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Single parents face a tough Christmas – Cost of Living in WA Report

Single parent families relying on casual work and the single parent payment will be facing a tough Christmas, according to the *Cost of Living in WA 2018* launched today by the Western Australian Council of Social Service (WACOSS).

“With very little to spare after meeting their basic living expenses, many single parents are at serious risk if something goes wrong – like a car or fridge breaks down, or they fall sick and can no longer go to their casual job,” said Louise Giolitto, WACOSS Chief Executive Officer.

“This gets dramatically worse when single parents are moved onto the utterly deficient Newstart Allowance once their oldest child turns 8 years old, and they find themselves having to pay the same amount of rent, food, and bills, with \$100 less each week.”

WACOSS is calling on all parties in the lead up to the Federal election to commit to increasing the rate of Newstart to alleviate the growing inequality and poverty among people on the lowest incomes.

Modelling by WACOSS indicates that a single person on Newstart in WA will end up in the red by \$13.27 – falling short of covering their basic living costs each week.

“Working on the assumption that they have to find share housing with two other people, and pay no more than \$100 a week, do not drive a car, and rely solely on public transport, it is still impossible for them be able to afford basic living expenses.

“We are forcing those who find themselves unemployed into deep poverty, making it incredibly difficult for them to simply survive, let alone find and secure a job.

“The fact is, at a rate of just \$39 a day, Newstart Allowance is woefully inadequate, and reductions to government supplements – especially the Schoolkids Bonus – has seen single parents pushed into a financially unstable position.”

The report also analyses over 400 household budgets from people who sought financial counselling in WA in 2017/18. Financial counselling is a free and independent service to assist people who are experiencing financial difficulty.

This data, provided by the Financial Counselling Network, Anglicare WA and Broome Circle, reveals the true living pressures on families, individuals, and aged pensioners in financial hardship with on average 45.5 per cent of their weekly expenditure on housing alone, and nearly 20 per cent going to food.

Perth households in hardship were also spending around \$144 a week making debt payments, while those in regional WA were spending \$165.

Those households who saw a financial counsellor and were living below the poverty line, were spending on average nearly \$96 a week more than their income, pushing them further and further into debt. Households below the poverty line also dedicating the highest percentage of their general expenditure to utilities, at 6.5 per cent.

“Rising energy prices hit those on the lowest incomes hardest. While it is positive to hear that the McGowan Government may not further increase charges as expected, that does not undo the impact of the already unaffordable increases these families were hit with in the last two state budgets.

“We need to increase concessions going to low income households and reform our state concession system to ensure it is both adequate and actually reaching those who need it most,” Louise concluded.

Ends.

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