meet living costs.

Housing was the most significant cost for Perth households who received financial counselling in 2017/18, comprising 46.8 per cent of their general expenditure. This was followed by food at 18.8 per cent and transport at 11.6. On average, these households had a debt to income ratio of 15.7 per cent.

Regional WA

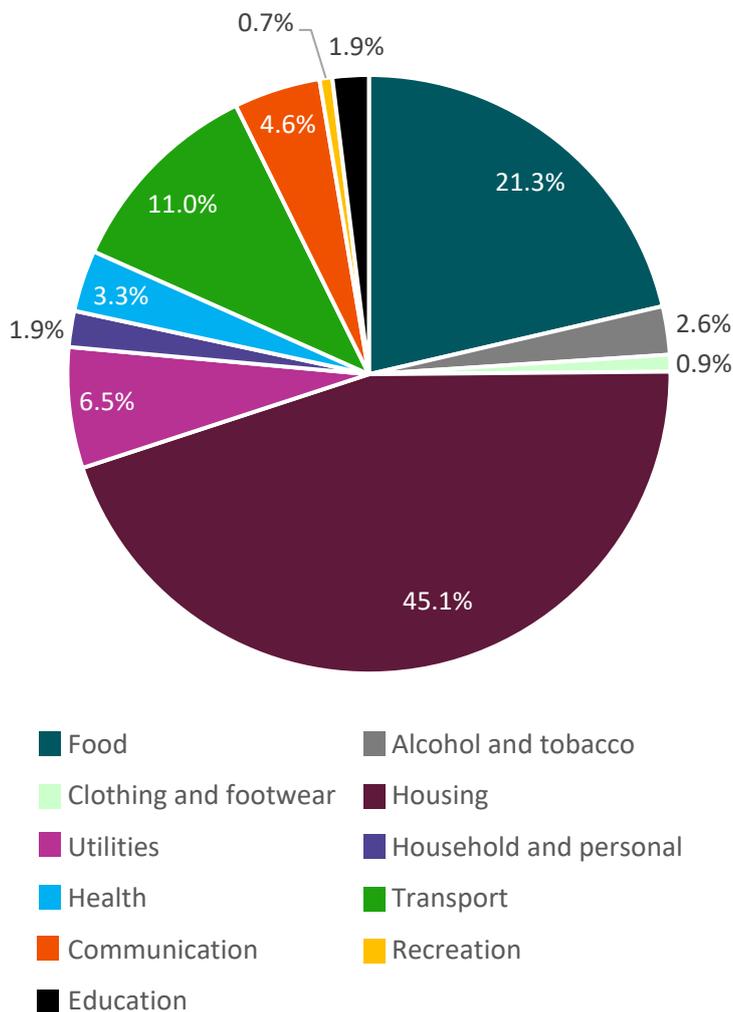


Fortnightly income and expenditure		
Income	\$/fortnight	Per cent
Wages	835.45	47.2
Family Tax Benefit	130.45	7.4
Newstart Allowance	89.30	5.0
Other Centrelink Payments	497.67	28.1
Other	217.47	12.3
Total	1,770.34	100
General Expenditure		
General Expenditure	\$/fortnight	Per cent
Housing	627.05	41.1
Food	337.10	22.1
Transport	164.50	10.8
Utilities	92.54	6.1
Communication	67.53	4.4
Health	44.16	2.9
Household and personal	38.77	2.5
Education	67.66	4.4
Alcohol/tobacco	50.47	3.3
Recreation	19.31	1.3
Clothing	16.14	1.1
Total	1,525.21	100
Debt Payments		
Debt Payments	\$/fortnight	Per cent
Centrelink advance	29.47	8.9
Credit card	36.79	11.2
Personal loan	65.49	19.9
Other	197.76	60.0
Total	329.51	100
Debt to income		
Debt to income Ratio	\$/fortnight	Per cent
		18.6
Surplus/deficit		
Surplus/deficit	\$/fortnight	
Total	-84.39	

Regional households presenting to financial counsellors in 2017/18 were on average more reliant on social security payments, with wages making up less than half of their average income. While regional households were closer to breaking even than those in Perth, their debt burden was significantly higher with a debt to income ratio of 18.6 per cent.

Regional households were spending less than Perth households on housing, though this is by far their largest expenditure category as well. They were also spending less on health, education and transport, but more on food, utilities, recreation, clothing, household and personal expenditure (such as haircuts, birthdays and pets), and alcohol and tobacco.

Low-income households



Fortnightly income and expenditure		
Income	\$/fortnight	Per cent
Wages	550.68	49.2
Family Tax Benefit	54.73	4.9
Newstart Allowance	50.31	4.5
Other Centrelink Payments	409.17	36.5
Other	55.49	5.0
Total	1,120.39	100
General Expenditure	\$/fortnight	Per cent
Housing	483.59	45.1
Food	228.41	21.3
Transport	117.70	11.0
Utilities	69.82	6.5
Communication	49.69	4.6
Health	35.56	3.3
Household and personal	20.82	1.9
Education	20.78	1.9
Alcohol/tobacco	27.92	2.6
Recreation	7.35	0.7
Clothing	9.66	0.9
Total	1,071.30	100
Debt Payments	\$/fortnight	Per cent
Centrelink advance	16.25	6.7
Credit card	24.90	10.4
Personal loan	25.57	10.6
Other	173.86	72.3
Total	240.57	100
Debt to income	\$/fortnight	Per cent
Ratio		21.5
Surplus/deficit	\$/fortnight	
Total	-191.48	

The fortnightly income and expenditure for ‘low income households’ has been calculated as the average of all the households in the data set below the poverty line (50 per cent of median income) relative to the WA median gross income.

As would be anticipated, this household type received a higher proportion of income support payments than the mean, with the average wages received just \$550.68. The percentage of their general expenditure assigned to housing was only slightly under the mean, while the percentage on utilities, food, and alcohol and tobacco were higher. The percentage of their expenditure going towards education at 1.9 per cent, was notably lower than the overall mean of 4.7.

Though the average debt levels of the low-income households were lower than the mean of all the households, they had a higher debt to income ratio at 21.5 per cent compared to 16.7.

Wages vs Centrelink

Those who sought financial counselling assistance that only received wages were spending an average of \$130.06 in excess of their fortnightly income, while those whose income consisted entirely of, or was being supplemented by, some sort of government income support were on average spending \$149.34 more than their fortnightly income.

Wages vs Centrelink – Fortnightly income and expenditure					
Income	Wages-Only		Newstart & Centrelink		
	\$/fortnight	Per cent	\$/fortnight	Per cent	
Wages	1,957.09	93.6	385.24	28.5	
Family Tax Benefit	47.75	2.3	74.43	5.5	
Newstart Allowance	-	-	84.17	6.2	
Other Centrelink Payments	-	-	716.03	53.0	
Other	85.42	4.4	90.74	6.7	
Total	2,090.27	100	1,350.61	100	
General Expenditure	\$/fortnight	Per cent	\$/fortnight	Per cent	
Housing	902.48	48.0	531.25	41.2	
Food	353.95	18.8	279.03	21.6	
Transport	219.12	11.7	131.48	10.2	
Utilities	94.99	5.1	77.28	6.0	
Communication	84.85	4.5	52.26	4.0	
Health	71.07	3.8	43.50	3.4	
Household and personal	23.27	1.2	35.16	2.7	
Education	86.84	4.6	63.18	4.9	
Alcohol and tobacco	20.08	1.1	44.37	3.4	
Recreation	15.86	0.8	13.62	1.1	
Clothing	6.56	0.3	19.67	1.5	
Total	1,878.88	100	1,290.80	100	
Debt Payments	\$/fortnight	Per cent	\$/fortnight	Per cent	
Centrelink advance	1.93	0.6	24.31	19.0	
Credit card	71.74	21.0	26.43	14.8	
Personal loan	90.18	26.4	28.05	14.0	
Vehicle loan	63.44	18.5	28.86	13.8	
Fines	7.34	2.1	9.47	4.5	
Other	106.81	31.3	94.03	45.0	
Total	341.44	100	209.15	100	
Fortnightly surplus/deficit	\$/fortnight		\$/fortnight		
Total	-130.06		-149.34		

Those households receiving some form of income support spent proportionately less across all categories, except for household and personal expenses, clothing, and alcohol and tobacco. The wages-only households had substantially higher levels of debt, at an average of \$341.44 per fortnight, with nearly half (47.4 per cent) of that debt comprised of credit card and personal loan debts.

The difference in housing costs is likely the result of those only earning wages with mortgages (see discussion *Renters vs Mortgagees*), rather than an indication that there was a range of more affordable rental options open to the income support recipients. Though the expenditure in dollar terms was lower for the income support recipient households, food, education, recreation and utility expenses can be seen to constitute a larger proportion of those households' expenditure.

Renters vs Mortgagees

On average, the income of those who reported having a mortgage was substantially higher than those renting and more reliant on wages. The expenditure of the mortgagees was similarly higher and they were on average \$102.24 more in deficit than those rental households that did not have a mortgage.

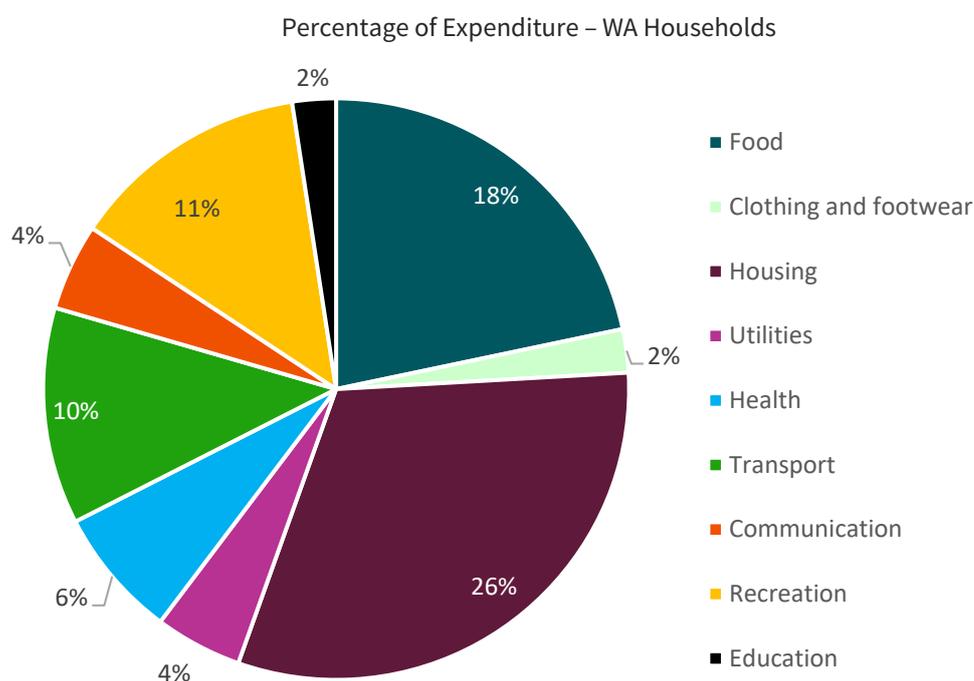
Renters vs Mortgagees – Fortnightly income and expenditure				
Income	Renters-Only		Mortgagees-Only	
	\$/fortnight	Per cent	\$/fortnight	Per cent
Wages	911.25	59.3	1,899.60	85.3
Family Tax Benefit	71.18	4.6	47.43	2.1
Newstart Allowance	35.29	2.3	23.48	1.1
Other Centrelink Payments	407.61	26.5	122.51	5.5
Other	111.22	7.2	132.81	5.7
Total	1,536.55	100	2,225.83	100
General Expenditure	\$/fortnight		\$/fortnight	Per cent
Housing	617.35	44.5	1,053.75	50.1
Food	289.91	20.9	359.67	17.1
Transport	146.44	10.6	237.01	11.3
Utilities	83.77	6.0	92.14	4.4
Communication	59.24	4.3	86.90	4.1
Health	43.76	3.2	81.52	3.9
Household and personal	25.20	1.8	31.25	1.5
Education	60.26	4.3	109.29	5.2
Alcohol and tobacco	35.80	2.6	22.11	1.1
Recreation	12.99	0.9	18.64	0.9
Clothing	12.94	0.9	11.35	0.5
Total	1,387.65	100	2,103.63	100
Debt Payments	\$/fortnight		\$/fortnight	Per cent
Centrelink advance	17.02	6.6	2.72	0.8
Credit card	21.95	8.5	96.21	28.8
Personal loan	66.05	25.5	64.35	19.2
Vehicle loan	72.11	27.9	36.69	11.0
Fines	10.14	3.9	4.98	1.5
Other	71.63	27.7	129.49	38.8
Total	258.90	100	334.44	100
Fortnightly surplus/deficit	\$/fortnight		\$/fortnight	
Total	-110.00		-212.24	

The renters and mortgagees were dedicating 44.5 per cent and 50.1 per cent of their overall general expenditure on housing costs, constituting 40.2 per cent of the renters' and 47.3 per cent of the mortgagees' incomes.

While the average debt levels for the renters was lower than the mortgagees, they reported spending more on personal and vehicle loans, as well as fines. A significant proportion of the mortgagee's debt burden came from credit cards.

Household Expenditure Survey Comparison

Comparing this data to that 2016 ABS Household Expenditure Survey reveals the stark reality for household experiencing financial hardship.



Source: ABS (2017) Household Expenditure Survey

Financial counselling data reveals that those who sought assistance for financial hardship have substantially higher housing costs as a proportion of their fortnightly expenditure - on average 45.5 per cent of all their spending. In comparison, just 26 per cent of expenditure is dedicated to housing for the 'average' household in the HES. The percentage of expenditure on utilities is also slightly higher for the households experiencing financial hardship (at 5.4 for the mean and 6.5 for the low income households) than those in the HES dataset.

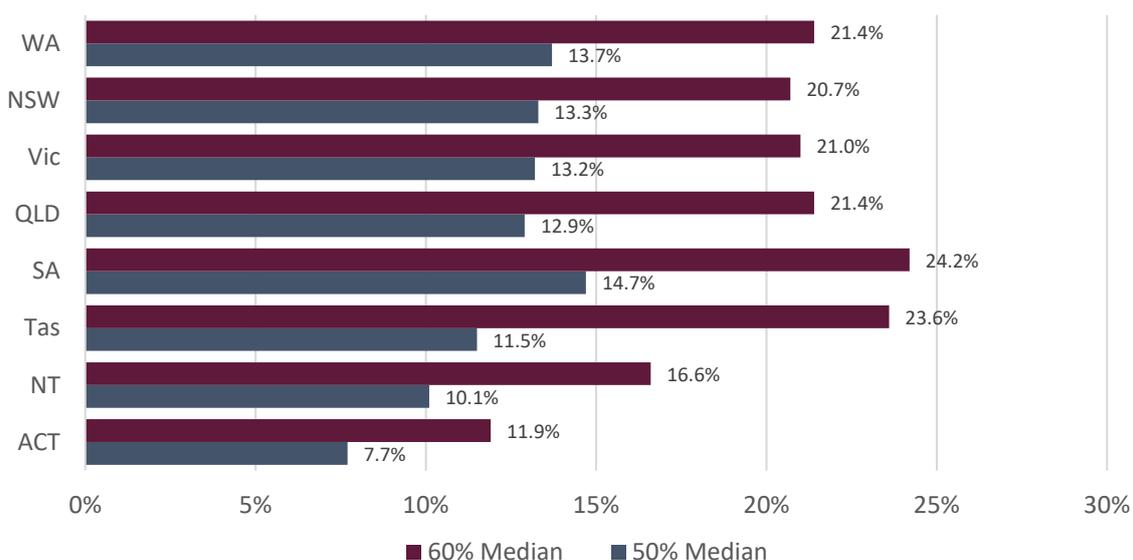
The percentages of expenditure on recreation and health are significantly lower for the households experiencing financial hardship than the average household in the HES. This suggests that households experiencing financial hardship are forced to cut back on spending in those areas in order to make ends meet, which will undoubtedly have an impact on their quality of life and personal wellbeing.

Discussion and Analysis

Income, Wealth and Poverty

Around 360,000 or 13.7 per cent of Western Australians live in poverty based on the most common international poverty line set at 50 per cent of median incomes. This is the second highest rate of poverty in the country, after South Australia, and higher than the national poverty rate of 13.2 per cent.¹⁰ 150,000 more are at risk of poverty in the event of a crisis, such as a loss of work income, interest rate rise or serious accident.¹¹

Figure 1: Rate of poverty by location (% of people)



Source: ACOSS (2018) Poverty in Australia

The rate of Newstart, the main income support payment for those who are unemployed has not increased in real terms since 1994, when the payment rose by a paltry \$2.95 per week. It sits at \$273 per week currently and even with the maximum rate of Rent Assistance of \$66 per week, is totally inadequate to cover the cost of housing and other essentials. The inadequacy of Commonwealth income support shifts significant costs onto the States and Territories, impacting on the economic viability of social housing support systems, utility costs and the provision of community services and support.

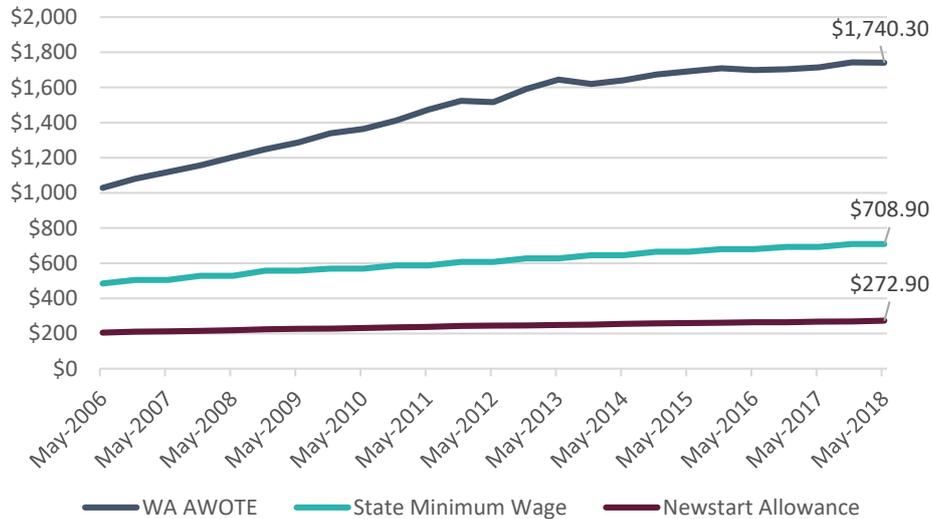
Newstart makes up just 15.6 per cent of the full-time average weekly ordinary time earnings¹² in Western Australia. The State Minimum Wage sits at a little over 40 per cent of the average weekly earnings.

¹⁰ Australian Council of Social Service (2018) [Poverty in Australia](#)

¹¹ Bankwest Curtin Economics Centre (2017) [The Price is Right: An Examination of the Cost of Living in Western Australia](#), Focus on Western Australia Report Series No. 10

¹² Weekly ordinary time earnings refers to one week's earnings of employees for the reference period, attributable to award, standard or agreed hours of work.

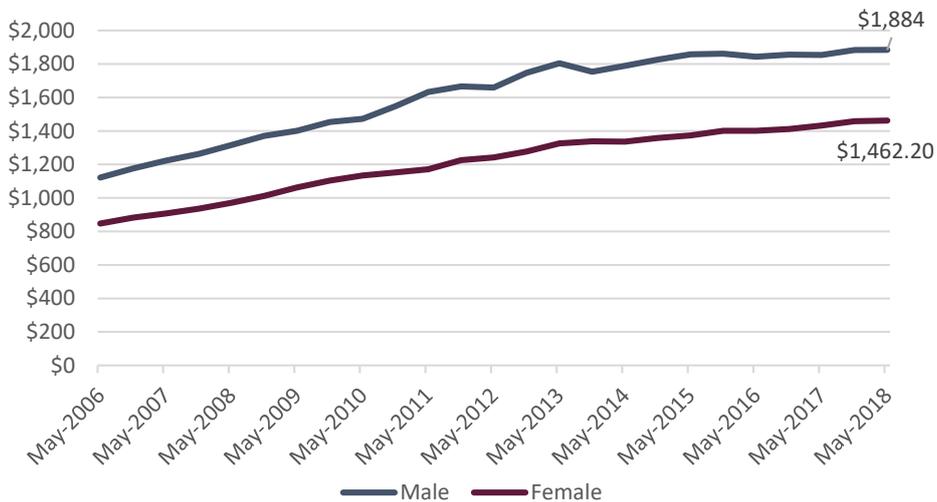
Figure 2: WA Average Weekly Ordinary Time Earnings (Seasonally adjusted), State Minimum Wage and Newstart Allowance



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

Western Australia continues to have the largest gender pay gap in Australia at 22.4 per cent, compared to 14.6 per cent nationally.¹³ The average weekly earnings data from the Australian Bureau of Statistics reveals that women are earning \$421.80 a week less than men.

Figure 3: WA Average Weekly Ordinary Time Earnings Gender Gap



Source: ABS 6302.0

Wage growth in WA, and across Australia more broadly, has continued to be sluggish.

¹³ Workplace Gender Equality Agency (2018) [Australia's Gender Pay Gap Statistics](#)

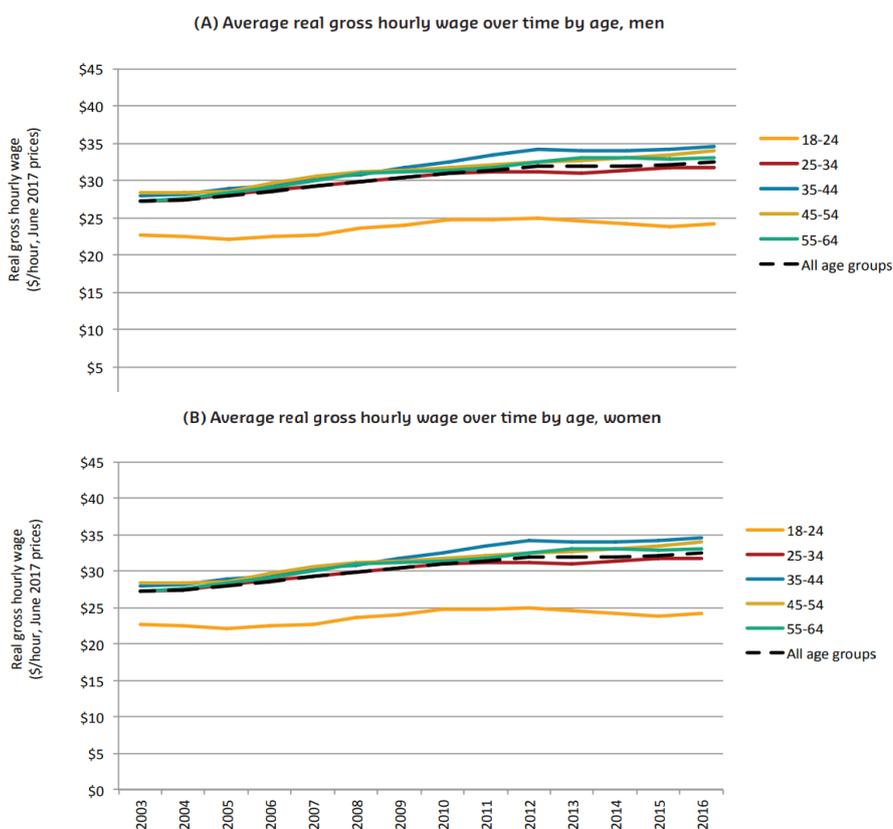
Figure 4: Quarterly percentage change in WA Wage Price Index



Source: ABS 6345.0

This has been particularly true for young workers, where wage growth has not maintained pace with the rest of the population. Using the wage data from the HILDA survey between 2003 and 2016, the Bankwest Curtin Economics Centre has demonstrated that there has been no progression in average pay rates for young men or women since the Global Financial Crisis, with the average real hourly pay for women having fallen by 2.6 per cent since 2010. The overall gap in pay between the youngest and oldest workers has widened by nearly 30 per cent since the start of the decade.

Figure 5: Trends in real gross hourly wage, by age and gender, 2003 to 2016

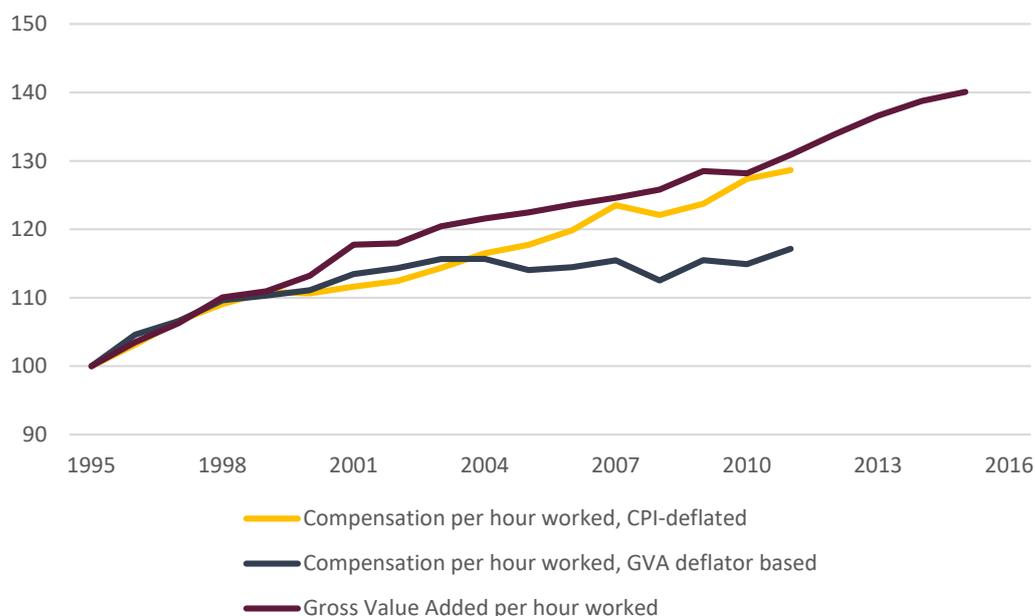


Source: Bankwest Curtin Economics Centre (2018) *The Future of Work in Australia*

For those workers with a persistent history of casual employment, recent research suggests that it is associated with long-term wage penalties, with a wage penalty for men of just over 10 per cent and for women of 4 per cent.¹⁴

A pronounced break has also been observed to have developed in Australia between productivity growth and the income workers receive as compensation for their labour.

Figure 6: Labour productivity and average labour compensation



Source: OECD *Compendium of Productivity Indicators 2017*

This divergence has seen the Phillip Lowe, the Governor of the Reserve Bank of Australia, call for a faster rate of wage growth, which he deemed to be possible even if productivity growth did not shift from the average of recent years. According to Mr Lowe, this growth in wages would “boost household incomes and create a stronger sense of shared prosperity.”¹⁵

The relationship between income and wealth is an important one, as wealth can act in and of itself as a source of income, and income (where sufficient) can provide a means by which to accumulate wealth. Further wealth, in the form of accessible savings or liquid assets, can act as a buffer to enable greater workforce mobility and financial resilience, so that workers moving in and out of insecure employment or pursuing more promising future prospects have the capacity to be more mobile and financially secure. Similarly, provisions within our income support system that prevent those who become unemployed from retaining a meaningful level of savings undermines their financial resilience, leaving them less able to respond to an unexpected financial cost or personal crisis, more likely to incur transactional costs and be forced to rely on undesirable personal loans with high interest rates.

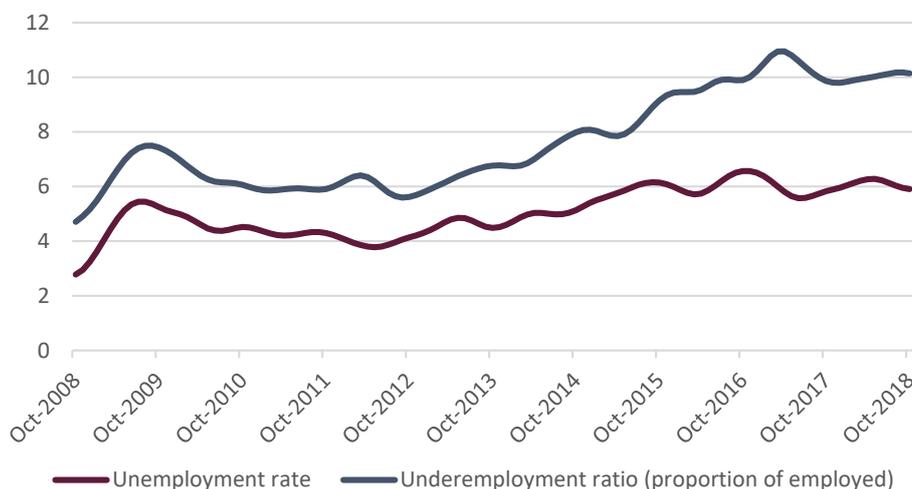
¹⁴ Irma Mooi-Reci and Mark Wooden (2017) ‘Casual employment and long-term wage outcomes’ *Human Relations*, 70(9)

¹⁵ Philip Lowe (2018) *Remarks to A50 Dinner* www.rba.gov.au/speeches/2018/sp-gov-2018-02-08.html

Employment

The Western Australian labour market has seen some improvement over the last 12 months, with the unemployment rate on trend terms down to 5.9 per cent, though the underemployment ratio has increased to 10.1 per cent.

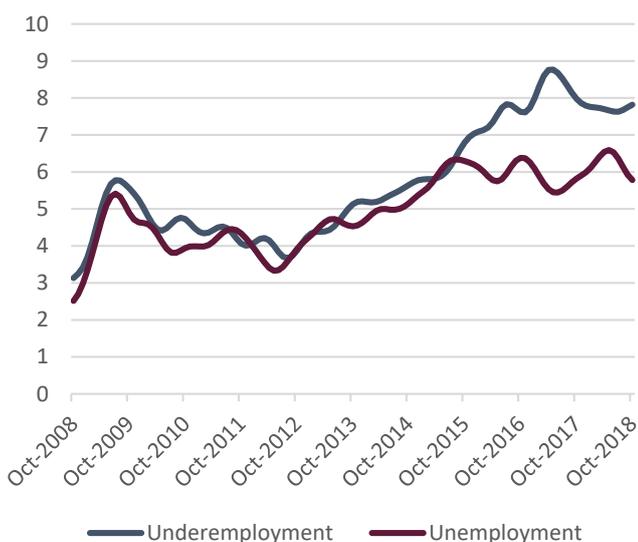
Figure 7: WA Underemployment vs Unemployment



Source: ABS 6202.0 Table 23. Trend values used.

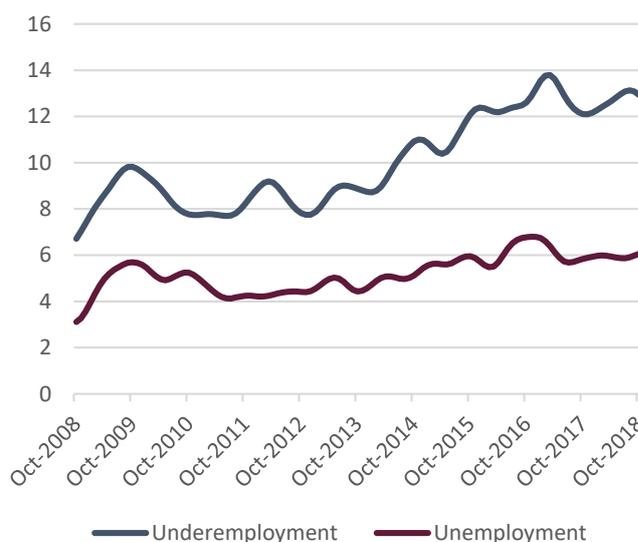
Underemployment continues to be significantly higher for women, with a current underemployment ratio of 12.9, while the male ratio is 7.8. The decrease in the overall unemployment number appears to be driven by a decrease in the male unemployment rate to 5.8, while the female unemployment rate increased to 6.1.

Figure 8: WA Male Underemployment vs Unemployment



Source: ABS 6202.0 Table 23. Trend values used.

Figure 9: WA Female Underemployment vs Unemployment



Source: ABS 6202.0 Table 23. Trend values used.

There has been a significant growth in full-time work, with 41,500 extra full-time jobs from October 2017 to October 2018. At the same time, part-time employment has decreased, having reached its highest point since October 2008, in April 2018 at 457,400 part-time jobs.

Figure 10: WA Full-Time Employment



Source: ABS 6202.0 Table 8

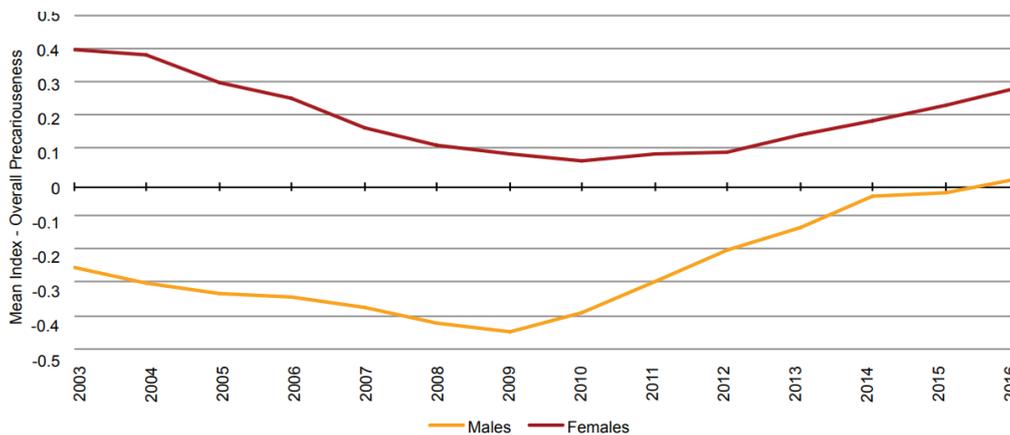
Figure 11: WA Part-Time Employment



Source: ABS 6202.0 Table 8

At the same time, however, concerns have been raised over the increasingly precarious nature of work in Australia. Using Principle Components Analysis, Bankwest Curtin Economics Centre has established an index based on the three domains of job insecurity, lack of control and working conditions to identify the level of precariousness a worker is experiencing.¹⁶

Figure 12: Precariousness across genders, 2003 to 2016



Source: Bankwest Curtin Economics Centre (2018). Calculations based on HILDA.

These findings indicate that women have consistently experienced higher levels of precarious work. Both men and women have seen significant increases in precarious employment since 2009, with the particularly rapid rise of precariousness for men substantially reducing the gap between

¹⁶ Bankwest Curtin Economics Centre (2018) [Future of Work in Australia: Preparing for tomorrow's world](#), Focus on the States Report Series No. 6

the two. During the mining boom period, both men and women saw a decrease in the precariousness of their work.

Figure 13: Drivers of change in precariousness: by domain and occupation, 2010/11 to 2015/16



Source: Bankwest Curtin Economics Centre (2018). Calculations based on HILDA.

Across all three dimensions of precariousness, labourers score highly, with poor employment conditions, such as lack of access to sick and family leave, having the greatest impact, followed closely by insecure employment. Poor employment conditions and employment insecurity can also be seen to have a significant impact on the precariousness of employment for community and personal services workers as well.

Studies have shown that underemployment, like unemployment, can lead to poor mental health outcomes, as a result of a financial hardship and a lack of a sense of mastery and social support.

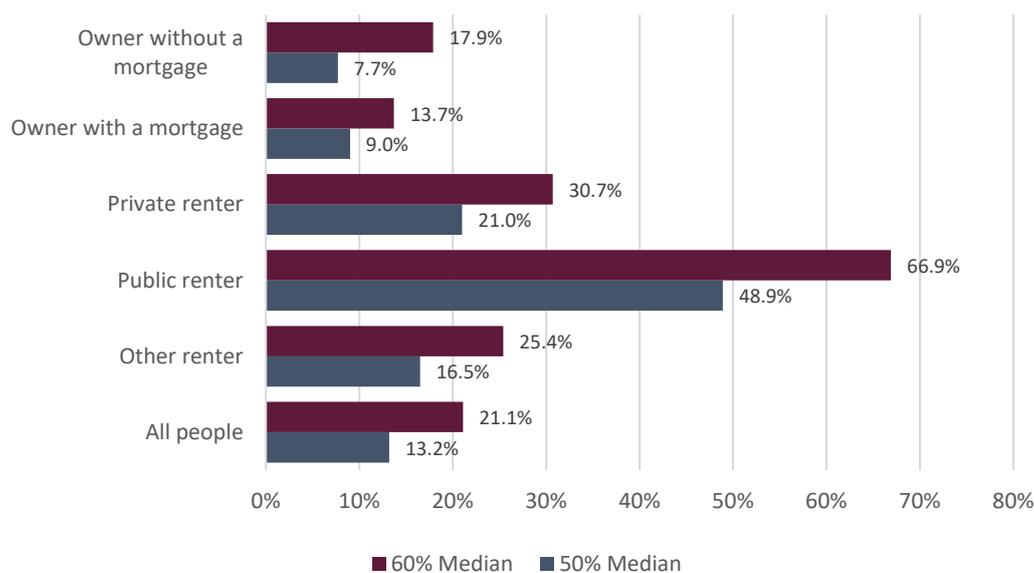
The lack of adequate employment can lead to high levels of distress, which may in turn hinder employment and educational opportunities.¹⁷

Housing

Housing remains the single largest cost for households. The Department of Communities' Demand Model estimates that there is an unmet social and affordable housing need in Western Australia for approximately 61,000 very low, low, and moderate income households—consisting of over 28,000 very low income households and over 33,000 low or moderate income households.¹⁸ Modelling published by the Australian Housing and Research Institute estimates that there are around 59,000 Western Australians unable to enter market housing and a further 73,000 requiring rent assistance to alleviate a position of rental stress.¹⁹

The risk of poverty is more than twice as high for households renting privately than home-owners with or without a mortgage. Poverty is the highest amongst public renters, though this is in part due to the fact that eligibility requirements for public housing means that this group has some of the lowest incomes.²⁰

Figure 14: Rate of poverty by housing tenure in Australia (% of people)



Source: ACOSS (2018)

¹⁷ Laura Crowe, Peter Butterworth, Liana Leach (2016) 'Financial hardship, mastery and social support: Explaining poor mental health amongst the inadequately employed using data from the HILDA survey' *SSM – Population Health* vol. 2, p. 408

¹⁸ Julie Considine and Sarah Mewett (2017) *Estimating unmet housing demand and priority areas for public and affordable housing at the Local Government Area level – a housing practitioner's approach*, WA Department of Communities. Noting 'affordable' is defined as spending up to 30% of income for those in the bottom 40% of incomes (40/30 rule).

¹⁹ Steven Rowley, Chris Leishman, Emma Baker, Rebecca Bentley, and Laura Lester (2017) 'Modelling housing need in Australia to 2025' *Australian Housing and Urban Research Institute, AHURI Final Report 287*

²⁰ ACOSS (2018) *Poverty in Australia*

There are 13,953 households on the public housing waitlist and 1,318 on the priority waitlist, where they wait on average for 139 weeks or nearly 3 years to be housed.²¹ In Newman alone, it has been estimated that due to Martu population growth and inadequate investment in Parngurr housing, the WA Government will need to procure 73 houses by 2028 to accommodate an additional 365 Martu people.²²

Recent Australian Housing and Urban Research Institute (AHURI) research has found that much of the growth in Australian housing supply has been in the mid-to-high price segments. This increase in the supply in these segments is not creating a ‘trickle-down’ effect into the low price segments by freeing up established housing stock.²³

This lack of trickle-down is reflected in the findings of the WA Housing Industry Forecasting Group, which noted that, despite historically high levels of rental stock, “for those on the lowest incomes, conditions have not changed.”²⁴ This has resulted from a long-term underinvestment in social housing and the treatment of private rental properties as investment vehicles for individuals.

The discrepancy between median rents and the lived experience of those on low incomes is what makes research such as the annual *Anglicare Rental Affordability Snapshot* so valuable. This report takes a ‘snapshot’ on a given day of the rental market and examines whether the properties being advertised are both affordable for a range of different low income types and whether those properties are appropriate for the composition of their household.

The 2018 *Snapshot* found that a couple on Newstart with two children, a single person on the age pension, or a single person earning the minimum wage, would only be able to find one per cent of advertised properties in the Perth metro area that were affordable and appropriate for their circumstances. For a single on youth allowance (including those looking for shared accommodation), or a single on Newstart (with or without children), they would not be able to find any properties at all that were affordable and appropriate in Perth.²⁵

Out of the 10,490 rental properties in the Perth metro area advertised at the time of the snapshot, single parents receiving a parenting payment single allowance would only be able to find 27 rentals that were affordable or available if they had two children, and just 16 if they had one child.

²¹ Rethink Social Housing, Government of Western Australia, <http://www.rethinksocialhousing.com/The-Waitlist>

²² Social Ventures Australia (2018) *A Cost Benefit Analysis of Investment in Very Remote Aboriginal Communities*, Discussion Paper – Implications for Housing

²³ Rachel Ong, Tony Dalton, Nicole Gurrán, Christopher Phelps, Steven Rowley and Gavin Wood (2017) ‘Housing supply responsiveness in Australia: distribution, drivers and institutional settings’, *Australian Housing and Urban Research Institute*, AHURI Final Report 281

²⁴ Housing Industry Forecasting Group (2017) *Forecasting Dwelling Commencements in Western Australia 2017-2018*

²⁵ Anglicare WA (2018) [Rental Affordability Snapshot](#)

Greater Metropolitan Perth WA

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	155	1%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	27	0%
Couple, no children	Age Pension	432	4%
Single, one child (aged less than 5)	Parenting Payment Single	16	0%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	78	1%
Single aged over 21	Disability Support Pension	3	0%
Single	Newstart Allowance	0	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage (both adults) + FTB A	5,116	49%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	1,135	11%
Single	Minimum Wage	148	1%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	2,335	22%
Total No of Properties		10,490	

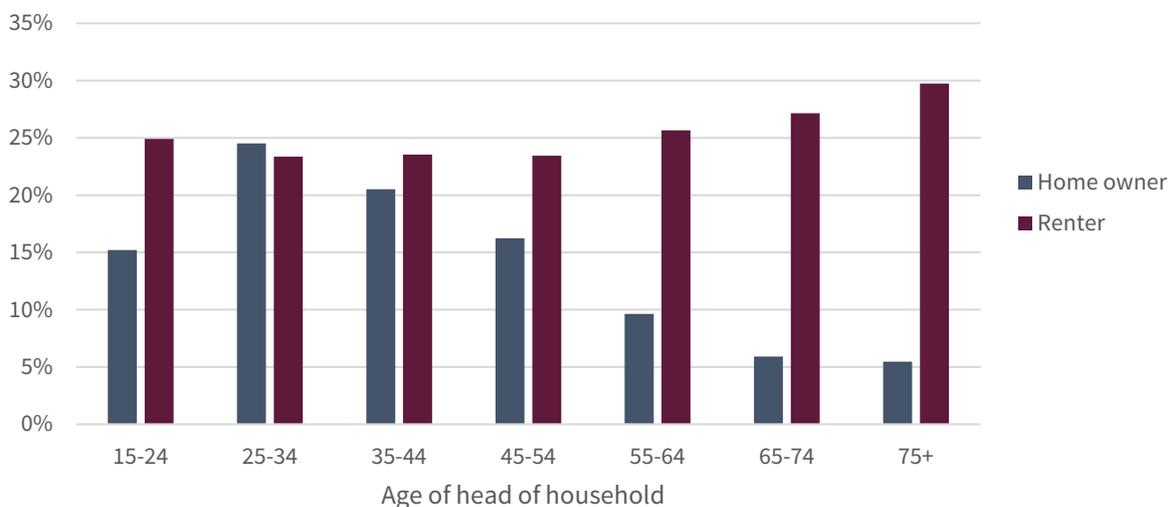
Source: Anglicare (2018) *Rental Affordability Snapshot*

A couple on the age pension were able to find 432 properties that were affordable and appropriate for them (around 4 per cent), though that number decreases significantly for a single on the age pension who is able to find only 78 or 1 per cent of properties that are affordable and appropriate.

Recent research from the Grattan Institute has shown that, while housing costs for home owners decrease substantially as a share of household disposable income as they approach retirement,

the opposite is true for renters. This makes it harder for a renter to maintain the same standard of living going into retirement as a home owner.²⁶

Figure 15: Housing costs as a share of household disposable income by age and tenure type, 2015/16



Source: Grattan Institute (2018) *Money in retirement: more than enough*

Although around 79 per cent of households own their home at retirement, current ownership trends and population ageing suggest this will decline to 76 per cent by 2021 and to 73 per cent by 2033.²⁷

Utilities

The last two State Budgets have seen significantly increased fees and charges for essential services for WA households. While for the majority of households these increases have been painful but affordable, for a small but significant cohort already living at or below the poverty line, these rises were unaffordable and have caused unwarranted hardship and distress.

Mounting unpaid bills and utility disconnections can have a significant impact on people’s wellbeing, from feelings of shame, the stress of trying to stretch their income as far as possible, and the difficult decisions they have to make as to what to prioritise, such as not eating or not cooling their homes during the heights of summer. It also impacts their ability to access affordable credit in future.

The average household saw an increase in household charges of \$438 per annum (or 7.7 per cent) in the first budget and a further \$292 per annum (or 4.8 per cent) in the second — with no provision made to protect or mitigate the impact on low-income households who could not afford these increased charges.

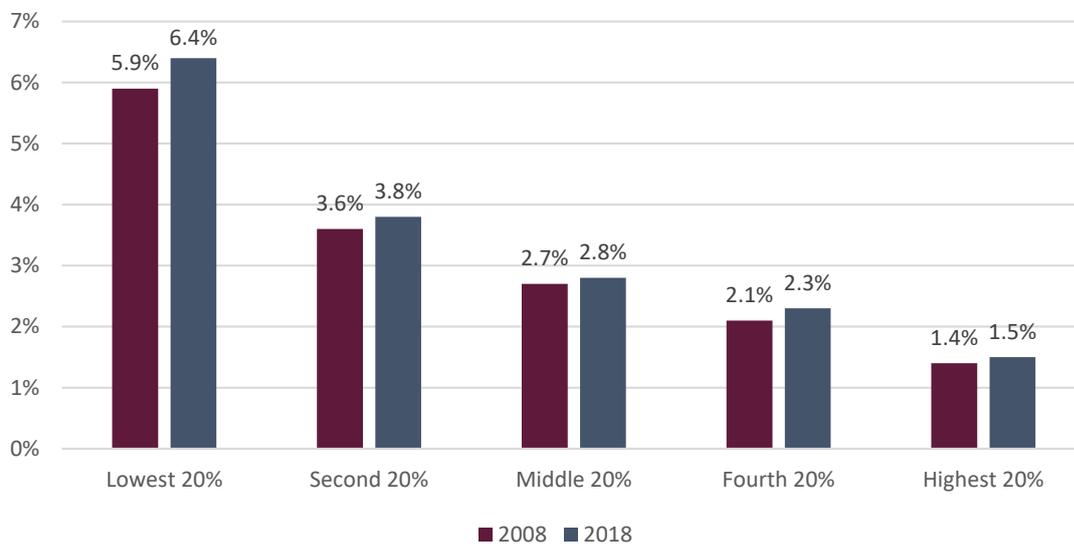
²⁶ Grattan Institute (2018) *Money in retirement: more than enough*

²⁷ Melek Cigdem, Gavin Wood & Rachel Ong (2015) *Australian demographic trends and their implications for housing subsidies*. AHURI position paper No 164

The 2017/18 State Budget increased water, sewerage and drainage fees by 6 per cent, (around \$96.92 for the representative household).²⁸ This was followed by a 5.5 per cent increase in the 2018/19 Budget (equivalent to \$91.04).²⁹

The residential *fixed* charge paid by all households for electricity supply increased by 10.9 per cent in 2017/18, equivalent to a \$169 increase for the average household, followed by an increase of 7 per cent in electricity prices in the 2018/19 State Budget (equivalent to an additional \$120.57). The increasing cost of energy disproportionately impacts households on the lowest incomes, as they spend a higher percentage of their disposable income on energy bills and have little if any capacity to absorb additional costs.

Figure 16: Electricity and gas expenditure as a percentage share of income by disposable income quintiles (Australia-wide)



Source: ACOSS and the Brotherhood of St Laurence (2018)

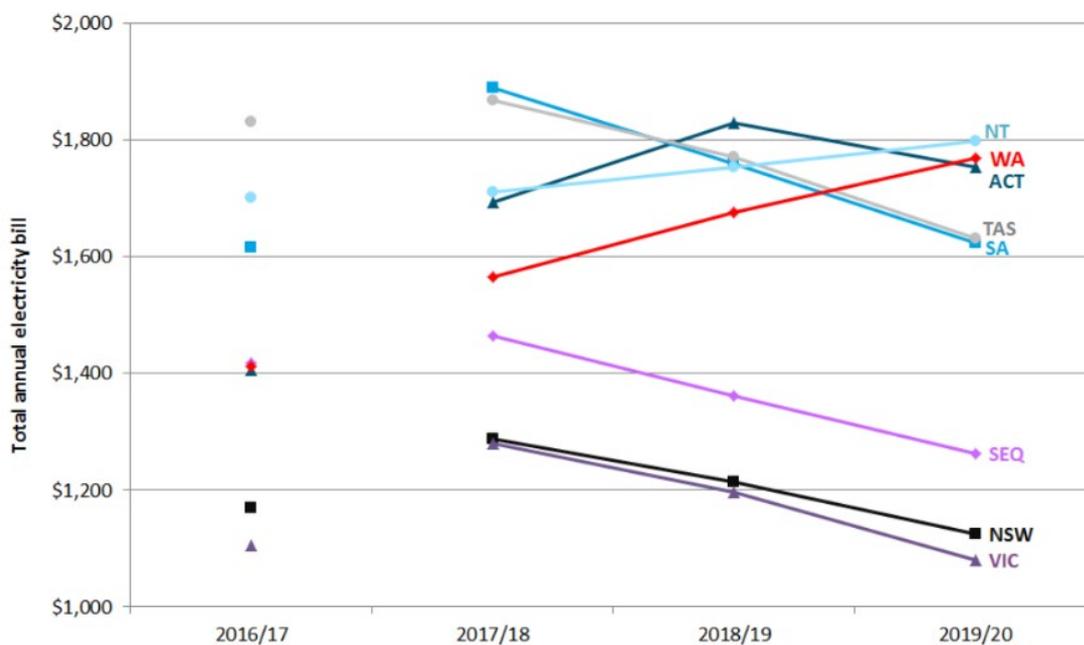
As the 2017 increase was to the fixed charge, households such as age pensioners are unable to avoid it or mitigate its impact by reducing their electricity consumption.

These increases place Western Australia on the path to have some of the highest electricity prices in the country, with the Australian Energy Market Commission predicting that the state will have second highest electricity bills after the Northern Territory by 2019/20.

²⁸ WA State Budget 2017/18, Budget Paper 3, p 310

²⁹ WA State Budget 2018/19, Budget Paper 3

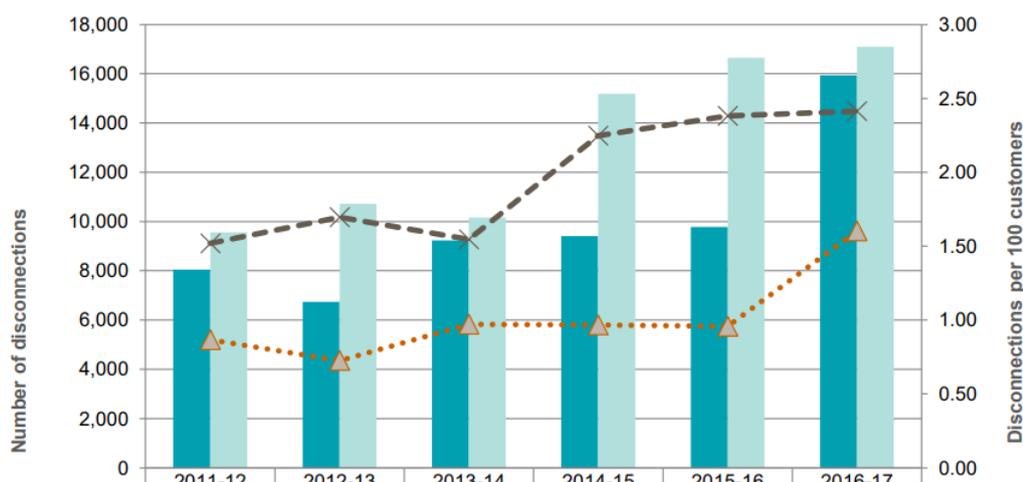
Figure 17: Trends in representative residential electricity bills across jurisdictions



Source: Australian Energy Market Commission 2017 Residential Electricity Price Trends

The 2016/17 financial year saw a dramatic increase in residential electricity disconnections from 9,774 in 2015/16 to 15,935 in 2016/17. Synergy’s disconnections alone increased from 8,069 to 14,109 - the highest number of disconnections by Synergy since the Economic Regulation Authority (ERA) began reporting in 2007.³⁰ Residential gas disconnections also increased, from 16,649 in 2015-16 to 17,097 in 2016/17.

Figure 18: Residential customer disconnections



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Electricity	8,051	6,746	9,235	9,412	9,774	15,935
Gas	9,557	10,724	10,165	15,184	16,649	17,097
Electricity (per 100 customers)	0.87	0.72	0.97	0.97	0.96	1.60
Gas (per 100 customers)	1.52	1.69	1.55	2.25	2.38	2.41

Source: Economic Regulation Authority 2017 Annual Performance Report – Energy Retailers

³⁰ Economic Regulation Authority (2017) Annual Performance Report – Energy Retailers

Residential disconnection information provided to the ERA by electricity retailers shows the correlation between the increase in customers seeking help to pay their bills and the rise in disconnections. 56.9 per cent were customers previously on an instalment plan, up from 43.9 per cent in 2015/16; and 18.9 per cent were customers who had previously been disconnected within the past 24 months, up from 17.7 per cent in 2015/16. The 2016/17 financial year saw a marked increase in customers needing to go on instalment plans due to difficulties in paying their energy bills.

Figure 19: Instalment plans for residential customers



Source: Economic Regulation Authority 2017 Annual Performance Report – Energy Retailers

Comparing the state-wide residential electricity and gas disconnection rates with those in other states shows that Western Australia had the highest disconnection rate for residential electricity customers (1.60 per 100 customers) and residential gas customers (2.41 per 100 customers) in Australia. Prior to 2016/17, Western Australian retailers had the lowest electricity disconnection rate.

Western Australia has, however, had the highest residential disconnection rate for gas for the past four years. In 2016/17 the Western Australian gas disconnection rate increased, while the disconnection rates in Victoria, New South Wales and South Australia fell.

Looking at the breakdown of the disconnection data shows that the growth in disconnections of customers previously on instalment plans is driven largely by Synergy, though Horizon Power and Kleenheat also disconnected a higher percentage of customers in that category as well. The number of concession card holders that were disconnected from electricity rose by seven per cent from 2015/16 to 2016/17.

Residential disconnections by category

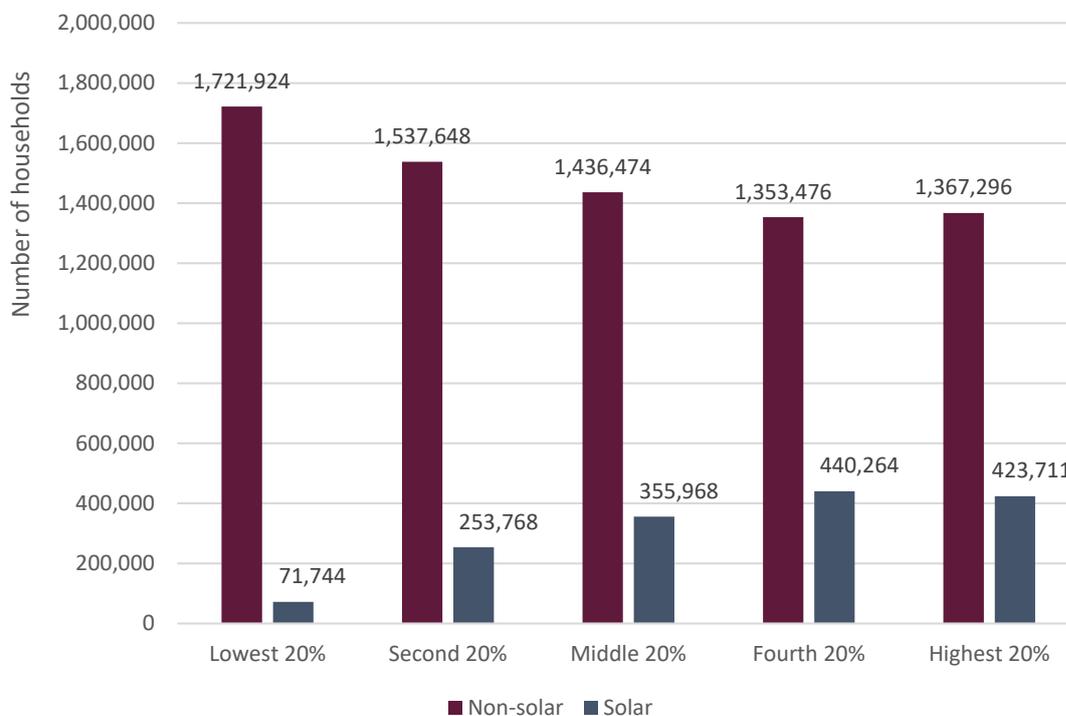
Retailer	Total disconnections		Customers previously on an instalment plan		Customers disconnected at the same supply address within the past 24 months		Concession card holders*	
	2015/16	2016/17	% of disconnections 2015/16	% of disconnections 2016/17	% of disconnections 2015/16	% of disconnections 2016/17	% of disconnections 2015/16	% of disconnections 2016/17
Electricity								
Horizon Power	1,705	1,826	36.2	39.9	27.9	53.8	12.6	24.7
Synergy	8,069	14,109	45.6	59.1	15.5	14.3	33.0	37.9
Total	9,774	15,935	43.9	56.9	17.7	18.9	29.4	36.4
Gas								
Alinta Energy	15,044	14,970	9.5	9.2	24.5	26.3	-	-
EGDC	5	6	0.0	0.0	0.0	16.7	-	-
Kleenheat	1,600	2,121	33.5	41.7	10.2	27.1	-	-
Total	16,649	17,097	11.8	13.2	23.1	26.4	-	-

* At time of reporting, gas retailers do not know which customers are receiving a concession as government subsidies and concessions are paid through electricity bills

Source: Economic Regulation Authority 2017 Annual Performance Report – Energy Retailers

Western Australians have been embracing residential rooftop solar photovoltaics (PV) at an incredible rate, with around one in four households installing PV. The ability for households to access this technology is not equal, however, and for those on lower incomes or in rental housing there are few opportunities to benefit from solar through reduced consumption costs.

Figure 20: Solar panel households by wealth quintile Australia-wide



Source: ACOSS and the Brotherhood of St Laurence (2018) Energy Stressed in Australia

Nearly 17 per cent of Australian households have solar panels, reducing their energy bills by an average of \$400 per annum.³¹ This risks the scenario that those who cannot afford or access solar will continue to pay more for their energy, while those who can will pay less, increasing energy and financial inequality. Government policy designed at reducing greenhouse gas emissions by incentivising PV use needs to be complemented by measures that address this inequity to ensure those who do not have the means or opportunity to benefit from public subsidies are not paying a larger share of energy infrastructure and generation costs, and as a result are significantly worse off.

While this inequity of access is a significant issue across Australia, Western Australia in particular has one of the lowest levels of solar PV installation on dwellings occupied by those experiencing the highest levels of socio-economic disadvantage in our community.

Shares of suitable WA dwellings with rooftop Solar PV installed: to June 2017, by state/ territory and level of socioeconomic disadvantage

Share of suitable dwellings with rooftop Solar PV installations							
Level of disadvantage	NSW	Vic	QLD	SA	WA	Tas	NT
Decile 1 (most disadvantaged)	16.5%	0.0%	4.2%	29.7%	7.4%	21.2%	0.0%
Decile 2	20.6%	14.0%	36.1%	30.4%	16.0%	11.0%	12.7%
Decile 3	21.8%	18.5%	28.7%	34.7%	18.8%	13.7%	3.2%
Decile 4	21.0%	21.4%	30.3%	34.3%	21.1%	15.0%	5.5%
Decile 5	20.3%	18.5%	38.4%	33.0%	29.4%	15.6%	0.8%
Decile 6	16.4%	19.3%	26.2%	38.5%	28.7%	11.1%	7.3%
Decile 7	16.0%	16.8%	37.9%	31.8%	28.9%	14.4%	10.9%
Decile 8	12.0%	19.8%	35.5%	62.2%	28.9%	13.6%	18.1%
Decile 9	14.4%	13.6%	30.5%	31.6%	30.9%	15.4%	11.6%
Decile 10 (most advantaged)	11.6%	10.7%	0.7%	30.7%	21.5%	0.0%	5.8%
All	16.8%	16.2%	33.7%	33.2%	27.3%	14.0%	12.3%

Source: Bankwest Curtin Economics Centre (2017) *Power to the People*

The benefits of providing access to distributed energy for those on low incomes is clear. Some lower income households can have higher energy consumption, especially those in poor quality housing. These households may be more home-bound, including children, seniors, those with long-term health issues or people living with a disability, and so may be consuming more energy through the day.³²

³¹ ACOSS and Brotherhood of St Laurence (2018) *Energy Stressed in Australia*

³² The South Australian Government is implementing a [Virtual Power Plant trial](#) that it plans to expand to all its 24,000 public housing properties.

Food

Cost of living pressures play a significant role in food insecurity due to unexpected expenses or large bills. According to Foodbank's research, 49 per cent of people experiencing food insecurity said they had been unable to buy food due to an unexpected expense or large bill and 35 per cent due to having to pay rent or make a mortgage repayment. 43 per cent said they are unable to buy food because they were living on a low income or pension.³³

As of 2018, more than 4 million Australians experienced food insecurity at least once in the preceding 12 months. One in four of these people go an entire day without eating at least once a week. In Western Australia, there was an increase of 39 per cent in the proportion of charities reporting an increase in the number of people seeking food relief since 2017, with more than 508,000 meals provided each month.

Almost three in five Australians living with food insecurity spend more than 20 per cent of their household income on food, more than double the proportion of average Australian households.³⁴ All of our model households are spending over 20 per cent of their household income on food and beverages, with the unemployed single spending over 28 per cent.

Skipping meals can have a profound impact on a person's wellbeing, their physical and mental health, social interactions, ability to function and, in the case of children, their growth and development. Further, many households facing food stress will make do by relying on cheaper, energy-dense foods with poor nutritional value—increasing the risks of future chronic diseases such as diabetes and obesity.

Recent research on the prevalence of food insecurity amongst regional and remote Western Australian children, found that 20.1 per cent of those children were food insecure. More than one in five were concerned that food would run out before their family could afford to buy more.³⁵

Foodbank's recent [Rumbling Tummies: Child Hunger in Australia 2018](#) report found that 32 per cent of parents living in food insecure households are employed full-time, with a further 17 per cent employed part-time. The largest share of report's survey respondents experiencing food insecurity (29 per cent) reported their household's combined gross annual income before-tax to be between \$700 to \$1,199 a week, with a further 25% reporting earning between \$1,200 to \$1,999 per week. Households whose primary source of income is either a single or dual minimum wage fall directly within this income range.

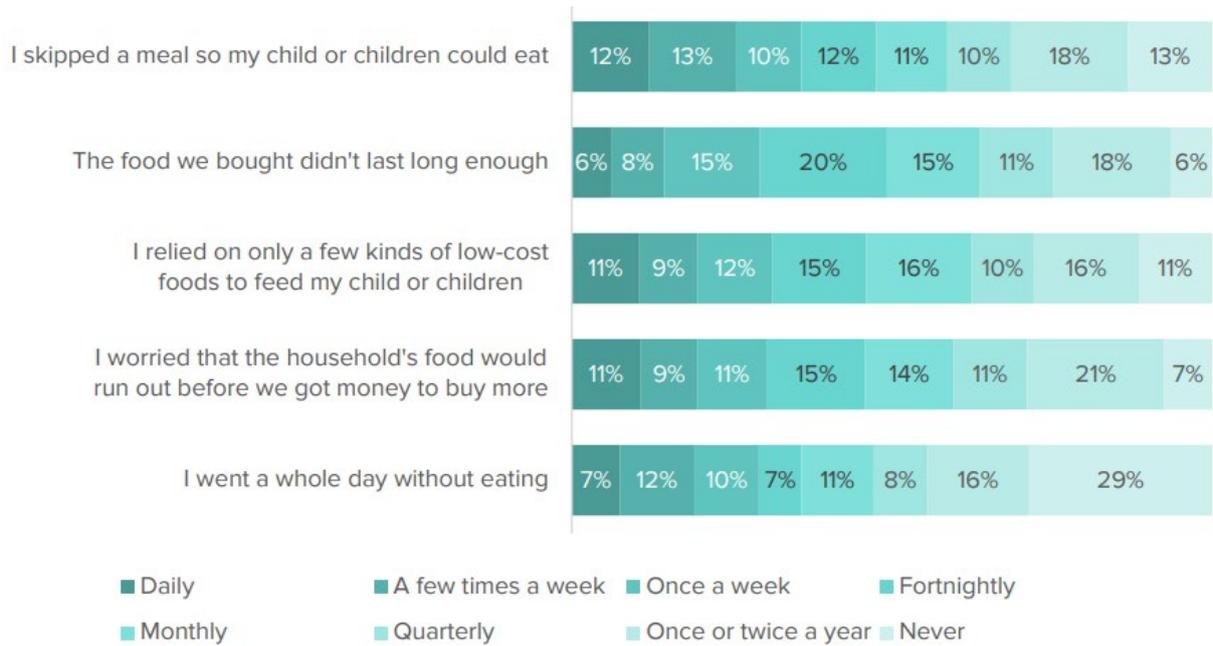
52 per cent food-insecure households were facing that because of an unexpected expense or large bill was a cause of food insecurity, with 44 per cent reporting that they could not afford enough food because they just did not have enough money in the first place. 37 per cent of food-insecure households reported that they were living on low wages or on a pension.

³³ Foodbank Australia (2018) [Foodbank Hunger Report 2018](#)

³⁴ Foodbank Australia (2018)

³⁵ Stephen Godrich et al (2017) 'Prevalence of socio-demographic predictors of food insecurity among regional and remote Western Australian children' *Australian and New Zealand Journal of Public Health*

Figure 21: Experience of skipping meals for parents in food insecure households



Source: Foodbank (2018) *Rumbling Tummies: Child Hunger in Australia*

Almost nine out of ten parents (87 per cent) in food-insecure households have skipped a meal so their children can eat and for 36 per cent, this is a weekly occurrence. At least once a week, three in ten parents (29 per cent) have to go a whole day without eating.

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.

Increasing the rate of Newstart Allowance and associated payments is essential for ensuring that those who are unemployed are able to cover the costs to meet for a standard of living in line with community expectations. Action by the Federal Government to address the affordability of housing, through tax reform such as abolishing negative gearing and providing support to the states to build more social housing, is crucial.

To tackle cost of living pressures and achieve a more equitable society, WACOSS recommends that the State Government:

- W Keep low income households connected to **affordable energy and water**, through future prices exemptions, reversing the impact of recent increases, and a public inquiry into social concessions;
- W Increase access to **social housing** via a net increase of 1,000 dwellings per year;
- W Ensure every new development includes 30 per cent **affordable housing**, one third of which is for social housing;
- W Develop and resource a nutrition-focussed **food relief policy**, coordinated through a ministerial portfolio, to increase food security for households;
- W Ensure everyone can access **digital systems and online services**, thanks to a whole-of-government strategy and advisory body;
- W Introduce a **Home Energy Action Plan** to decrease financial hardship for low income households;
- W Protect consumers by funding **representation and research** in WA energy markets
- W Introduce a **vacant property tax** at a rate of 1 per cent of the property's capital improved value; and
- W Gradually replace stamp duty on property with a **broad-based progressive land tax** over ten years, with exemptions, deferrals and concessions for low-income earners.³⁶

³⁶ For more details on all of these recommendations, read the [WACOSS 2019/20 State Budget Submission Vision 2020](#).

WACOSS stands for an inclusive, just, and equitable society

We advocate for social change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them.

Western Australian Council of Social Service

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WACOSS

**WA COUNCIL of
SOCIAL SERVICE**

*Ways to make
a difference*