



SACOSS

*South Australian Council
of Social Service*

Justice, opportunity and shared wealth for all South Australians

Media Release

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SACOSS calls for a new approach to concessions

The South Australian Council of Social Service (SACOSS) is today releasing its second *Cost of Living Biannual Update*, which shows that the real value of concessions is dropping as the cost of essential services rises.

Executive Director, Ross Womersley said, "Our research shows that while the costs of electricity, gas and water are rising at a rate well outstripping the general CPI, concessions have not kept pace with these rises. This means that they are rapidly eating away at the value of any concessions, and costs for concession customers are rising faster relative to the rest of the community."

The SACOSS *Cost of Living Biannual Update No. 2*, released today, notes that for a low consumption energy consumer, bill prices have risen by nearly 16% since March 2006, while this figure is over 18% for concession customers. For low consumption households with electricity and gas, concession customers are paying around 26% more than in March 2006, compared to around 23% for non-concession customers.

SACOSS prepares this more detailed analysis of CPI in an effort to track the different elements used to calculate CPI and to ensure it understands what this might mean — especially for people living on low incomes or who experience other forms of disadvantage.

Womersley said, "Housing and energy costs are almost impossible to avoid, so — unlike food — when they go up you have no alternative than to meet these costs."

To illustrate Womersley said, "Just look at energy costs. We have consistently seen price rises above general CPI for energy, while the concession has remained stuck at \$120 a year since 2004. Factor in the large increases to fixed supply charges, and \$120 simply doesn't go anywhere near far enough in trying to make energy affordable for low income and disadvantaged South Australians", said Mr. Womersley.

"SACOSS believes the government must show leadership on the issue of concessions, and act now to protect the people likely to be most vulnerable to these continually spiralling costs. In South Australia we currently have a concessions system that is incoherent, doesn't achieve affordability, and doesn't include the flexibility to change with changing circumstances. There must be some leadership on this issue to ensure that all South Australians have affordable access to essential services so that health and wellbeing are not sacrificed in order to pay utility bills."

"We recently saw the Tasmanian government commit to indexing electricity concessions to rising prices rather than CPI. This means that Tasmanians are guaranteed to have their concessions reflect their energy prices."

"SACOSS calls on the government and all political parties and candidates in the lead up to the March 2010 state election to commit a more progressive approach, that seeks to maintain the real value of concessions."