

Media Release

Friday, 6 September 2024

CAPITAL REGION FAMILIES BUCKLE UNDER COST-OF-LIVING PRESSURES: NEW RESEARCH

Nearly half of low-income households in the Capital region went without prescribed medication or healthcare due to cost-of-living pressures according to a new report by peak social service body NCOSS.

The report, *Impossible Choices: Decisions NSW communities shouldn't have to make*, was commissioned by NCOSS and undertaken by the University of Technology Sydney this year. It surveyed a representative sample of more than 1,080 residents living on low incomes and below the poverty line in NSW.

The research revealed the following across the Capital region:

- 64% had no money set aside for emergencies
- 48% used buy-now-pay-later to pay for essential goods (e.g. food, transport)
- 48% went without prescribed medication or healthcare because they were short of money
- 39% went without meals because they were short of money

NCOSS CEO Cara Varian said the research had demonstrated the extreme impacts being felt by households in the Capital region on low incomes and below the poverty line.

“Capital region families should not be forced to choose between paying for food or medication,” Ms Varian said.

“The basics of life should not be considered a luxury that most low-income families cannot afford.

“These impossible choices make every day a challenge and, most disturbingly, we are setting up intergenerational disadvantage. We must do better.”

The research revealed the following across the state of NSW:

- Single parents were the hardest hit cohort, with nine out of ten single parents going without essentials over the past 12 months.
- NSW children are also bearing the brunt of the growing cost of living pressures, with parents cutting back spending on meals, essential healthcare, and education resources.
- Three in four households (74%) sacrificed spending on their children.
- Half of households (52%) sacrificed spending on health and wellbeing essentials.
- One in five delayed early childhood education.

“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,” Ms Varian said.

“Most people on low incomes in this survey were working, many taking on additional jobs and hours but still going backwards. Even those who received a pay rise could not match the increase to their costs of living.”

Ms Varian said the peak body had a set of recommendations for the NSW and Commonwealth Governments, developed in consultation with NCOSS members.

“These are complex issues, but governments have the power to change it,” she said.

“Implementing our recommendations would significantly ease the crushing pressure that is pushing people to breaking point.”

The recommendations include:

- Lifting Commonwealth income support for Jobseeker, Youth Allowance and Parenting Payments.
- Increasing the rate of Commonwealth Rent Assistance.
- Providing universal early childcare.
- Ensuring 10 % of all NSW housing is social and affordable. Making NSW rental increases fair and reasonable; urgently implement no grounds evictions for all lease types; and legislate rental bidding.
- Implementing a universal school food program in NSW.
- Providing adequate funding for NSW emergency food relief services.
- Expanding public transport concessions to better support people on low incomes.
- Improving bus networks in regional, rural and remote communities.

For more information, and to read the full report, visit ncoss.org.au

Definitions:

- **Below the poverty line:** defined as households living on less than 50% of the median NSW household income after tax and housing costs (below \$560 per week).
- **Low-income households:** defined as households living on 50 – 80% of the median NSW household income after tax and housing costs (\$560 - \$896 per week).
- **About the survey:** the research, undertaken by the University of Technology’s Institute of Public Policy and Governance, involved stratified random sampling to engage a statistically representative sample of 1,086 NSW residents, living on low incomes and below the poverty line, through an online survey. 23 people also participated in focus groups and interviews.

Media contact: Billy Briggs | 0474 697 235