

Submission to the Economic Regulation Authority on the Framework and approach for Western Power's sixth access arrangement review

6 February 2026

The Western Australian Council of Social Service (WACOSS) welcomes the opportunity to make a submission to the Economic Regulation Authority on the framework and approach for Western Power's sixth access arrangement review.

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

Introduction

The purpose of this submission is to set out key concerns for electricity customers who are at risk of, or experiencing energy stress and other forms of marginalisation. At this pivotal stage in the energy transition, it is critical that all stakeholders work together to ensure the shift to a decarbonised and modernised energy system is a *just* transition – one that corrects, rather than reinforces, the inequities embedded in current structures. Without deliberate action, those who are already struggling risk being further disadvantaged as system changes unfold. This review presents a valuable opportunity to drive innovative and effective investment that advances equity and affordability.

WACOSS' overarching position is that the AA6 framework and approach should ensure Western Power's planning, services and tariffs are customer centric, meaningfully prioritise affordability and equity, and are supported by accessible engagement and transparent reporting.

Summary of recommendations

WACOSS recommends that Western Power be required to:

- Demonstrate prioritisation of affordability for electricity customers.
- Explicitly assess the distributional impacts of their proposal across customer cohorts, including households on low income and those experiencing energy stress.
- Provide clear justification where costs are recovered from all electricity customers, and explain who benefits and how.
- Treat vulnerability to heat stress and other extreme weather events as a key factor in determining network reliability upgrades.
- Identify priority customer cohorts (including households on low income, renters and customers experiencing other forms of disadvantage) and explain how Western Power engaged them in the development of the proposal.

- Demonstrate their consideration of customer engagement and feedback, with an accessible and appropriately detailed ‘you said/we did’ approach.
- Demonstrate development of innovative solutions to address the challenges electricity customers are facing.

Customer context

Western Australians on low income are experiencing sustained financial stress

Western Australians on low income are facing sustained and intensifying financial pressure. Years of significant cost growth have eroded household savings and pushed many into debt, leaving little buffer for new financial shocks. Analysis from the Bankwest Curtin Economic Centre estimates that WA’s poverty rate has increased from 8.7 per cent in 2015, to 14 per cent in 2025 (424,500 people).¹

One client of a financial counselling service in Perth stated, *the rising cost of living left me completely overwhelmed. I couldn't keep up with bills, and every price increase felt like another blow. I can't work, I don't receive child support, and I have no family support. It's incredibly tough.*²

WACOSS’ Cost of Living analysis demonstrates that households on government payments and minimum wage are struggling to afford life’s essentials.³ Over 2024/25, the WACOSS model Single Parent Family’s basic weekly expenses were \$90.06 more than their income. The model Two Parent Family was similarly unable to cover the essentials, with their weekly cost outstripping their income by \$16.59.⁴ The model Unemployed Single is in an extremely fragile financial position, with only \$8.53 left over each week after covering the basic costs. While the renting Age Pensioner households fell \$69.50 short each week.

In 2025, eight Western Australians on low income described to WACOSS and Murdoch University researchers the material sacrifices and trade-offs they must make when financial deficit is their weekly reality.⁵ Negotiations of scarcity shape their every decision – from what to eat and how to ration energy use, to whether to seek medical care, or how to keep a roof over their head. Andy⁶ shares, *I have one fruit a week, maybe... I try to aim for five veggies a week. I don't know what the nutritional content of onion and garlic are but they are my go to.* Matilda⁷, who receives a Disability Support Pension, says *I can't even afford to eat three meals a day.* Clara⁸ sacrifices her own food so that her child does not go without fruit and vegetables.

Energy stress deepening for those doing it toughest

Regulatory and hardship data indicate that electricity stress has intensified for those doing it toughest. Between 2019 and 2025, the total amount owed on residential electricity bills increased by 140 per cent, far outstripping the 12 per cent increase in the Perth electricity price index over the

¹ Bankwest Curtin Economic Centre, [Child Poverty in Australia 2025](#) (2025).

² Feedback provided to the Financial Wellbeing Collective from client, shared directly with WACOSS.

³ WACOSS, [Cost of Living 2025](#).

⁴ Ibid.

⁵ WACOSS, Living Realities: Understanding Life on Low Income, [Part One](#), [Part Two](#), [Part Three](#) (2025).

⁶ Not their real name.

⁷ Not their real name.

⁸ Not her real name.

same period. Average residential bill debt rose sharply, from \$519 in 2019 to \$1,419 in 2025. In the past year, average bill debt increased by 22 per cent.⁹ The average debt among clients accessing the Hardship Utility Grant Scheme is even higher and has continued to rise year on year. In the past year, the average amount increased by 17 per cent, from \$1,708 in 2023/24 to \$1,993 in 2024/25.¹⁰

Families with children are significantly affected by utility stress, comprising 58 per cent of HUGS Service Centre clients, with single-parent households accounting for 34 per cent of clients. In 2024/25, an estimated 32,000 children were supported through Emergency Relief and Food Access Service, Financial Counselling and HUGS services. Child poverty in WA has risen sharply over the past few years. It is estimated one in six WA children are now in poverty.¹¹ Growing up in poverty has been shown to have lasting impacts on children's development and life outcomes.¹²

Households with unmanageable debt are at risk of disconnection. Losing access to power can have serious consequences for people already struggling with everyday living costs, including losing food, being unable to bathe, heat or cool rooms, or to stay connected with family and the wider community. These impacts can lead to health problems, anxiety, stress and shame. In addition, unresolved energy debts can limit a person's ability to access affordable credit in future.

Energy stress felt across community

Consumer survey data shows that electricity affordability challenges extend beyond those formally captured in hardship programs or debt data. 34 per cent of Western Australians surveyed report that paying their electricity bill is difficult.¹³ This is a significant proportion of the community.

While retailer data indicates that the number of customers with electricity debt has declined compared to the previous year¹⁴, this may be attributable to the Government-provided household electricity credits which offered short-term relief. Community service data indicates that the cohort of Western Australians experiencing financial stress has grown. As essential costs growth has outpaced wage growth, many working households have become unable to meet basic needs without external support. Emergency and food relief, traditionally viewed as a safety net for people without employment, is increasingly becoming a critical resource for those in work. Over the past four years, the Financial Wellbeing Collective has recorded a 147 per cent increase in employed clients accessing emergency relief.¹⁵

Affordability challenges not slowing down

Affordability challenges for Western Australian households are not slowing down. The cumulative impact of several years of high inflation has left many families with depleted savings and little financial buffer to manage further price increases.¹⁶ While the household electricity credits provided temporary relief, their discontinuation is likely to push many households who were teetering on the

⁹ Economic Regulation Authority, [Energy Reports](#) (2025).

¹⁰ WACOSS, [Cost of Living 2025](#).

¹¹ Bankwest Curtin Economic Centre, [Child Poverty in Australia 2025](#) (2025).

¹² Bankwest Curtin Economic Centre, [Child Poverty in Australia 2024](#) (2024)

¹³ Energy Consumers Australia, [Consumer Energy Report Card](#) (2025).

¹⁴ Economic Regulation Authority, [Energy Reports](#) (2025).

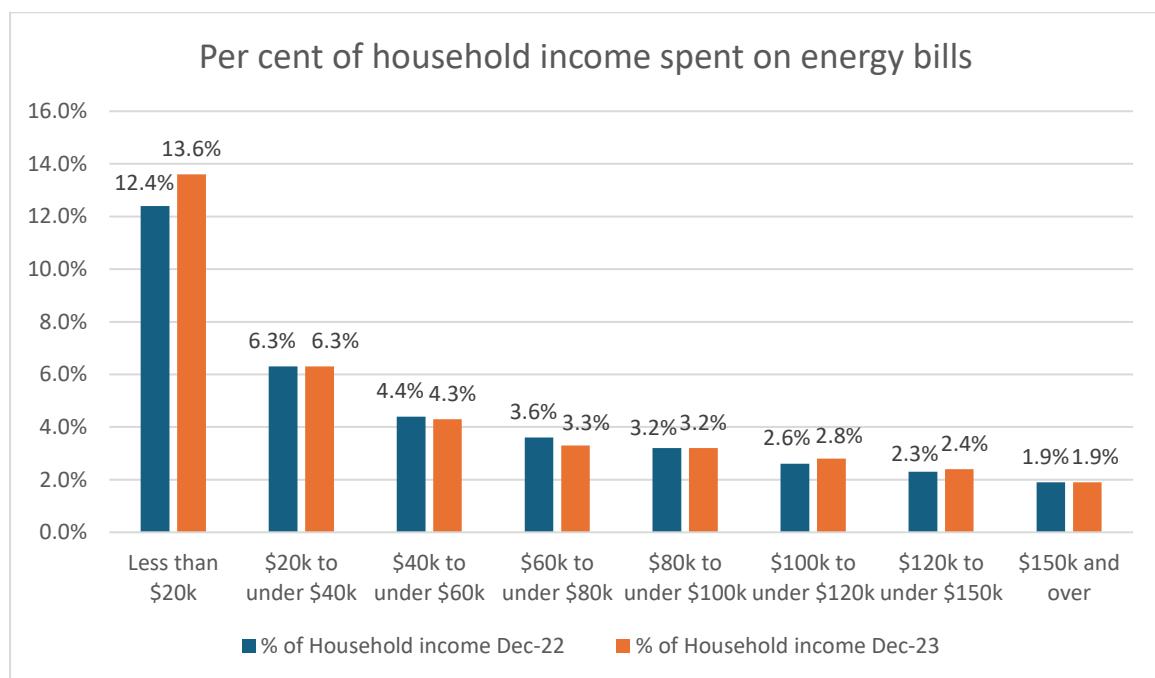
¹⁵ WACOSS, [Cost of Living 2025](#).

¹⁶ WACOSS, [Cost of Living 2025](#).

edge into energy stress. At the same time, inflation is beginning to rise again, placing renewed pressure on household budgets. Together, these factors mean that many households are entering the AA6 period with reduced financial resilience, making affordability a critical consideration for the ERA and Western Power.

Inequity amongst electricity customers

The cost of energy disproportionately impacts households on low incomes, who must spend a significantly higher percentage of their income on energy bills and have little, if any, disposable income to absorb additional costs. People on the lowest incomes spend on average 13.6 per cent of their income on electricity, compared to households in the highest income bracket, who pay on average on 1.9 per cent.¹⁷



This is despite low income households being overrepresented amongst low-energy consumers.¹⁸ While households on low income are not a homogenous group, many reduce their usage to save on bills. This not only has health impacts, but may result in low income households with low energy use cross-subsidising households with higher energy use through the fixed supply charge.

Many Western Australian households have been able to reduce their bills by investing in solar panels and battery systems. Renters and households on low income face significant barriers to accessing these technologies and the savings they offer.¹⁹ Western Power expenditure for these new technologies and connection arrangements may not benefit households on low income as directly as other customers. However, when these technology and infrastructure costs are broadly through

¹⁷ Energy Consumers Australia, [Understanding the Energy Divide](#) (2023).

¹⁸ ABS, 4670.0 - [Household Energy Consumption Survey: Summary of Results](#) (2013).

¹⁹ Dodd, T., Nelson, T., [Australian household adoption of solar photovoltaics: A comparative study of hardship and non-hardship customers](#) (2022).

tariffs, the burden will disproportionately fall on low income households who have less capacity to absorb price increases.

Expectations of Western Power's AA6 proposal

Demonstrate prioritisation of affordability for electricity customers

Affordability is a primary concern for electricity customers. Electricity affordability is not a marginal issue but a determinant of health, safety and wellbeing. For the average customer, network costs comprise around 45 per cent of their total electricity bill. As such, affordability must be a central consideration in the AA6 framework and approach. WACOSS supports mechanisms that encourage efficient expenditure and innovation, including non-network solutions where these provide least cost outcomes for consumers.

WACOSS recommends Western Power be required to:

- Demonstrate prioritisation of affordability for electricity customers.

The Issues Paper notes that current metering services were developed prior to accelerated advanced meter rollout and may no longer be appropriate for AA6 when most customers will have advanced meters. Where disconnection is increasingly performed remotely, fees that were designed around physical attendance may no longer be appropriate, especially when disconnections are driven by cost of living pressures outside customers' control.

Energy Equity

Energy equity is an ongoing concern for customers on low income. At this pivotal time in the energy transition, it is critical that the ERA and Western Power take the opportunity to rectify regressive outcomes and unfairness that have been baked into current arrangements.

WACOSS recommends that Western Power be required to:

- Explicitly assess the distributional impacts of their proposal across customer cohorts, including households on low income and those experiencing energy stress.
- Provide clear justification where costs are recovered from all electricity customers, and explain who benefits and how.

Heat and extreme weather events

The increasing frequency of high heat is a critical consideration for the ERA and Western Power. During periods of high heat, electricity to keep homes cool is essential for basic safety. This is particularly important for older people, young children, people with disability, pregnant people or people with chronic illness and those living in poorly insulated or overcrowded homes, who are more susceptible to heat stress. In these conditions, even short power outages or unaffordable electricity costs can pose serious risks. These concerns also extend to other extreme weather events such as very cold periods, and climate disasters. Decisions that affect network resilience, reliability and costs must recognise the heightened consequences of outages and the limited capacity of

households on low income to adapt to heat and other extreme weather events without adequate and affordable access to electricity.

WACOSS recommends that Western Power be required to:

- Treat vulnerability to heat stress and other extreme weather events as a key factor in determining network reliability upgrades.

Meaningful and accessible engagement

The Issues Paper emphasises that Western Power's proposal should demonstrate effective customer engagement and take account of customer preferences. WACOSS supports this, and urges the ERA to require that engagement and customer preference analysis meaningfully includes customers experiencing energy stress and disadvantage.

WACOSS recommends Western Power be required to:

- Identify priority customer cohorts (including households on low income, renters, those at risk of heat stress and customers experiencing other forms of disadvantage) and explain how Western Power engaged them in the development of the proposal.
- Demonstrate their consideration of customer engagement and feedback, with an accessible and appropriately detailed 'you said/we did' approach.
- Demonstrate development of innovative solutions to address the challenges electricity customers are facing.