

## Calls for concessions increase as utilities prices soar

**SACOSS today called for the state government to index all future increases in concession payments, for low income households who are fighting a losing battle with rising prices for electricity and water.**

**The call came as SACOSS released its biannual Cost of Living Update based on ABS statistics that showed that living costs had increased in the last quarter by an average of 0.9% for pensioners and 1.2% for other welfare recipients. (By comparison, overall CPI increased at 0.7%).**

The SACOSS *Cost of Living Update No. 4: November 2010* shows the increasing gap between price rises in the goods and services most often purchased by those on welfare, and the average basket of goods for the overall population. The November *Update* also contains a special feature on the rising price of utilities, as SACOSS believes that the cost of electricity, gas and water are becoming new drivers of poverty.

SACOSS Executive Director, Ross Womersley said, “People on average wages are being hit hard by increasing electricity and water prices, but without properly indexed concessions, those on low incomes simply won’t be able to afford an essential basic commodity.

“This is why the government needs to step up – and we believe it is actually made easier for them because the increase in prices mean that government is benefiting from a big share of increased GST revenue. **Our calculations show that the cost of the recent concession increases was more than offset by the increased GST take.**”

“The government has announced water and energy concessions will increase by a further 5% next year, but we believe that that should be doubled, to help with rising prices and indexed to the real cost increases for utilities.”

“Electricity prices have increased by 5.6% this year (about \$15 for the average household) and are set to increase a further 7% next year. Water prices have increased by \$21 – equating to a massive 21.7% this year. A similar increase is expected next year”.

“For low income South Australians, this means that while the concession increases in the recent state budget were welcome, these have been more than gobbled up by increases in the actual real cost of utilities. The water and energy concessions combined increased by \$10 a quarter, while the average electricity and water bill rose by approximately \$36 per quarter” Womersley said.

*The Cost of Living Updates can be downloaded from [www.sacoss.org.au/costofliving](http://www.sacoss.org.au/costofliving)*