

Impossible Choices: Decisions NSW communities shouldn't have to make

Cost of Living in NSW 2024

SEPTEMBER 2024

Overview

Impossible Choices: Decisions NSW communities shouldn't have to make exposes the harsh realities faced by low-income households and people living below the poverty line across NSW. They are struggling to keep up with rising cost of living pressures. Our longitudinal research shows that after a stark jump in financial hardship in 2023, the pressure has been sustained, with some indicators of financial pressure increasing sharply.

While many households across all income levels are feeling the strain, those who already experience socio-economic disadvantage are disproportionately impacted. This includes First Nations households, carers, single parents and households with a disability.

“ Families do not have their basic needs met, like housing and food and things like that. They're constantly at that crisis point.” Child and family service provider, NSW

Rising interest rates, increased rents, and the rising costs of groceries, transport and utilities, are forcing people to make sacrifices that put their safety and wellbeing at risk. The ripple effects of these sacrifices are profound, causing increased stress and tension within households, affecting relationships, mental health and wellbeing, and child development outcomes.

“ I have to work more hours for less money, not being about to spend quality time with kids and family as I'm working, sleeping, or trying to keep my head above water. And I'm drowning, and really cannot see the light at the end of the tunnel, my health is deteriorating and it's so stressful trying to live.” – Single parent with dependent children, Hunter Valley exc Newcastle.

Low-income households are in a state of perpetual crisis. Community services face rising community need, which is becoming more intense, urgent and complex. The community needs the NSW Government to take urgent action.

Low-income households are under even more pressure than last year.

NSW households living on low incomes and below the poverty line cannot meet their basic needs. They continue to fight ongoing housing costs, forcing people to make impossible choices. They are struggling to afford essential goods and services including food, electricity, health and medical expenses.



Over two thirds of households are in housing stress.



65% of participants could not pay an essential service on time.



74% of participants went without health and wellbeing essentials this year.



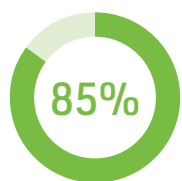
More people sought financial assistance this year compared to 2023 and 2022.



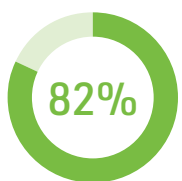
28% of households spent more than half of their income on housing.

Single parent families are the hardest hit.

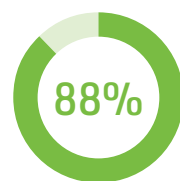
Single parents are struggling to afford quality meals, healthcare, and educational resources for their kids. They are also amongst the top groups seeking financial assistance and government support. These intense cost-of-living pressures are causing stress and anxiety, especially when it comes to their inability to provide for their family.



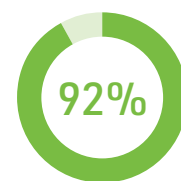
85% of single parents live in housing stress.



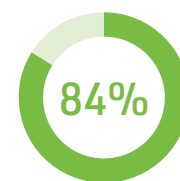
82% of single parents have no emergency savings.



88% of single parents could not make an essential payment.



92% of single parents went without at least one essential.



84% of single parents could not afford quality meals for their kids.



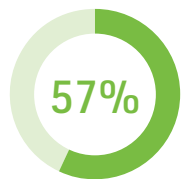
“It’s becoming difficult to maintain my tenancy, I’m thinking about moving in with family.”

Single person without dependent children, Sydney Outer South West

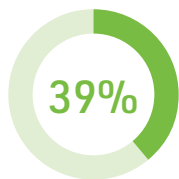
Government payments are not enough to keep people out of poverty.

The majority of households reliant on government support are living below the poverty line and continue to be disproportionately impacted by sustained increases to living costs. Households partially reliant on government income face higher pressures and higher rates of reliance on financial assistance from Buy Now Pay Later services, family and friends and community and welfare organisations.

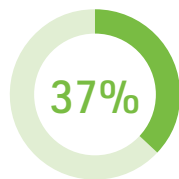
HOUSEHOLDS RELIANT ON GOVERNMENT SUPPORT:



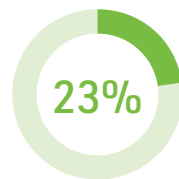
Public/
community
housing



People
with
disability



Single
parents



Carers

Cost of living pressures are impacting child health, and development outcomes.

Parents are struggling to make ends meet and making greater sacrifices for their children. They are cutting back on meals, essential healthcare, digital devices, recreational and extracurricular activities, and educational resources. These sacrifices are impacting their own mental health, as well as the mental and physical health, social skills and educational outcomes of their children. Child and family services report that they are seeing more families, and that families are facing more severe disadvantage.



of households
sacrificed
spending on
their children.



of households
sacrificed health
and wellbeing
essentials.



households
are delaying
early childhood
education.



of people
experiencing
homelessness
were households
with children.



of parents
cannot afford
educational
resources.



We are unable to do a lot of recreational activities we used to be able to do. I am more stressed about money which makes it more difficult to parent my children"

Single parent with dependent children, Sydney Parramatta

First Nations households continue to be disproportionately impacted.

Four out of five (79%) First Nations households reported housing as their number one pressure, a significantly higher rate than non-First Nations households. One in five experienced homelessness, three times higher than non-First Nations households (6%).

They are also under greater financial pressure, with far higher rates of seeking financial assistance, going without health and wellbeing essentials, prescribed medication or healthcare, and essential hygiene items.

	First Nations	Non-First Nations	'The Gap'
HAD GONE WITHOUT...			
Health and wellbeing essentials at least once	9/10	7/10	26% ↑
Prescribed medication or healthcare	7/10	5/10	43% ↑
Essential hygiene items	6/10	4/10	66% ↑
Personal care services	9/10	7/10	29% ↑
Had sought at least one form of financial assistance	9/10	7/10	32% ↑

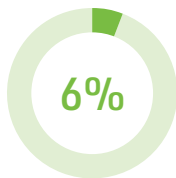
People living in regional NSW are experiencing deeper levels of hardship.

People living in regional NSW are making larger sacrifices to get by. They are more likely to go without health and wellbeing essentials, as well as personal care services. They are far less likely to have emergency funds put aside, and more likely to rely on government support for income. They are also feeling more pressure on groceries and travel costs.

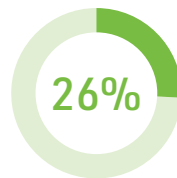


The rental crisis is worsening, pushing more renters into financial hardship.

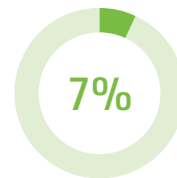
Rental increases and terminations are forcing more people to endure the cost of moving homes, relocate homes, move in with family and friends, or make greater sacrifices to health and wellbeing essentials.



6% increase in renters in housing stress from 2022 to 2023/2024



One quarter (26%) of renters moved house due to cost.



7% increase in renters seeking financial assistance between 2023 and 2024.

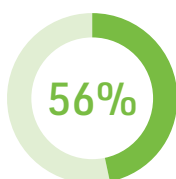


"It's becoming difficult to maintain my tenancy, I'm thinking about moving in with family."

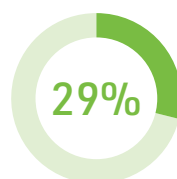
Single person without dependent children, Sydney Outer South West

Food insecurity is growing.

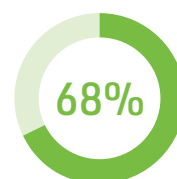
In the face of rising grocery costs, households are struggling to afford healthy food, forcing them to reduce meal quality or skip them entirely. These sacrifices have severe impacts on health and worsen existing health inequalities experienced by disadvantaged groups. Regional areas are particularly feeling the brunt of this.



56% of respondents ranked groceries as a top 3 expenditure.



29% increase in the number of households going without a meal since 2022.



68% of households with children are reducing meals. 46% skipped at least one meal.



"Our groceries have gone up massively - So just the basics have gone up"

Couple with dependent children, Riverina

Summary of Recommendations

To provide urgent and significant support to those doing it toughest, NCOSS recommends:

1

Reduce poverty and its impacts:

- a) Lift Commonwealth income support (Jobseeker, Youth Allowance and Parenting Payments).
 - b) Introduce universal access to early childhood education.
 - c) Abolish the Activity Test on the Commonwealth Child Care Subsidy.
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2

Provide affordable, safe and healthy homes:

- a) Increase the rate of Commonwealth Rent Assistance.
 - b) Ensure 10% of all NSW housing is social and affordable.
 - c) Make NSW rental increases fair and reasonable
 - i. Urgently implement no grounds evictions for all lease types
 - ii. Legislate an end to rental bidding
 - iii Expedite the implementation of the NSW portable bonds scheme.
 - d) Properly fund the Tenants Advice and Advocacy Services to meet community need.
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3

Eliminate food insecurity:

- a) Implement a universal school food program in NSW.
 - b) Provide adequate funding for NSW emergency food relief services to meet community need.
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4

Increase availability, awareness and participation of cost-of-living supports:

- a) Promote uptake of additional cost-of-living supports through targeted public awareness campaigns.
 - b) Simplify processes for accessing NSW cost of living rebates.
 - c) Release the EAPA review report and commit to implementing the recommendations.
 - d) Expand public transport concessions to better support people on low incomes.
 - e) Improve bus networks in regional, rural and remote communities.
 - f) Establish local community hubs in regional and remote communities to enhance access for these communities and provide targeted support. Enhance early intervention services such as tenancy advisory services, family support, financial counselling and community-based mental health supports to meet actual community need.
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