

# TACKLING THE COST-OF-LIVING CRISIS

Our priorities for the 2025 Federal Election



March 2025



**Cost-of-living pressures continue to impact the community deeply. On our frontlines, we hear daily from people struggling with mounting debt. Increases in the cost of housing (whether mortgage repayments or rent) and food, plus rising costs of many other essential products and services are impacting millions of Australians.**

While some people have been able to cut back on discretionary spending to absorb these price rises, people with no to little financial buffer are being forced to choose between going deep into debt, or forgoing the basics of a healthy, dignified life – skipping meals, not purchasing medicine or avoiding visits to the doctor, and turning the heating or cooling off to save on power bills. People are rightly looking to Canberra for help and leadership on this issue.

For whomever wins the Federal Election and steps into Government, responding to consumer concerns including rising costs of living, will be a central task. We have identified a range of actions that political parties can take on key consumer issues.

## 1. SCAMS

The recent passage of the Scams Prevention Framework (SPF) through Parliament will help in the prevention and disruption of scams. However, new scams will always arise and even the strongest preventative measures will not stop them. Urgent action is now needed to get the new laws up and working. The SPF must be consumer-centric, with a straightforward pathway to redress for victims.

**The SPF Codes and Rules to be developed under the SPF must impose strong obligations on industry (banking, telecommunications and digital platforms) to prevent scams, and provide fair, simple and fast remedies for people who are scammed due to failure of businesses to meet these obligations.**

## 2. SAFE LENDING

### Mortgage Stress

Regardless the size of the loan, responsible lending obligations (RLOs) are critical protections for consumers to avoid slipping into serious financial trouble. RLOs have weathered Australians from deeper financial and housing insecurity as interest rates have risen to curb inflation. RLOs have also protected our financial institutions from widespread, costly delinquencies.

**Responsible Lending Obligations cannot be wound back.**

### Fringe Lending

Every day we support people who are unable to access mainstream credit and are forced to turn to exploitative fringe lenders. These loans are designed to sit outside of the regulation and lenders often charge mind-boggling interest rates, along with opaque, excessive fees and charges. These firms are preying on people's hardship and need for credit including to afford essentials.

**The next Government must act to clean up lending on the fringes.**

- **Pawnbroking**

The people using pawn loans incur astronomical interest rates and lose their belongings if they cannot repay their loans (despite receiving a loan for a fraction of the good's value). The pawn industry is only lightly regulated and operates largely without oversight. To understand the reforms needed to make pawnbroking safer for consumers:

**An independent inquiry is needed into the operations of the Australian pawnbroking industry and its impact on consumers including a specific focus on impacts for First Nations people.**

- **Wage Advance Products**

The recent introduction of regulation of the Buy Now Pay Later sector was an important step to protect people from harm. New low-cost credit products continue to emerge. Wage advance products – where a consumer can borrow money in advance of their next payday – are commonly mentioned by people calling our financial counsellors to seek help with debt. Wage advance products come with the same risk of leading people into a debt trap as BNPL, but remain unregulated.

**The next Government should regulate wage advance products as credit by extending the low-cost credit contract regime as a matter of urgency.**

our vision: a just marketplace where people  
have power and business plays fair

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### 3. FAIRER ESSENTIAL SERVICES

#### Energy Affordability

Alongside housing and food, energy is one of the largest annual household costs. Soaring energy bills are a major contributor to the cost-of-living crisis, with energy debt among people calling our financial counsellors hitting record highs. Last year, people calling our service for help dealing with energy bills had an average debt of more than \$2,600.[1]

**The next Government, with the Australian Energy Regulator and Essential Services Commission, should investigate development of a social tariff for electricity, creating an affordable electricity option for households in financial difficulty.**

#### Energy Transition

On our frontlines we continue to see businesses using unsolicited, high-pressure sales tactics. People are often pressured into signing up to purchase expensive products that they can't afford, or don't meet their needs, causing significant debt and stress.

**Establishing a national ban on unsolicited sales will protect people from predatory sales practices, now and into the future, and support a safer transition to clean energy.**

[1] Energy Assistance Report

#### Telcos

Mobile and internet services are at the centre of how we conduct our lives day-to-day. However, these services are treated very differently to other essentials like energy and water, with the telecommunications industry largely able to write its own rules.

We continue to hear from people who have been mis-sold telco products and services they don't need or want or are refused hardship when they need support. The industry-drafted Telecommunications Consumer Protections Code is clearly failing to deliver the protections that consumers expect.

**The next Government must scrap the TCP code and introduce robust rules directly enforceable by the regulator, as is the case for other essential services.**

#### Insurance

The 2022 floods laid bare a number of systemic issues within the insurance industry, exposing serious shortcomings in how insurers treat consumers experiencing vulnerability, and how they handle claims.

The final report from the Parliamentary Inquiry into Insurers' Responses to the 2022 floods provides a clear roadmap as to how insurers can lift their standards and rebuild consumer trust in the industry.

**The next Government must ensure Insurers have accepted all the recommendations contained in the report, and implement changes in their practices as soon as possible.**

### 4. ECONOMIC PROSPERITY FOR FIRST NATIONS CONSUMERS

Our casework and recent history ([Youpla collapse](#), [Targeting Scams Report \(2025\)](#), [Telstra mis-selling to First Nations consumers](#)) demonstrates continuing harms being caused to First Nations consumers. These predatory practices must be stamped out.

In our [Money Yarns Stronger Futures](#) report (2024), we called for the economic prosperity of First Nations Communities to be a priority in government policy, decisions and regulatory frameworks.

**The next Government, in partnership with First Nations representative bodies, should develop a targeted, interdepartmental impact framework that sets out a shared vision for First Nations people's financial prosperity and nationally agreed outcome indicators.**

This should connect into and amplify other key First Nations impact frameworks and strategies, in particular Closing the Gap, and be co-designed with First Nations people.

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