

Barely hanging on: Cost-of-Living Crisis in NSW 2023

Neha Shah
Presentation to the NGO Research Forum
24 August 2023



ncoss
NSW Council of Social Service

Impact of the Crisis

The rent's going up, but my wage hasn't gone up, government assistance hasn't gone up and I have got to keep a roof over mine and my kids' heads... I live cent to cent, right down to my last 5 cents... I don't think [the government] really understand how hard it is... not just for single parents, but for people on dual incomes. Unless you have lived it, you don't know the struggle."

Kim, 25-34, Central Coast

Methodology

15-minute **online survey**

1,134 NSW residents identified as being low income or below the poverty line

Interviews and focus groups

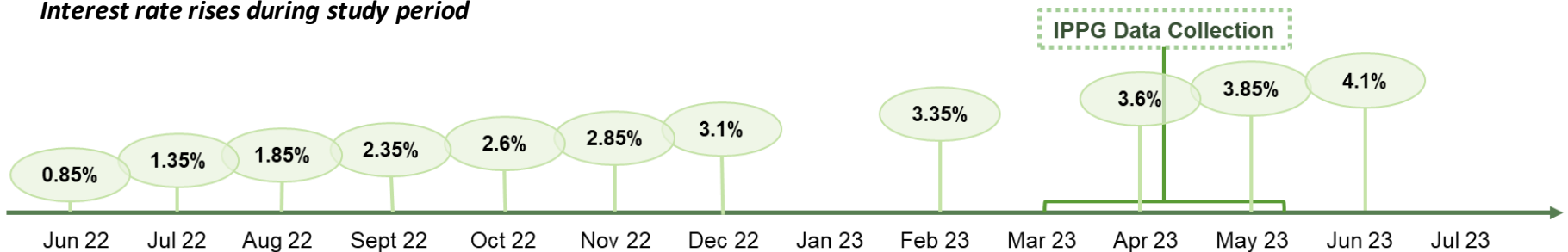
23 participants

- **CALD focus:**
 - Surveys were **translated into Vietnamese and Arabic.**
 - Arabic speaking focus group
- **Stratified sampling method** – based on ABS data, to ensure the sample was both geographically and demographically representative across the two income groups.
- **Income threshold** based on **equivalised** NSW median household weekly income **after tax and housing.**

Limitations

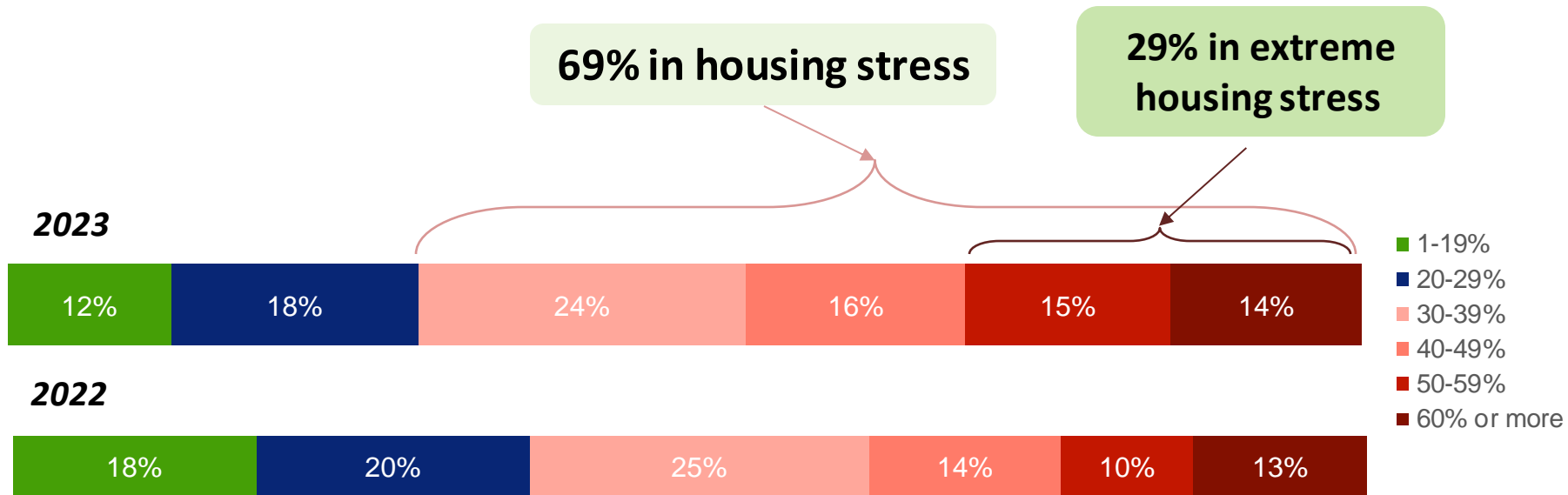
- **Online-only survey format** may have made it more difficult for some groups to engage.
- Survey conducted in **English, Vietnamese and Arabic**.
- Sample size of individual language/cultural groups not large enough to analyse.
- **Some 2022 v. 2023 comparisons not possible** due to wording changes, introduction of new questions and new categorisations
- **Additional interest rate increases** during and since the closure of data collection.

Interest rate rises during study period



Housing – affordability

Proportion of income spent on housing



- Almost half (**47%**) of households below the poverty line are in **extreme housing stress**, compared to 11% of low-income households.
- **1 in 5** had been unable to pay their housing costs on time at least once in the past 12 months.

Housing – affordability

- **Private renters most significantly impacted:**
 - 73% ('22) → 79% ('23) in housing stress
 - 27% ('22) → 33% ('23) in *extreme* housing stress
- **Just under two-thirds (66%) of mortgage payers are in housing stress.**
- **Single adult households struggling** – majority of single parents (81%) and adults living alone (76%) in housing stress.
- **33% of households in Greater Sydney in *extreme* housing stress** – compared to less than one quarter (23%) in regional NSW.

Changes to employment

58%

of employees had **made at least one change to their employment**

24%

of those unsuccessful in seeking a pay rise successfully gained a new job.

80%

of those who had received a **pay rise** stated that it **did not fully cover the increases to their costs of living.**

- **Men more likely to have sought (42% v. 31%) and gained (55% v. 45%) a pay rise**
- **Workers in Regional NSW were significantly less likely to have received a pay rise (4% v. 14% in SWS, and 11% in W.S and the rest of Sydney).**
- **CALD employees more likely to seek a new job (54% v. 40% non-CALD). 29% indicated they were unsuccessful, compared to 17% of non-CALD.**
- **Older people were significantly less likely to have sought changes to their employment – focus group and interview participants expressed concerns over ageism.**

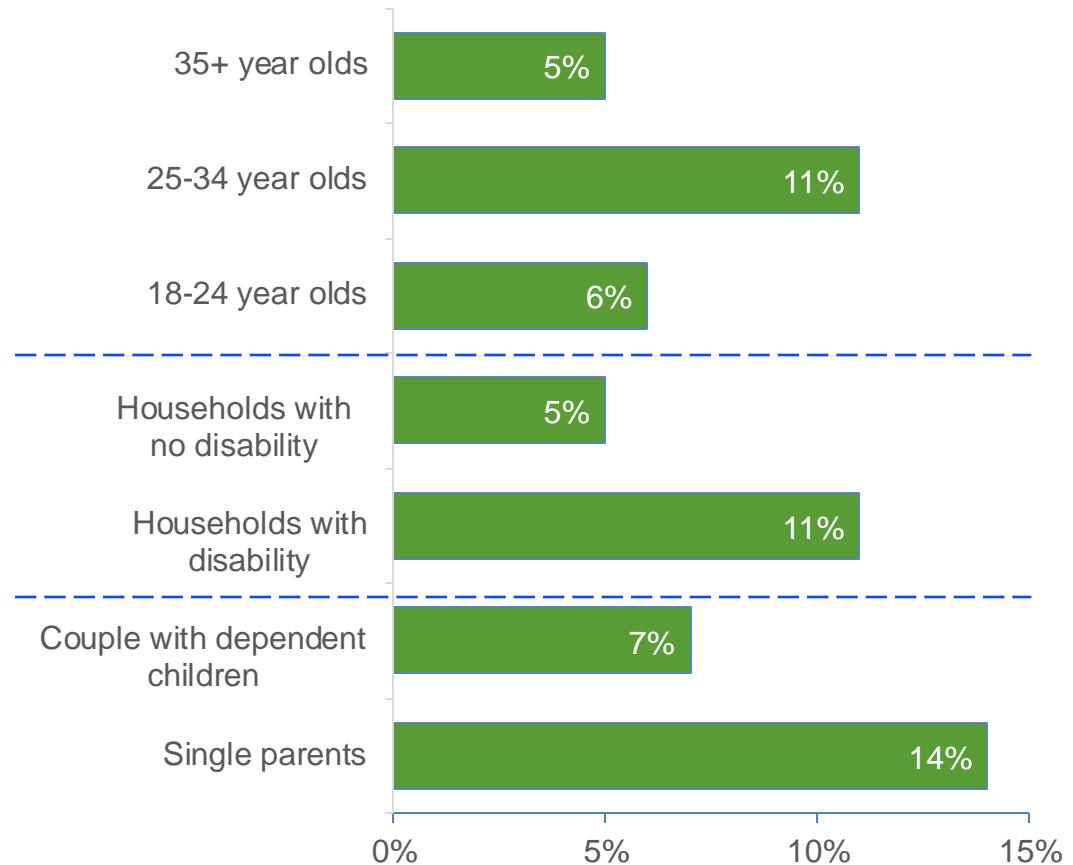
Accessing support

Common access challenges:

- Eligibility – particularly migrants
- Difficulty finding programs
- Administration issues
- Burden of proof – particularly for those seeking disability support.

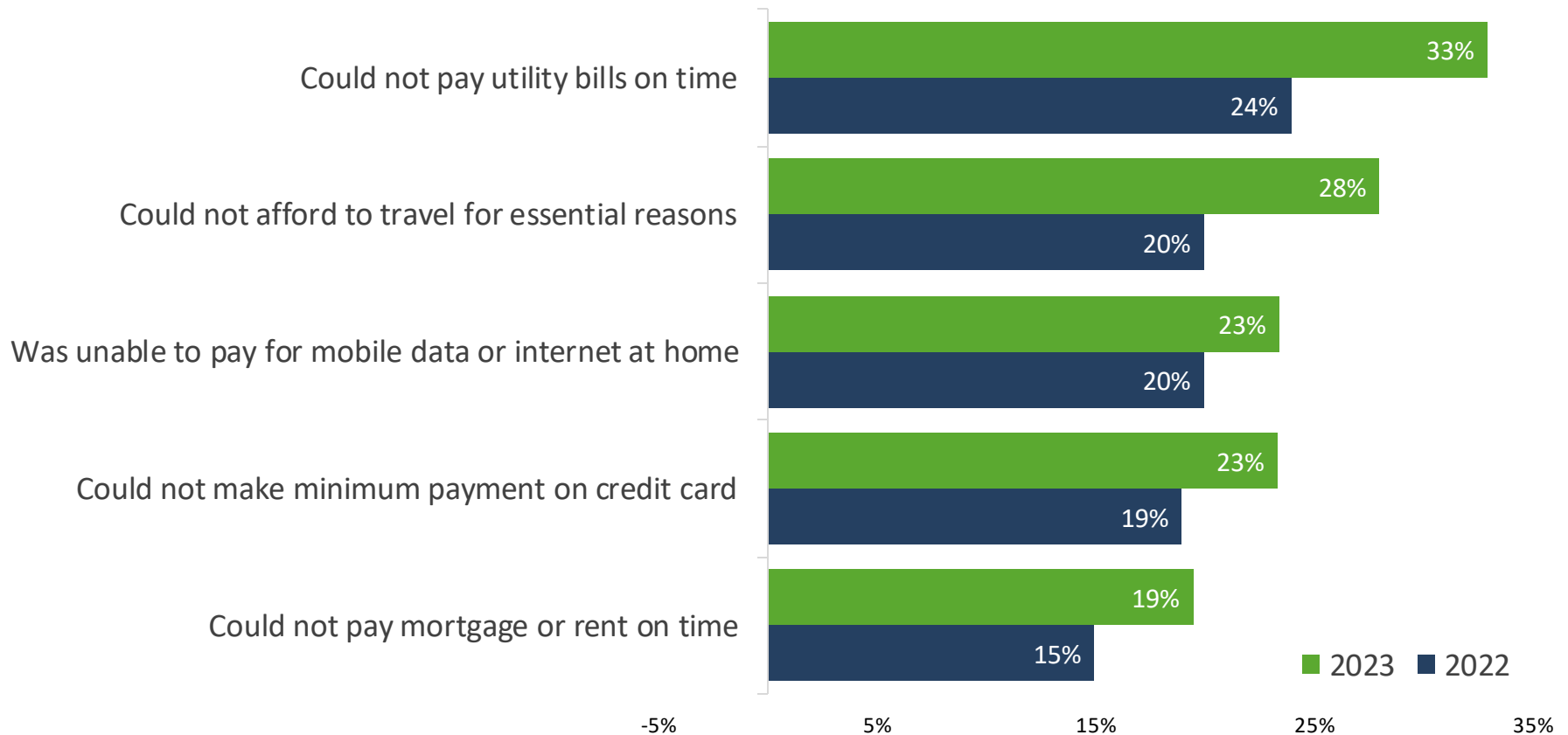
Many stated that **government support payments are no longer sufficient to cover the costs of living.**

Reported difficulty accessing government supports



Financial hardship – essential payments

Impact of financial pressure in the past 12 months by year



Financial hardship – essential payments

Disproportionately impacted:

- **First Nations** people (74%)
- **Single parents** (77%)
- **Households with disability** (59%)
- **Carers** (64%)
- **Under 35s** (58%)
- **Regional NSW** (54%)

“I’ve gone without eating so I can buy kids school lunches”

CALD single parent, 35-44, Capital Region

“I am in a situation now where I cannot afford to live purely on the pension. I can’t be unwell, but I am unwell – which is why I am on the pension...there is no way I can afford to live anymore without working... I know that politicians look at it and think ‘yeah, you can live on that’ – but what happens when something big goes wrong? There’s no ability to save money.”

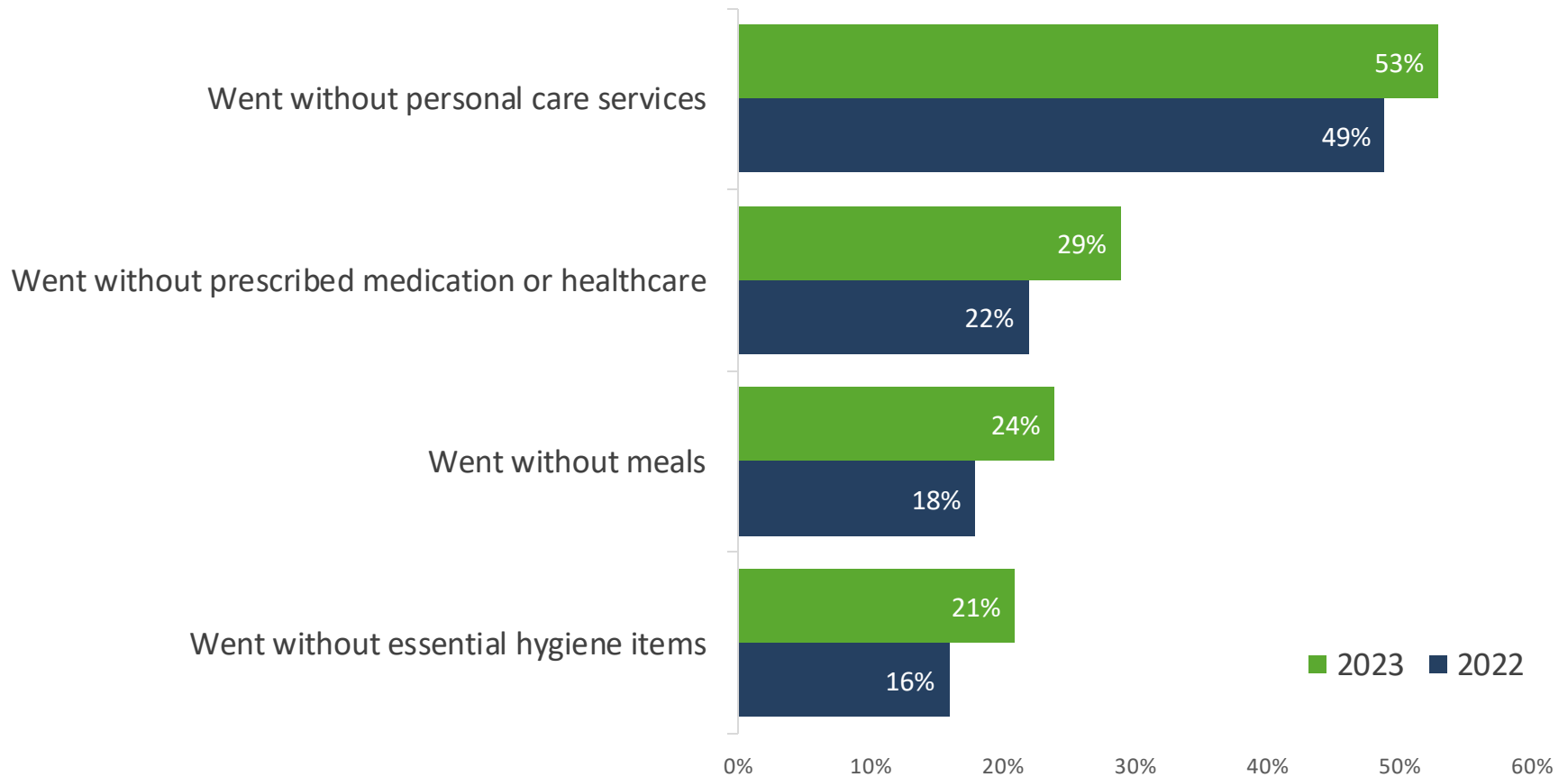
Single person, 45 - 54, Newcastle – Lake Macquarie

“Everything is too expensive, living day to day not knowing if you can afford what you are doing. It’s horrible and unstable.”

Young person in a share house, 18-24, Murray

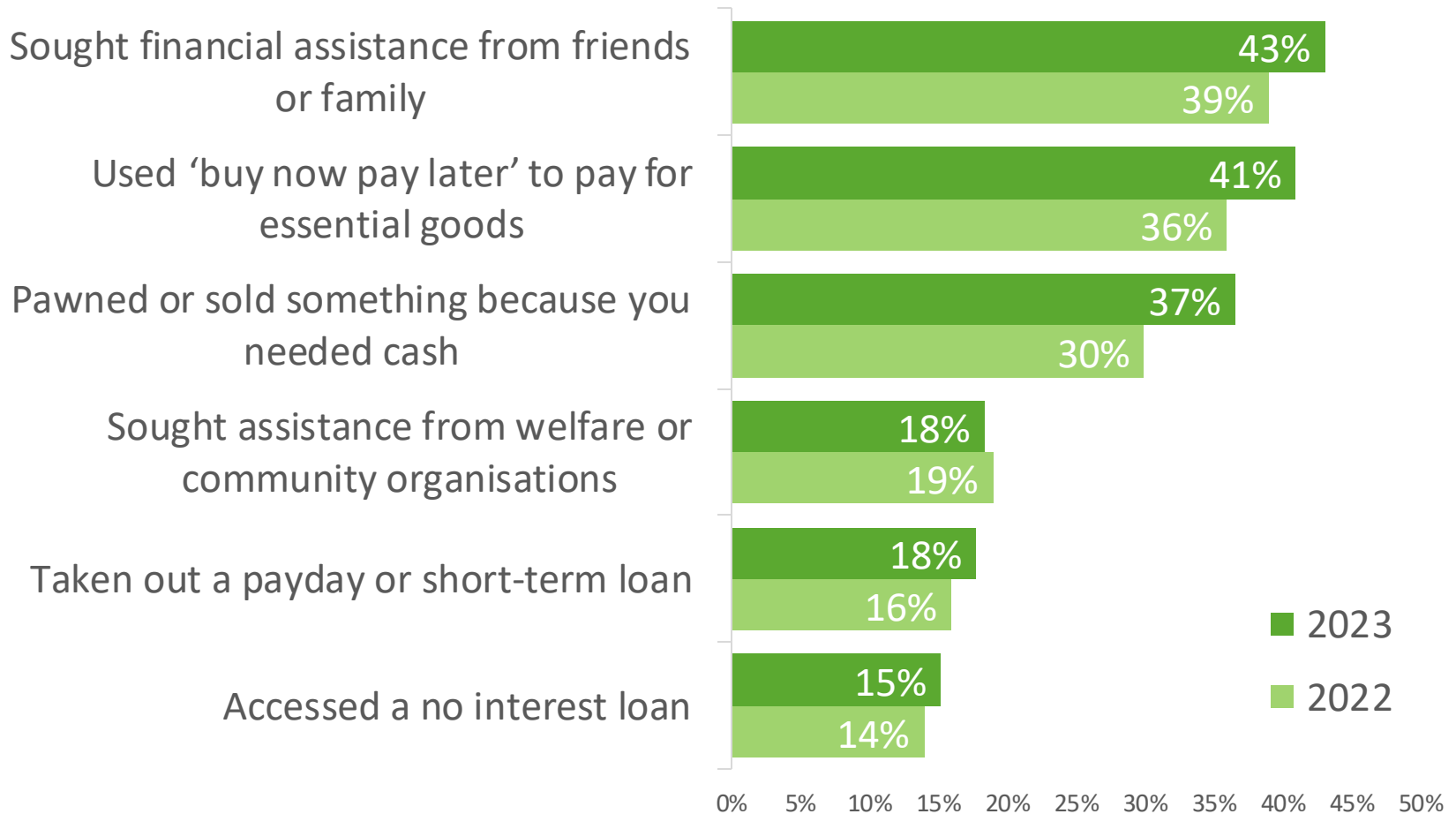
Financial hardship – going without

Impact of financial pressure in the past 12 months by year



Financial hardship – seeking assistance

Financial Assistance sought in the last 12 months

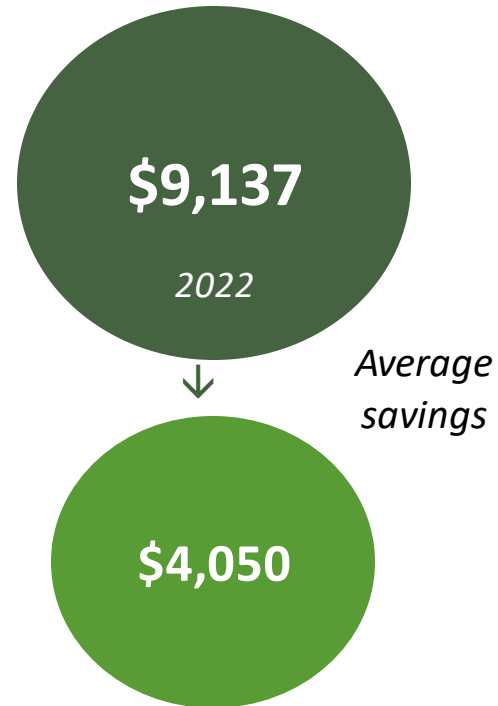


Financial hardship – emergency savings

No funds set aside more common among:

- **Single parents** (78%)
- **Households with disability** (73%) or with a **carer** (73%)
- **55 – 64-year-olds** (80%)
- **Renters** (71%)
- **Women** (68%)

Almost two-thirds (64%) had no money set aside for emergencies.



Policy priorities

1. Respond to the housing crisis through social housing investment and improved conditions and protections for renters.
2. Alleviate the extreme impacts for the crisis through targeted support measures.
3. Strengthen the foundations of the social services sector, enhance capacity in critical areas, and make it easier for struggling families to find support and avert crises.

NCOSS contact

Contact:

Neha Shah – Policy Lead

neha@ncoss.org.au