



COST OF LIVING IN NSW

Austerity hits home

COST OF LIVING IN NSW

Austerity hits home

**Results from the 2019 NCOSS Cost of
Living in NSW (CoLiN) Survey**



ABOUT NCOSS

NSW Council of Social Service (NCOSS) is the peak body for health and community services in NSW. NCOSS works to progress social justice and shapes positive change toward a NSW free from inequality and disadvantage. We are an independent voice advocating for the wellbeing of NSW communities. At NCOSS, we believe that a diverse, well-resourced and knowledgeable social service sector is fundamental to reducing economic and social inequality.

Published in April 2020

© NSW Council of Social Service (NCOSS)

This publication is copyrighted. If you represent a non-profit group, we permit you to reproduce part of the publication as long as you retain its original meaning and properly credit the NSW Council of Social Service. If, as an individual or a for-profit group, you wish to reproduce material from the publication, please obtain the publisher's permission.

NCOSS's contact details are as follows:

Street address: Suite 3, 52 William Street, Woolloomooloo NSW 2011

Phone: (02) 9211 2599

E-mail: info@ncoss.org.au

Website: www.ncoss.org.au

Facebook: on.fb.me/ncoss

Twitter: [@_ncoss](https://twitter.com/_ncoss)

About NCOSS	3
CEO's message	6
Executive Summary	8
Key findings	10
About the Cost of Living in NSW 2019 survey	13
About the survey respondents	14
Demographics	14
Individual demographics	14
Household demographics	14
Income and employment demographics	17
Government-support payments	17
Housing demographics	18
Survey results	21
Priorities for household spending	21
Housing costs	22
Financial stress and hardship	25
Housing tenure	27
Gender	28
Age	30
Location	31
Financial Hardship – Impact on Social Activities	32
Conclusion	37
APPENDIX A	39
Methodology	39
Data collection and analysis	40
Considerations and limitations	40
APPENDIX B	41

CEO'S MESSAGE

'Cost of Living in NSW - Austerity hits home'- provides the results of a survey of 730 NSW residents, undertaken in May 2019.

At the time, drought, low wage growth and weak consumer spending were impacting the NSW economy. Since then, we have faced the worst natural disasters experienced in decades and now the coronavirus pandemic.

After 28 years of uninterrupted economic growth, it is likely that we will enter a recession - which will see a dramatic increase in the unemployment rate, households on the breadline and communities under significant economic stress. Already vulnerable households will be most heavily impacted.

This makes the findings of our survey particularly prescient. They provide a window into some of the challenges that more households will face, the difficult choices they will have to make and the day-to-day coping mechanisms that will come into play.

The survey results show that it is not just people who are unemployed or on other forms of government income support who are struggling to get by. The majority of respondents were working, and many were in households classified as low-to-middle income. However, there was a prevalence of part-time, casual and contract jobs - precarious employment that is more at risk during economic downturns, as we are already seeing with the coronavirus pandemic.

The unsurprising central finding of the survey is that housing costs are the 'devouring monster' of the weekly budget. And once food and utilities are factored in, there is very little left for anything else. Spending on items like clothing, recreation or culture and personal care is not the priority. Concerningly, health care is also not a high priority.



The strategies people use to get by are reminiscent of another era – reducing energy use, pawning personal possessions, going without meals and seeking assistance from welfare organisations.

Austerity can be defined as ‘the condition of living without unnecessary things and without comfort, with limited money or goods...’ (Cambridge dictionary). The challenges ahead mean that as more people are pushed into disadvantage, the segments of the population experiencing hardship and deploying austerity measures will both broaden and deepen.

The survey results highlight that a worrying by-product of financial hardship is social isolation, with those in regional areas most susceptible. Worsening economic conditions, along with the need for social distancing and self-isolation, will exacerbate this problem. Not connecting with family and friends via the internet and limiting the use of telecommunication services were also concerning results, most likely to impact low income households. For particular groups - people who are elderly, have a disability, are in poor physical health or dealing with mental health issues - this could be life-threatening.

While crises create challenges, they can also bring out the best in us. Now is the time for a compassionate response that sees government, the non-government sector, business and communities work together - to strengthen the safety net, provide opportunities for vulnerable households, and create inclusive, equitable and thriving communities.



Joanna Quilty

Chief Executive Officer



EXECUTIVE SUMMARY

This report outlines the findings of an online survey conducted in May 2019 and completed by 730 people across NSW. The survey aimed to provide a cost of living snapshot by collecting information on household budget priorities, expenditure on essential goods and services and experiences of financial stress and hardship.

In contrast to previous years, the 2019 survey sample was expanded beyond people in households on the lowest incomes to include those on incomes up to \$82,056. Although a departure from the previous focus exclusively on people living in poverty, expanding the sample provided an opportunity to collect information on the cost of living pressures for low- to middle-income households. The results indicate that both income groups have much in common; particularly concerning household budget priorities and housing costs.

Some key themes and issues emerged from the survey results.

Housing costs were reported as the top budget priority for survey respondents, and 38% reported spending more than 30% of household income on housing. Consistent with previous surveys, food (19%) and utilities (18%) were the other top priorities for household expenditure. Private renters and those paying a mortgage reported paying higher percentages of household income on housing costs.

Experiences of financial hardship were not restricted to low-income households. Over a quarter of all respondents (26%) reported having been unable to pay utility bills on time in the last 12 months. Just under 20% reported not making rent or mortgage payments on time with 20% reporting late payments on credit cards.

People renting, either privately or in public or community housing, reported higher rates of financial hardship. Financial assistance was sought from a range of sources, including friends and family and community organisations. There were also reports of 'going without'.

People in low-income households were more likely to report being unable to heat or cool their homes in the last 12 months (31%) than those living in low- to middle-income households (26%). People on lower incomes were also more likely to report going without meals (25%), stopping use of telecommunication services because of cost (25%), and seeking financial assistance, either from family and friends (35%) or from welfare or community organisations (23%).

Only 28% of survey respondents reported government support payments as a sole source of income. The majority of our survey respondents were working, including those receiving some government support payments, although more were in part-time, casual or contract work than working full-time. Many of those in paid employment reported experiences of not paying bills on time for essential services and goods and of seeking financial assistance.

The survey results also suggest that financial hardship can contribute to social isolation. Those on low incomes and living outside metropolitan Sydney were the most likely to report that they had not gone out with or visited/been visited by friends or family in the previous month.

The data presented in this report provides information about our survey respondents and their household budget priorities. The survey results also provide insight into the ways that people respond to financial pressure and how they make ends meet.

KEY FINDINGS

■ Housing was the top budget priority for households. More than a third (38%) of all respondents reported paying over one-third of their income in housing costs (38%), and 20% reported paying over 40% of their income on housing.

■ Respondents in households with children reported the highest rates of housing stress. 45% of couples with dependent children reported paying more than 30% of income on housing. Over 20% were paying more than 40%.

■ Although only 7% of the overall sample, 68% of single parents reported paying more than 30% of their income on housing. Almost half (48%) were paying more than 40%.

■ Housing stress was reported by private renters and people paying off a mortgage. For both groups, 57% reported paying more than 30% of their income on housing costs, and a sizable proportion (31%) were paying more than 40%.

■ After housing, paying for utilities and food were the next highest budget priorities. Much lower priority was given, by both low-income and low-to middle-income respondents, to spending on clothing and footwear, household furnishings, recreational and cultural activities, and personal care.

■ The majority of our survey respondents were working and affordability of housing and cost of living pressures were not restricted to people on the lowest incomes.

■ Many respondents reported experiences of financial stress or hardship over the previous 12 months. Over a quarter (26%) reported having been unable to pay utility bills on time. Just under one fifth (19%) reported being unable to make mortgage or rent payments on time, and 21% reported not making minimum payments on credit card bills.

■ Respondents who were in public or community housing reported higher rates of financial hardship and were more likely to take out a short term/ payday or no interest loan (NIL) and to seek assistance from welfare organisations and utility providers.

- People reported managing living costs by seeking assistance, most commonly from friends and family (31%), and through reducing the use of energy (to heat and cool their home) (31%), selling items for cash (25%) and going without meals (25%).
- Over one quarter of private renters, those in public/community housing or paying a mortgage reported that they had had to stop using at least one telecommunications service in the previous 12 months.
- Males on low- to middle-incomes were most likely to report having pawned or sold something (29%) for cash, with males on lower incomes the most likely to report going without meals (28%) and seeking assistance from welfare and community organisations (26%).
- Respondents aged 65 and over were least likely to report they had experienced financial hardship in the last 12 months. However, 13% reported that they had been unable to afford to heat or cool their home, as did one-third of respondents aged under 65.
- Almost half (45%) of respondents aged under 35 years had sought financial assistance from family and friends in the past year, and over one third (36%) had pawned or sold goods because they needed cash.
- 22% of respondents overall reported seeking assistance from an electricity, internet, gas or phone provider to pay the bill, and only 20% reported having used Service NSW to access rebates and discounts.
- 35% of people outside Sydney had not had outings nor met up with friends to do activities in the past month compared to 15% of Sydney residents. 19% had not had contact via the internet (10% Sydney) and 16% had not visited or had a visit from friends and family (12% in Sydney).
- While social contact with family and friends via the internet was common, 11% of respondents reported no such contact over the previous month.



ABOUT THE COST OF LIVING IN NSW 2019 SURVEY

The Cost of Living 2019 survey was conducted by the University of Technology Sydney (UTS), Institute for Public Policy and Governance (IPPG) on behalf of NCOSS in May 2019. The online survey was designed to provide a 'Cost of Living' snapshot by collecting information from people in low, and low- to middle-income households in NSW on their household-budget priorities and expenditure on essential goods and services.

Further information on the methodology is included in Appendix A.

Seven hundred and thirty people living throughout NSW completed the survey. The total sample was segmented by 'low-income' (n=402) and 'low- to middle-income' (n=328) respondents by UTS, IPPG, using the total household income after tax and household structure as key demographics to divide the sample. Respondents were placed in the relevant segment according to their weekly income and household structure.

The low-income segment primarily comprised households that had an income below the '60% of median income' poverty line, before housing costs.¹ The low- to middle-income segment comprised households that had an annual gross income of up to \$82,056, which translates to \$1,075 per week, after tax.

Table 1 below shows the sample breakdown and household structure limits for each salary bracket.

TABLE 1 – Income segments - ■ = Low income (402) ■ = Middle income (328)

Income (after tax)/ household structure	Single person	Single person with dependent children	Couple without dependent children	Couple with dependent child	Other household/ prefer not to answer	Total
\$0 – \$427 per week	66	11	37	16	22	152
\$428 – \$512 per week	55	8	21	8	5	97
\$512 – \$639 per week	25	5	27	14	5	76
\$640 – \$682 per week	11	6	16	10	7	50
\$683 – \$767 per week	16	9	34	15	5	79
\$768 – \$818 per week	16	5	30	16	4	71
\$819 – \$894 per week	19	5	24	16	1	65
\$895 – \$1,075 per week	22	3	53	52	10	140
Total	230	52	242	147	59	730

¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS, p.12

ABOUT THE SURVEY RESPONDENTS

DEMOGRAPHICS

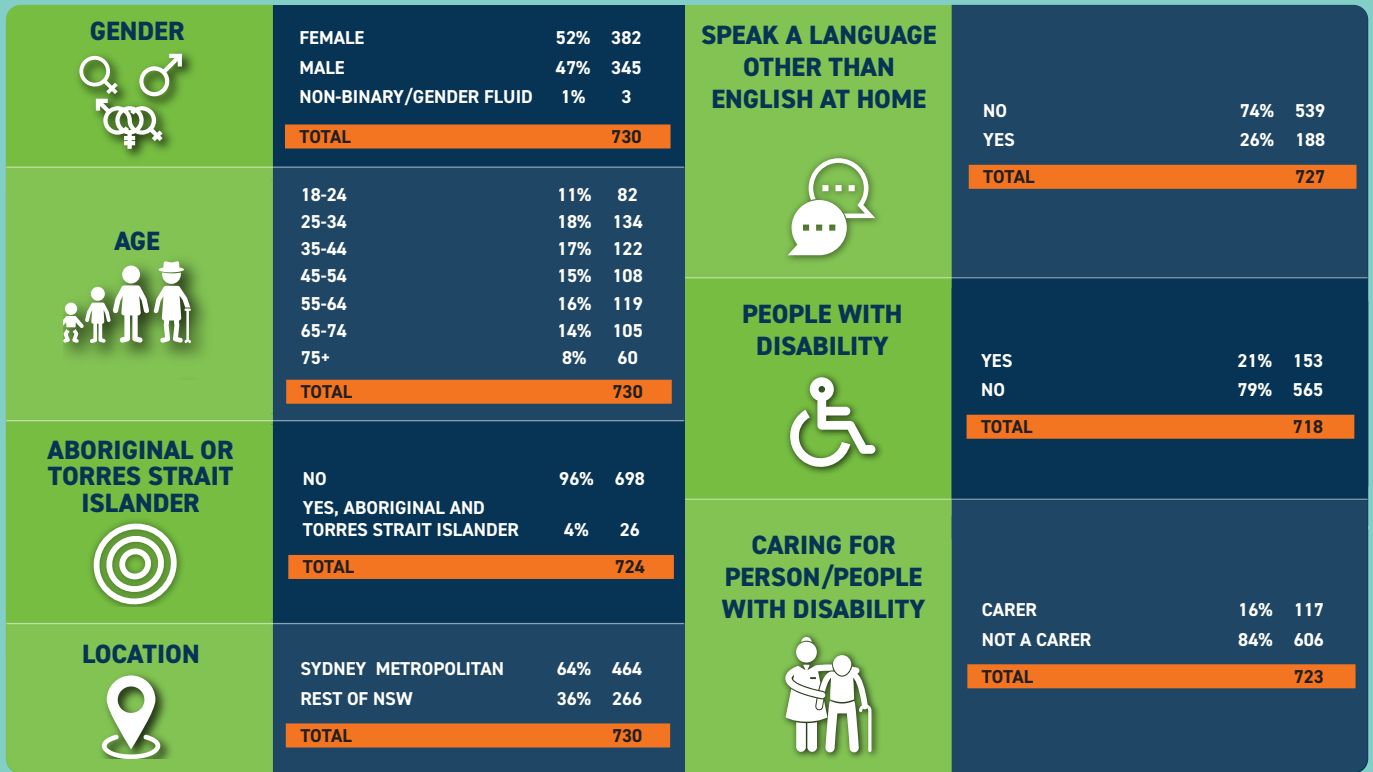


FIGURE 1 – Demographics

HOUSEHOLD DEMOGRAPHICS

Seven hundred thirty people participated in the survey living in a variety of household types.

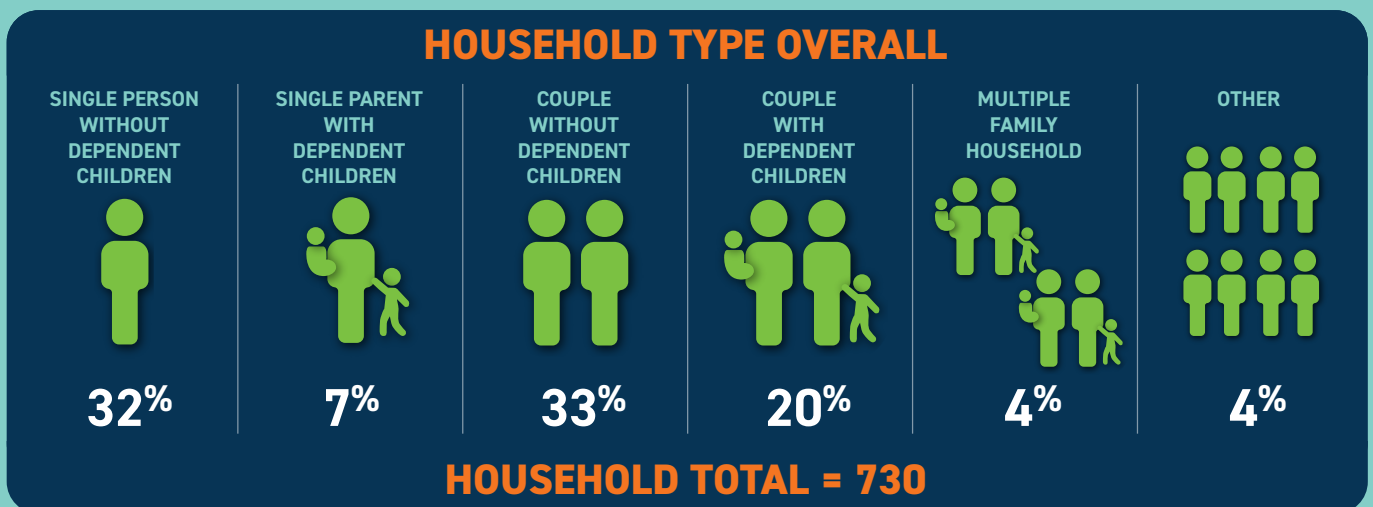


FIGURE 2 – Household type

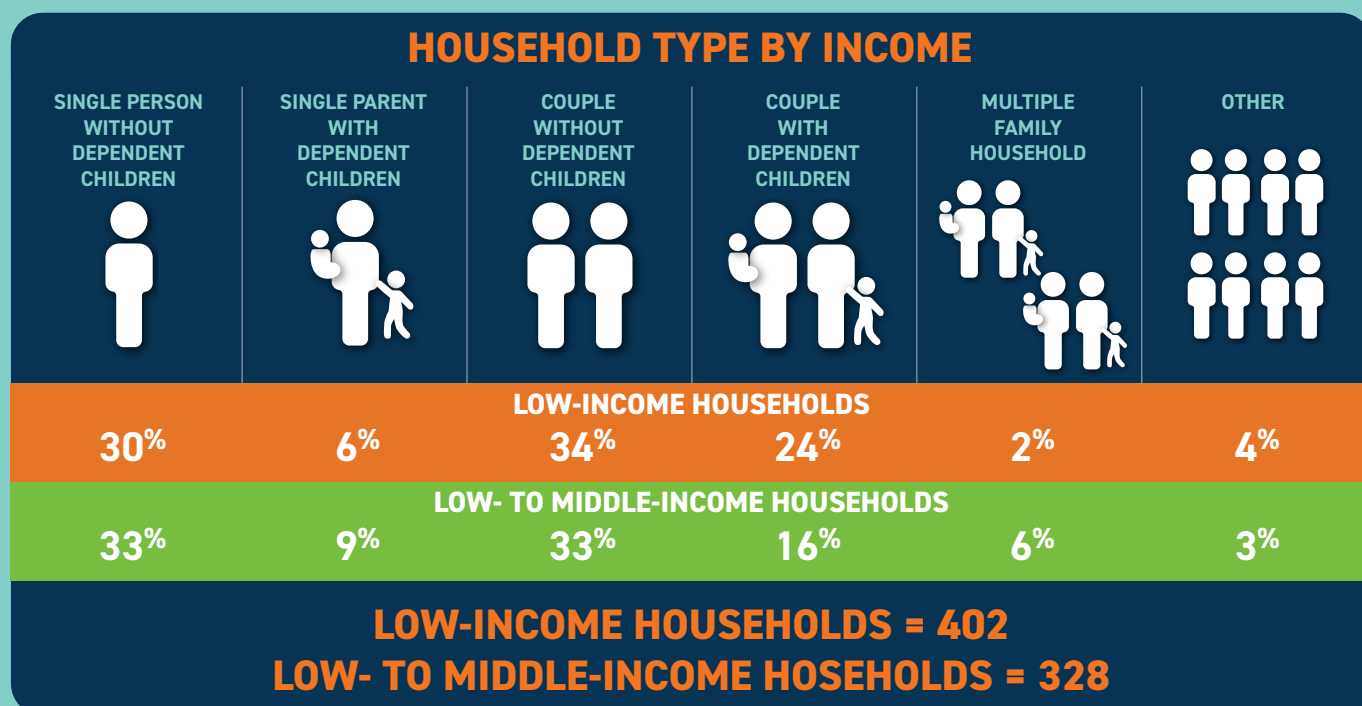


FIGURE 3 – Household type by income segment

HOW DOES THE SAMPLE COMPARE TO THE NSW POPULATION?

The sample was broadly representative of the NSW population for age, gender and location, Aboriginal identity, and speaking a language other than English at home.²

However, our sample differed from the NSW population with regard to household structure as there were:

- fewer couple households with dependent children (20%) compared with the NSW population (45.7%)
- less single-parent households (7%) compared with the NSW population (16%)
- more single-person households (32%) compared with the NSW population (25%)
- more carers (16%) compared with the NSW population (11.6%)

² Australian Bureau of Statistics 2016 Census QuickStats, https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/1



INCOME AND EMPLOYMENT DEMOGRAPHICS

TABLE 2 - Main source of household income by income group based on income and housing structure

MAIN SOURCE INCOME BY INCOME GROUP BASED ON INCOME AND HOUSING STRUCTURE	LOW-INCOME HOUSEHOLD	LOW- TO MIDDLE-INCOME HOUSEHOLD	TOTAL
Government support payments	37%	17%	28%
Full-time work	15%	35%	24%
Part-time work	17%	15%	16%
Combination of government payments AND full-time work	3%	3%	3%
Combination of government payments AND part-time work	5%	8%	6%
Combination of government payments AND casual or contract	3%	2%	3%
Regular casual or contract work	4%	5%	4%
Irregular casual or contract work	6%	3%	5%
Other ³	11%	13%	12%

- The majority of survey participants were working.
- Respondents in low- to middle-income households had higher rates of full-time employment (35%) with rates for part-time work and regular contract work being similar for both groups. However, respondents in low-income households reported higher rates of irregular casual or contract work.
- 40% were working either full (24%) or part-time (16%).
- Just under 10% were working in either regular (4%) or irregular (5%) casual or contract work.
- Another 10% were relying on a combination of government income support and work, either full-time, part-time or casual.

GOVERNMENT-SUPPORT PAYMENTS

- Thirty-eight per cent of respondents reported receiving government support payments, including those receiving payments in addition to working.
- Those aged 65-74 years (62%), 75 or more years (69%), living outside metropolitan areas (45%), with a disability (51%), carers (37%), earning between \$428 and \$639 per week (43%) and in social housing (52%) were most likely to receive government support payments as their main source of income.
- The most frequently reported payment was the Age Pension (20%), followed by the Disability Support Pension (9%) and the Parenting Payment (8%).
- The proportion of respondents receiving a single person age pension was higher in non-metropolitan areas (18%) than overall (11%).
- Respondents in low-income households reported higher reliance on government support payments (37%) as the main source of income than low- to middle-income households (17%).

³ People who identified other sources of income (12%) nominated superannuation savings, rental income or other investments.

TABLE 3 - Government support payments⁴

GOVERNMENT SUPPORT PAYMENTS	TOTAL
Age Pension (single person)	11%
Age Pension (couple)	9%
Disability Support Pension	9%
Parenting Payment	8%
Carer Allowance	5%
Newstart Allowance	5%
Youth Allowance	2%
Service Pension	1%
Austudy/ Abstudy	1%
Other	3%
None of above	49%
Prefer not to answer	3%

HOUSING TENURE

Fifty per cent of respondents reported owning their home, either with (19%) or without a mortgage (31%). This is lower than homeownership for the overall NSW population (64%).⁵ There were also more people who reported living in private rental housing (34%) than the average NSW population (31.8%) and more people living in social housing (11% compared to around 4% of the NSW population).⁶

TABLE 4 - Housing tenure, income segments

HOUSING	LOW-INCOME	LOW- TO MIDDLE-INCOME	TOTAL
Own my home outright (no mortgage)	30%	32%	31%
Own my home and paying a mortgage	19%	18%	19%
Renter (private rental market)	30%	39%	34%
Renter (public or community housing)	13%	7%	11%
Live rent free / life tenure	4%	3%	4%
Other	2%	1%	2%

⁴ It is recommended that the results for government support payments are interpreted with care. As we were analysing the data, it became clear that for a small group of respondents, the interpretation of 'government support payments' extended to family tax benefits and child care subsidies. This interpretation is, of course, accurate; tax benefits and subsidies are government support payments. However, as we were most interested in primary sources of income, these responses have not been included in the analysis.

⁵ Australian Bureau of Statistics 2019 4130.0 - Housing Occupancy and Costs, 2017-18, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4130.0-2017-18-Main%20Features~States%20and%20Territories-9>

⁶ Ibid.

- Renting in the private market was the most frequently reported housing tenure (34%). More low- to middle-income respondents reported living in private rental (39%) than respondents in low-income households (30%). More respondents in low-income households reporting renting in public or community housing (13%), compared to low- to middle- income households.
- Thirty-one per cent of the respondents reported owning their home outright.
- Single-person households were likely to be renting (42%) or own their home outright (28%).
- Fifty per cent of couple-only households reported owning their home outright, and 28% reported being in private rental.
- Couples with dependent children were more likely to report paying a mortgage (44%), than other household types.
- Single parents were most likely to report being in private rental (37%), followed by having a mortgage (29%) and renting in public or community housing (17%). Only 10% of single parents reported outright homeownership.
- Almost 20% of respondents reported paying a mortgage with women (22%) more likely than men (15%) to be purchasing their home.

TABLE 5 – Housing tenure, household type

HOUSEHOLD TYPE	OWN MY HOME OUTRIGHT (NO MORTGAGE)	RENTER (PRIVATE RENTAL MARKET)	OWN MY HOME AND PAYING A MORTGAGE	RENTER (PUBLIC OR COMMUNITY HOUSING)	INVOLVED IN A RENT-BUY SCHEME	LIVE RENT FREE / LIFE TENURE / OTHER
Couple with dependent children (n=141)	12%	32%	44%	9%	1%	3%
Couple without dependent children (n=240)	50%	28%	13%	8%	0%	2%
Single parent with dependent children (n=52)	10%	37%	29%	17%	0%	8%
Single person without dependent children (n=220)	28%	42%	10%	14%	0%	5%
Multiple-family household (n=28)	29%	21%	14%	4%	4%	29%
Other (n=26)	27%	38%	0%	15%	0%	19%



SURVEY RESULTS

PRIORITIES FOR HOUSEHOLD SPENDING

Consistent with previous cost of living surveys and the most recent Australian Household Expenditure Survey, housing, food and utility costs were the three top budget priorities for our survey respondents.⁷ These top three priorities were the same for low-income and low- to middle-income households. Only 8% per cent of respondents nominated medical care and health expenses in their top three budget priorities.

TABLE 6 - Budget priorities

HOUSEHOLD BUDGET ITEMS	LOW-INCOME HOUSEHOLDS	LOW- TO MIDDLE-INCOME HOUSEHOLDS	TOTAL
Housing, rent or mortgage	39%	38%	39%
Food and non-alcoholic beverages	19%	19%	19%
Utilities - electricity, water and sewerage, gas	19%	18%	18%
Medical care and health expenses	8%	9%	8%
Education	3%	3%	3%
Insurance and financial services	2%	3%	3%
Personal care - gym, hair care, personal hygiene	1%	2%	2%
Clothing and footwear	2%	1%	2%
Transport	0%	3%	1%
Telecommunication equipment and services	2%	0%	1%
Household furnishing and equipment	2%	0%	1%
Recreation and culture	1%	1%	1%
Child care	0%	1%	1%
Other	1%	1%	1%

⁷ Australian Bureau of Statistics, 6530.0: Household Expenditure Survey, Australia: Summary of Results, 2015–16, <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6530.0Main%20Features32015-16?opendocument&tabname=Summary&prodno=6530.0&issue=2015-16&num=&view=>

HOUSING COSTS

Households with high housing costs, as a proportion of household income, have less disposable income to spend on other essentials such as health, clothing and transport. Although there are different technical definitions for housing stress, for this survey households were considered to be in, or at risk of housing stress, if they reported paying over 30% of income in housing costs.^{8 9}

More than a third of respondents reported paying more than a third of their income in housing costs (38%), with 20% reported paying over 40% of their income on housing.

TABLE 7 - Housing stress

INCOME SPENT ON HOUSING	LOW-INCOME	LOW- TO MIDDLE-INCOME	TOTAL
Less than 10%	25%	27%	26%
11% to 20%	15%	16%	16%
21% to 30%	22%	18%	20%
31% to 40%	17%	20%	18%
More than 40%	21%	19%	20%

Higher rates of housing stress were reported in households with children. Forty-five per cent of couples with dependent children reported spending more than 30% of income on housing with 22% paying more than 40%. Although a small segment of the overall sample (n= 52), 68% of single parents with children reported paying more than 30% of their income on housing, with 48% of this group spending more than 40%.

TABLE 8 - Housing stress: household structure

HOUSEHOLD STRUCTURE	LESS THAN 10%	11% TO 20%	21% TO 30%	31% TO 40%	MORE THAN 40%
Single person without dependent children	22%	14%	26%	19%	18%
Single parent with dependent children	13%	4%	15%	20%	48%
Couple without dependent children	39%	16%	14%	17%	14%
Couple with dependent children	15%	17%	23%	23%	22%
Multiple-family household	25%	30%	20%	10%	15%

8 'Understanding the 30:40 indicator of housing affordability stress' Australian Housing and Urban Research Institute (Web page, 23 May 2019) <https://www.ahuri.edu.au/policy/ahuri-briefs/3040-indicator>

Australian Bureau of Statistics, 2019, 6553.0 - Survey of Income and Housing, User Guide, Australia, 2017-18 <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6553.0-2017-18-Main%20Features-Housing-4>

9 Productivity Commission 2019, Vulnerable Private Renters: Evidence and Options, Commission Research Paper, Canberra. p.2.

TABLE 9 - Housing stress: individual demographics

DEMOGRAPHICS (INDIVIDUAL)	LESS THAN 10%	11% TO 20%	21% TO 30%	31% TO 40%	MORE THAN 40%
Gender					
Male	26%	19%	20%	18%	17%
Female	26%	12%	20%	18%	23%
Age					
18-24	10%	21%	21%	26%	21%
25-34	10%	19%	26%	21%	23%
35-44	7%	18%	23%	22%	30%
45-54	18%	16%	18%	22%	26%
55-64	48%	11%	18%	11%	12%
65-74	48%	9%	15%	16%	12%
75+	58%	13%	15%	4%	10%
Location					
Sydney metropolitan	21%	16%	21%	20%	21%
Rest of NSW	33%	14%	19%	15%	19%

The rates of housing stress reported by private renters and people with mortgages were particularly concerning. Almost 60% of both groups (57%) reported paying more than 30% of income on housing costs, with over 30% paying more than 40% of income on mortgage or private rental.

The respondents who owned their homes outright reported the lowest housing costs.

TABLE 10 - Housing costs, by housing tenure

HOUSING COSTS BY HOUSING TENURE	OWN MY HOME AND PAYING A MORTGAGE	OWN MY HOME OUTRIGHT (NO MORTGAGE)	RENTER (PRIVATE RENTAL MARKET)	RENTER (PUBLIC OR COMMUNITY HOUSING)
More than 40%	31%	5%	31%	9%
31% to 40%	26%	5%	26%	16%
21% to 30%	21%	7%	22%	49%
11% to 20%	13%	11%	17%	26%
Less than 10%	9%	73%	4%	1%



FINANCIAL STRESS AND HARDSHIP

While low-income households are particularly vulnerable to financial hardship, difficulty in managing household expenditure and financial stress was not restricted to people in low-income households. Over a quarter of all respondents (26%) reported having been unable to pay utility bills on time in the last 12 months. Just under one fifth (19%) reported being unable to make mortgage or rent payments on time, and 21% reported not making minimum payments on credit card bills.

The survey results suggest that people were managing financial hardship and pressure by seeking assistance. Overall, 29% of people reported seeking financial assistance from friends and family, 22% from utilities and telecommunications providers and 21% from welfare or community organisations (21%). People also reported other indicators of financial hardship and pressure such as being unable to heat or cool their homes (29%), selling items for cash (26%) and going without meals (23%).

TABLE 11 - Financial hardship experienced during the previous 12 months

HAPPENED IN THE LAST 12 MONTHS	TOTAL RESPONDENTS	
	ALWAYS, OFTEN, SOMETIMES	NEVER, RARELY
Could not pay electricity, gas, internet or telephone bills on time	26%	74%
Could not pay mortgage or rent payments on time	19%	81%
Could not make minimum payment on credit card	21%	79%
Pawned or sold something because you needed cash	26%	74%
Went without meals	23%	77%
Was unable to heat or cool your home	29%	71%
Sought financial assistance from friends or family	31%	69%
Sought assistance from welfare or community organisations	21%	79%
Taken out a payday or short term loan	14%	86%
Accessed a no-interest loan	16%	84%
Sought assistance from an electricity, internet, gas or phone provider to pay the bill	22%	78%
Had to stop using one or more telecommunications services	22%	78%

TABLE 12 - Low-income and low- to middle-income respondents: types of financial hardship experienced during the previous 12 months

HAPPENED IN THE LAST 12 MONTHS	LOW-INCOME		LOW- TO MIDDLE-INCOME	
	ALWAYS, OFTEN, SOME-TIMES	NEVER, RARELY	ALWAYS, OFTEN, SOME-TIMES	NEVER, RARELY
Could not pay electricity, gas, internet or telephone bills on time	27%	73%	26%	74%
Could not pay mortgage or rent payments on time	19%	81%	18%	82%
Could not make minimum payment on credit card	20%	80%	20%	80%
Pawned or sold something because you needed cash	25%	75%	26%	74%
Went without meals	25%	75%	20%	80%
Was unable to heat or cool your home	31%	69%	26%	74%
Sought financial assistance from friends or family	35%	65%	26%	74%
Sought assistance from welfare or community organisations	23%	77%	18%	82%
Taken out a payday or short term loan	14%	86%	14%	86%
Accessed a no-interest loan	16%	84%	15%	85%
Sought assistance from an electricity, internet, gas or phone provider to pay the bill	25%	75%	19%	81%
Had to stop using one or more telecommunications services	25%	75%	18%	82%

There was little variation between the respondents in households on low-incomes and those on low- to middle-incomes when it came to reported experiences of financial hardship (paying bills, housing costs and credit card payments on time).

However, people in low-income households were more likely to report being unable to heat or cool their homes in the last 12 months (31%) than those on low- to middle-incomes (26%). They were also more likely to report going without meals (25%) and seeking financial assistance, either from family and friends (35%) or from welfare or community organisations (23%). Low-income respondents reported higher rates of having had to stop using one or more telecommunications services in the last 12 months (25%) and of seeking assistance from telecommunication services to pay bills (25%).

HOUSING TENURE

The respondents who were renting in public or community housing reported higher rates of financial hardship. More than 40% of respondents in these households reported difficulty paying their bills. Thirty-nine per cent reported having sold something for cash and 39% had sought assistance from community organisations. Renters in the private market also reported difficulties, 42% had sought financial assistance from friends and family in the last 12 months. Over one-third of respondents in rental housing (36%) and respondents with a mortgage (35%) reported being unable to heat or cool their homes.

Over one-quarter of private renters, those in public/community housing or paying off a mortgage reported that they had stopped using at least one telecommunications service in the last 12 months because of cost.

TABLE 13 - Housing tenure: types of financial hardship experienced during the previous 12 months

HAPPENED IN THE LAST 12 MONTHS ALWAYS, OFTEN, SOMETIMES	OWN HOME OUTRIGHT (NO MORTGAGE)	PAYING A MORTGAGE	RENT (PRIVATE RENTAL MARKET)	RENT (PUBLIC OR COMMUNITY HOUSING)
Could not pay electricity, gas, internet or telephone bills on time	10%	30%	33%	44%
Could not pay mortgage or rent payments on time	4%	25%	25%	26%
Could not make minimum payment on credit card	11%	26%	24%	29%
Pawned or sold something for cash	8%	31%	33%	39%
Went without meals	8%	29%	28%	36%
Unable to heat or cool your home	13%	35%	36%	36%
Sought financial assistance from friends or family	11%	33%	42%	38%
Sought assistance from welfare or community organisations	6%	21%	26%	39%
Taken out a payday or short term loan	3%	17%	19%	22%
Accessed a no interest loan	5%	24%	17%	29%
Sought assistance from an electricity, internet, gas or phone	10%	22%	30%	34%
Stop using one or more telecommunications services	10%	29%	26%	26%

GENDER

Male respondents were more likely than women to report that they had difficulty making payments at some time in the previous 12 months.

Almost one-third of both genders reported they had sought financial assistance from friends or family, however, men were more likely than women to have sought assistance from welfare or community organisations (24% compared to 18%).

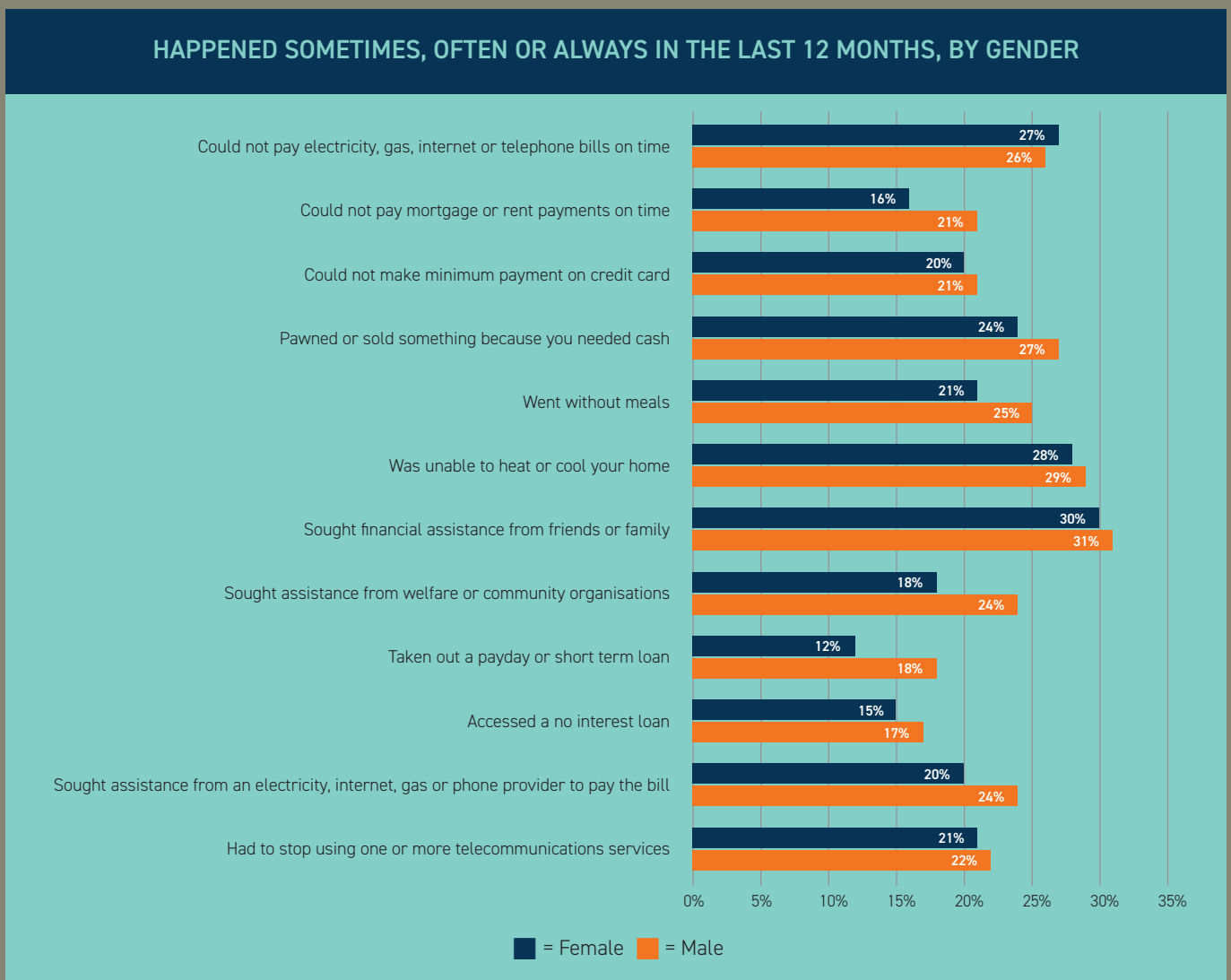


FIGURE 4 - Financial hardship, by gender

TABLE 14 - Gender: types of financial hardship, by income group

HAPPENED IN THE LAST 12 MONTHS - ALWAYS, OFTEN, SOMETIMES	INCOME GROUP BY GENDER					
	LOW-INCOME		LOW- TO MIDDLE-INCOME		TOTAL	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Could not pay electricity, gas, internet or telephone bills on time	28%	25%	25%	27%	27%	26%
Could not pay mortgage or rent payments on time	16%	23%	17%	20%	16%	21%
Could not make minimum payment on credit card	20%	14%	22%	19%	20%	21%
Pawned or sold something because you needed cash	26%	19%	22%	29%	24%	27%
Went without meals	23%	28%	18%	21%	21%	25%
Was unable to heat or cool your home	31%	31%	24%	27%	28%	29%
Sought financial assistance from friends or family	34%	35%	24%	27%	30%	31%
Sought assistance from welfare or community organisations	21%	26%	12%	23%	18%	24%
Taken out a payday or short term loan	13%	17%	10%	19%	12%	18%
Accessed a no interest loan	18%	14%	10%	20%	15%	17%
Sought assistance from an electricity, internet, gas or phone provider	23%	27%	16%	21%	20%	24%
Had to stop using one or more telecommunications services	24%	26%	18%	19%	21%	22%

Males in the low- to middle-income group were the most likely to report having pawned or sold something (29%) in the past twelve months, with males on lower incomes the most likely to report going without meals (28%) and seeking assistance from welfare and community organisations (26%).

AGE

Respondents aged 65 and over were least likely to report they had experienced financial hardship in the last 12 months. However, 13% reported that they had been unable to afford to heat or cool their home, as did one-third of respondents aged under 65.

One-quarter of respondents aged 35 to 64 reported that they had not been able to make a minimum credit card payment and almost a third had been unable to pay a utility or telecommunications bill on time.

Almost half (45%) of respondents aged under 35 years had sought financial assistance from family and friends in the past year, and over one third (36%) had pawned or sold goods because they needed cash.

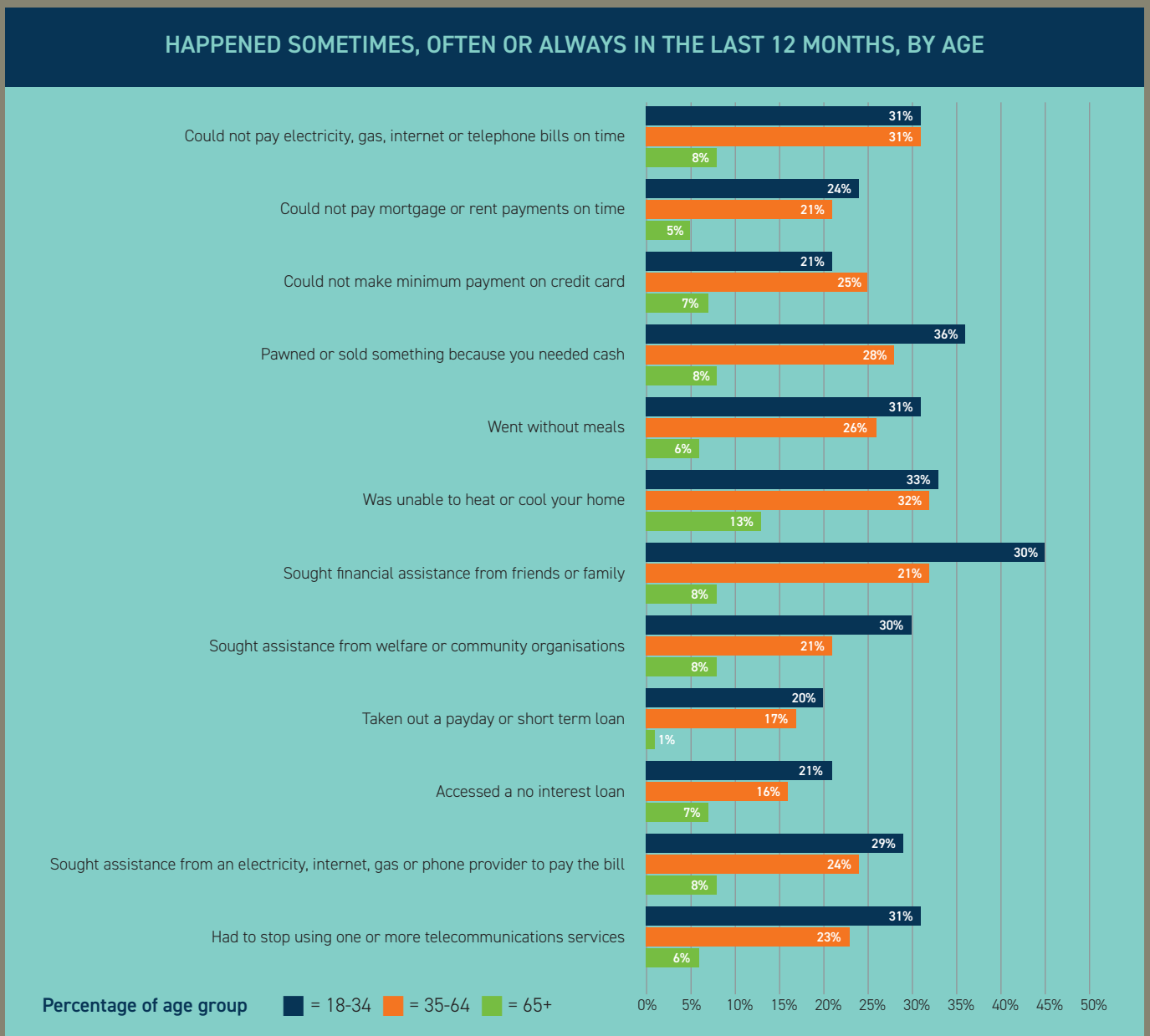


FIGURE 5 - Financial hardship, by age

LOCATION

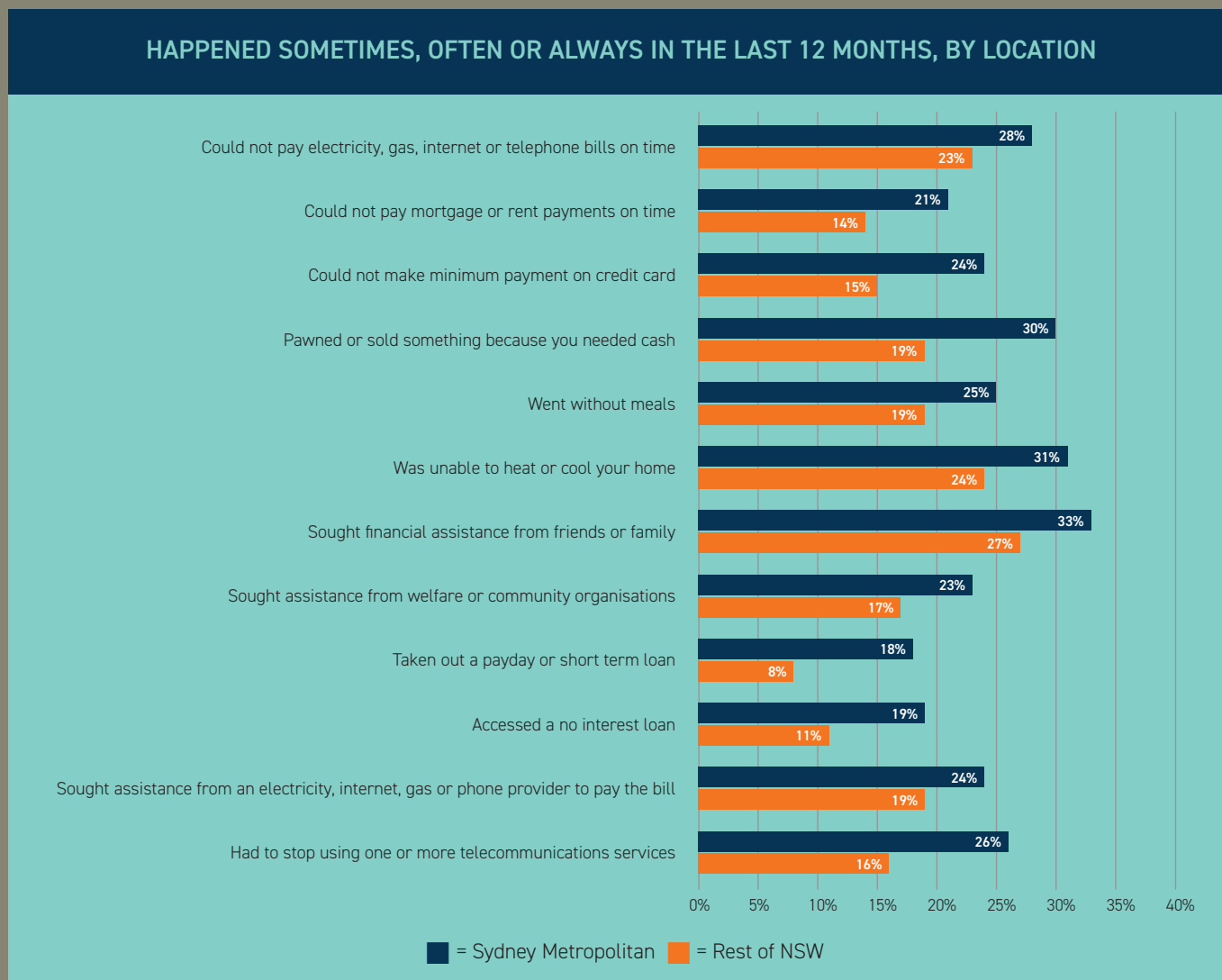


FIGURE 6 - Financial hardship, by location

Respondents living in the Sydney metropolitan area were more likely to report difficulties making payments or needing to seek financial assistance than people living elsewhere in NSW.

USE OF AVAILABLE GOVERNMENT REBATES FOR DISCOUNTS ON PRODUCTS AND SERVICES.

The NSW Government has centralised the available rebates and discounts via its online Service NSW cost-of-living platform. Given the range of available rebates, a question was included on the use of the Service NSW platform to access government rebates.

Only 19% of respondents reported having used Service NSW to access rebates and discounts. The most common reason nominated for not using the service was lack of awareness followed by perceived ineligibility. The two age groups that most frequently reported using Service NSW products were those aged 35-44 years (29%) and 65-75 years (25%).

FINANCIAL HARDSHIP – IMPACT ON SOCIAL ACTIVITIES

When people are struggling to meet the costs of essential items, they often do not prioritise social activities. Outings with friends might cost too much, and those experiencing financial pressure might place expenditure on recreational activities at the bottom of their household budget.

Limiting engagement in social activities can reduce the ability to build and maintain social connections which can have a significant impact on health and wellbeing.¹⁰ Maintaining social connections is also essential in building social capital¹¹, which is an important component of financial resilience.¹² Social capital can provide an important safety net when unexpected events occur that make us vulnerable to financial hardship and debt. However, without adequate economic resources, it is much harder to build and retain social capital.

TABLE 15 - Social contact: low-income and low -to middle-income households over the last month

SOCIAL CONTACT OVER THE LAST MONTH	CONTACT OVER THE LAST MONTH LOW-INCOME			CONTACT OVER THE LAST MONTH LOW- TO MIDDLE-INCOME		
	3 TIMES OR MORE	ONCE OR TWICE	NONE	3 TIMES OR MORE	ONCE OR TWICE	NONE
Had social contact with friends or family via the internet (e.g. social media, email, WhatsApp, etc.)	68%	17%	15%	72%	17%	11%
Visited or was visited by friends and family	44%	44%	12%	47%	39%	15%
Went out with or met friends and family to do indoor or outdoor activities (e.g. dinner, movies, play sport, do craft, go to a party)	31%	44%	25%	39%	43%	18%

A quarter of low-income respondents (25%) reported not having 'gone out' with friends or family in the last month, compared to 18% of low- to middle-income households. Low-income respondents were less likely than those in low- to middle-income households to visit friends and family (44% compared with 47%) and to have gone out with friends and family three or more times in the last month (31% compared with 39%).

Online contact with friends or family was common, with a majority of respondents (68%) reporting interacting with friends and family online more than three times in the last month. Low- to middle-income respondents (72%) were slightly more likely to have had social contact online compared to low-income respondents (68%).

Those most likely to report no contact with family and friends via the internet in the previous month were men (18%), those aged over 65 (21%) and people outside Sydney (19%).

10 Social isolation can lead to loneliness which can have a significant impact on mental and physical health <https://www.psychology.org.au/for-members/publications/inpsych/2018/December-Issue-6/The-impact-of-loneliness-on-the-health-and-wellbei>

11 Social capital is defined as the level of contact people have with social connections, being family, friends and others in the community.

12 Financial security and the influence of economic resources (2018) Centre for Social Impact p.11. <https://www.csi.edu.au/media/2018-Financial-Resilience-in-Australia.pdf>

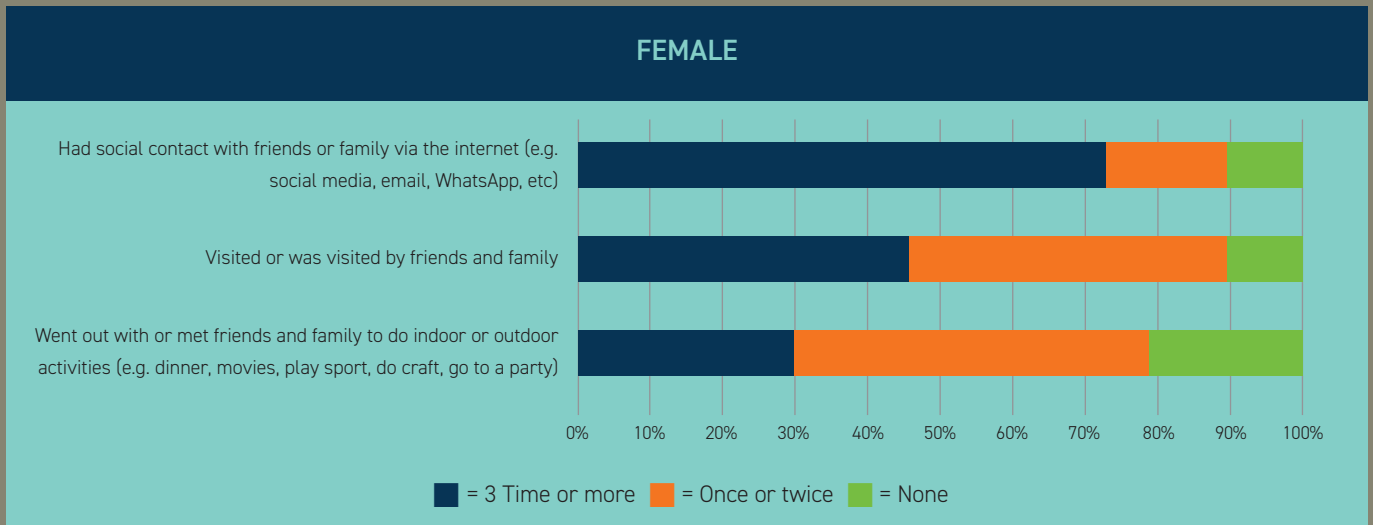


FIGURE 7: Social contact over the last month by gender - female

Women were more likely to have engaged with family and friends through the internet (74%) than men (65%).

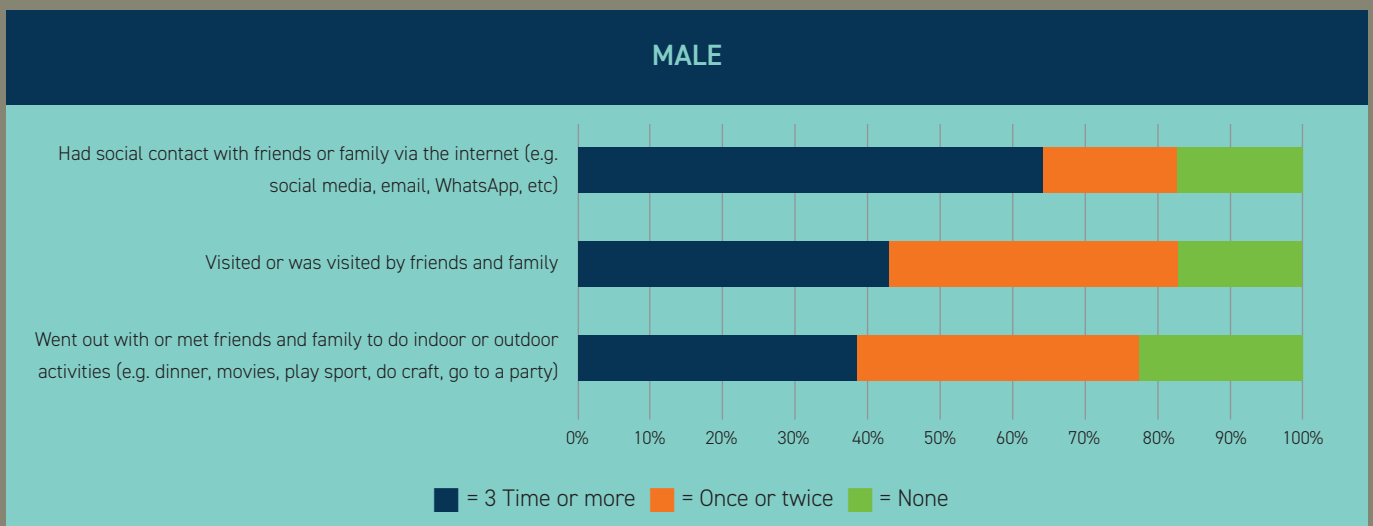


FIGURE 8: Social contact over the last month by gender - male

Men were more likely to have had frequent outings with friends and family members: during the previous month (39% had gone out or met friends four or more times compared to 30% of women).

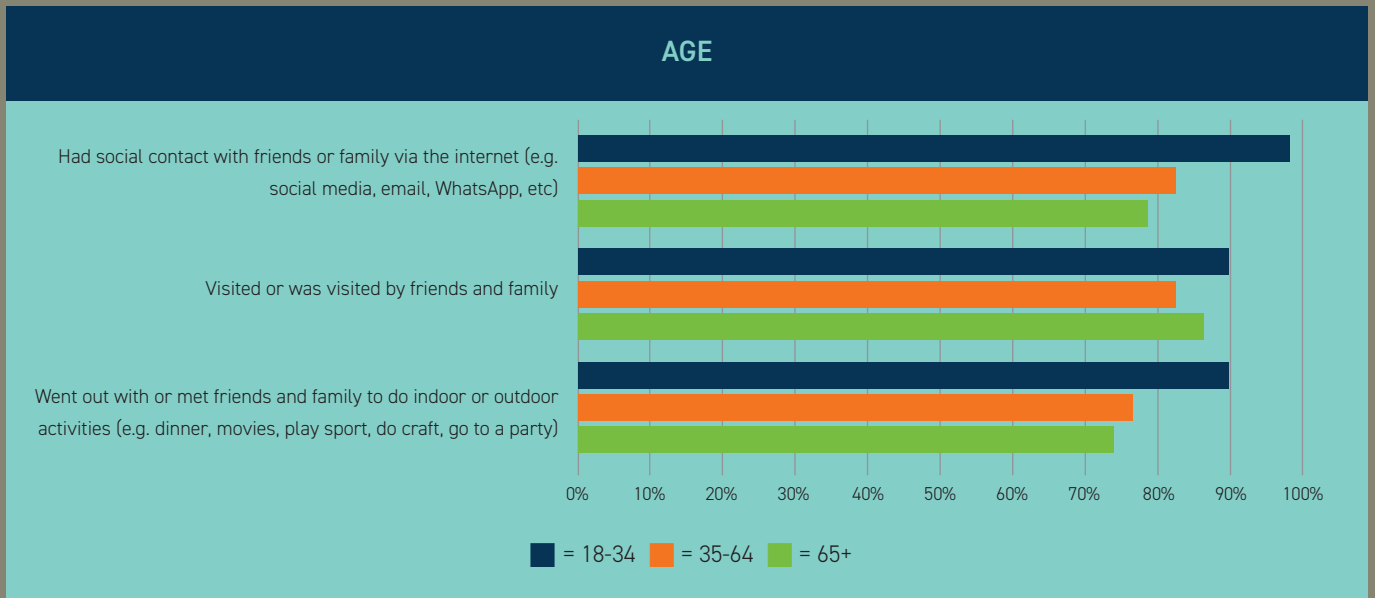


FIGURE 9: Social contact over the last month by age group

Younger people (under 35 years) were most likely to have had social contact with family and friends via the internet (98%) compared to 79% of respondents aged 65 and over. They were also much more likely to have met family and friends for activities (90% compared to 73% for the next age group).

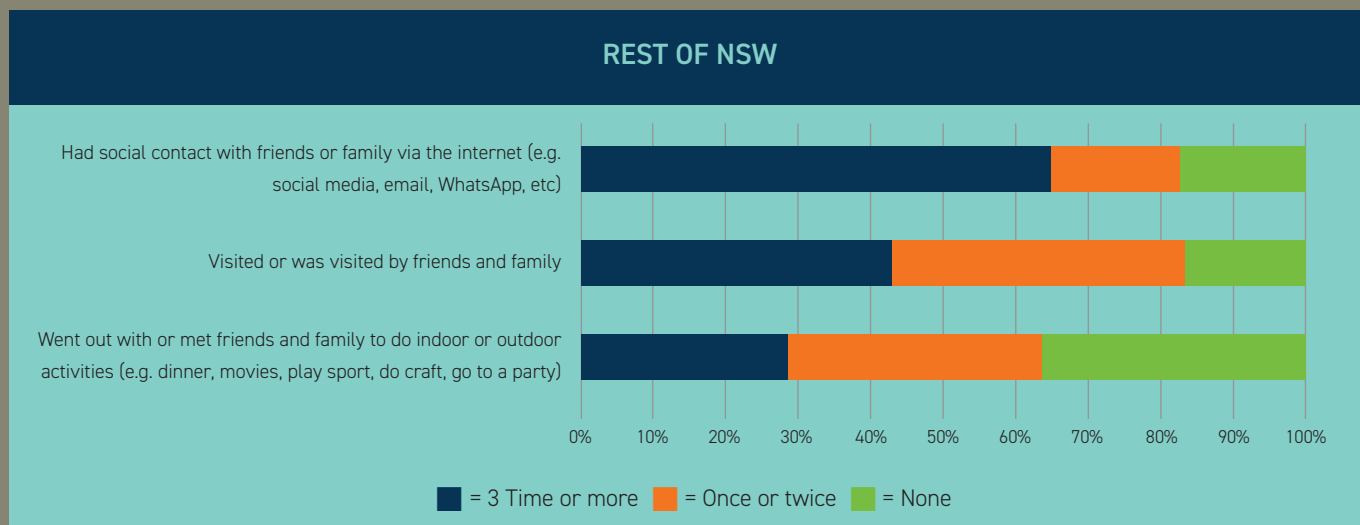


FIGURE 10: Social contact over the last month by location - Rest of NSW

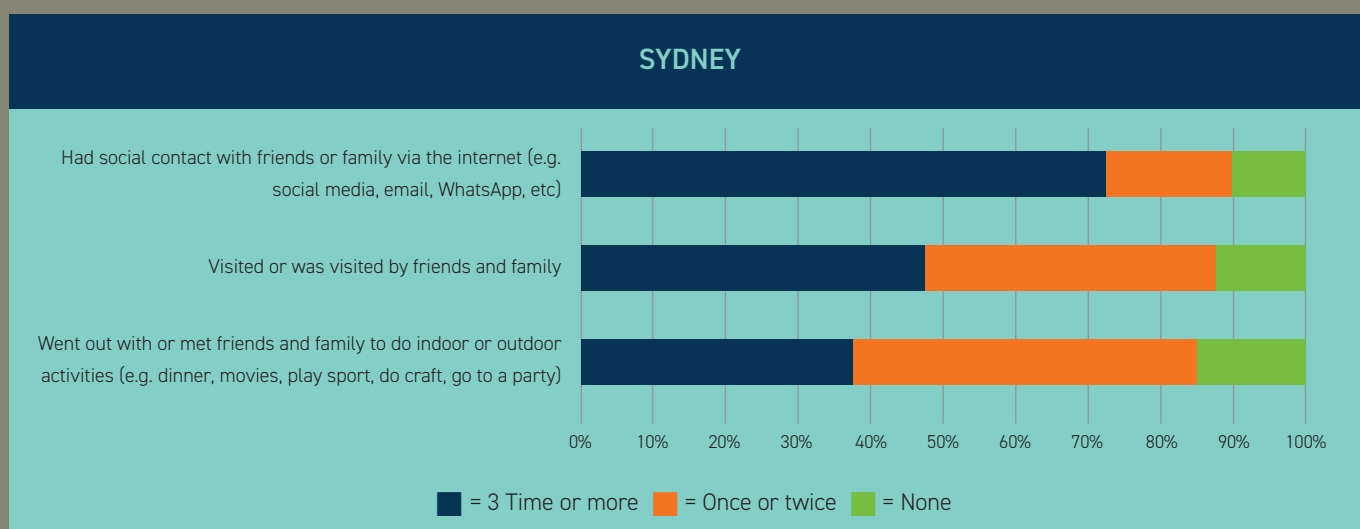


FIGURE 11: Social contact over the last month by location - Sydney

Respondents living outside Sydney were more likely to have had no social contact in the previous month than Sydney residents. 35% of people outside Sydney had had no outings nor met up with friends to do activities in the past month compared to 15% of Sydney residents. 19% had not had contact via the internet (10% Sydney) and 16% had not visited or had a visit from friends and family (12% in Sydney).



CONCLUSION

Previous reports in this series have focussed on issues for people living in poverty in NSW. For our 2019 survey, we expanded our focus on people living in poverty in New South Wales to a broader group of people. In doing so, we hoped to gain some insight into people on low- to middle-incomes and to compare their responses with those of people on lower incomes.

We recognise that, although the demographics with regards to age, gender and location are representative of the New South Wales population, our findings are not generalisable and reflect only the 730 people who participated in the research. However, the results from this survey reflect findings from other research, particularly with regards to housing stress and financial hardship.

While people on the lowest incomes were particularly vulnerable to cost of living pressures, many people in low- to middle-income households also reported experiences of financial hardship. Housing costs as a proportion of household income were high for many low- to middle-income households, and the housing cost results for those in the private rental market and those paying mortgages were concerning.

Affordability of housing and cost of living pressures were not restricted to people on the lowest incomes, although they are often the hardest hit by price rises. Recent research mapping poverty and disadvantage in NSW found poverty rates for people in full- and part-time work in NSW to be 5% and 7% respectively.¹³ Most of the participants in this survey were working; 49% were working full time.

It is widely acknowledged that wage stagnation in Australia has been accompanied by increases in the costs of essential goods and services such as housing and energy costs.¹⁴ Our results indicate that our survey respondents were prioritising essentials and watching their budgets carefully.

Adverse life events resulting in loss of income or changes in household circumstances can impact on any household. This research highlights that there may be many in our community that are vulnerable to price shocks and economic uncertainty who would benefit from measures to ease cost of living and other financial pressures.

¹³ Vidyattama, Y., Tanton, R., and NSW Council of Social Service (NCOSS)., (2019), Mapping Significant Economic Disadvantage in New South Wales, NATSEM, Institute for Governance and Policy Analysis (IGPA), University of Canberra. Report commissioned by NCOSS.

¹⁴ OECD (2019), Under Pressure: The Squeezed Middle Class, OECD Publishing, Paris. <https://doi.org/10.1787/689afed1-en>



APPENDIX A

METHODOLOGY

The information in this report is from a 15-minute online survey designed by the University of Technology Sydney's Institute for Public Policy and Governance (IPPG) in conjunction with NCOSS. The survey ran from 8th to 21st May 2019 and received a total of 730 responses. McNair yellowSquares conducted the survey, and IPPG analysed the data.

The survey was restricted to people earning a total weekly income after tax below \$1,076 (\$82,056), representing around 41% of the NSW population. The net and gross annual income relative to each weekly income defined in the survey is detailed in the table below.

TOTAL WEEKLY HOUSEHOLD INCOME (AFTER TAX)	TOTAL ANNUAL HOUSEHOLD INCOME (AFTER TAX)	TOTAL ANNUAL HOUSEHOLD INCOME (BEFORE TAX)
\$0 to \$427	\$0 to \$22,167	\$0 to \$30,576
\$428 to \$512	\$22,238 to \$26,605	\$30,628 to \$37,336
\$513 to \$639	\$26,684 to \$33,212	\$37,388 to \$47,476
\$640 to \$682	\$33,278 to \$35,374	\$47,528 to \$50,908
\$683 to \$767	\$35,570 to \$39,893	\$50,960 to \$57,668
\$768 to \$818	\$39,959 to \$42,513	\$52,720 to \$61,724
\$819 to \$894	\$42,579 to \$46,509	\$61,776 to \$67,808
\$895 to \$1,075	\$46,542 to \$55,875	\$67,860 to \$82,056

The total sample was segmented by 'low-income' (n=402) and 'low- to middle-income' (n=328) respondents, using the total household income after tax and household structure as key demographics to segment the sample. Respondents were placed in each segment according to their weekly income and household structure.

The low-income segment is primarily comprised of households on incomes below 60% of the median poverty line (before housing costs).¹⁵ The low- to middle-income segment is comprised of households with incomes up to \$82,056 annually.

¹⁵ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS-UNSW Poverty and Inequality Partnership Report Number 3, Sydney, ACOSS, page 12.

DATA COLLECTION AND ANALYSIS

The survey generated quantitative data which was analysed by IPPG using SPSS and Q statistical software. Responses to questions on financial hardship and telecommunication affordability were broken down according to key demographic characteristics including gender, age, income, household structure, disability, housing tenure, and cultural background.

Statistical tests were conducted to confirm whether differences between demographic groups are statistically significant – that is, whether differences are due to factors other than random chance.

The final data provided is unweighted, which means every person who responded to the survey is counted as a single response. In survey analysis, responses to a survey may be weighted to correct for differences between the survey sample and the total population. For example, the proportion of males and females who responded to a survey may not align with the proportion of males and females in the total population. However, in the current study, the demographic quotas placed on the target sample ensured the sample was representative of the NSW population across key characteristics, so weighting was not required.

Results for all questions have excluded 'don't know', 'prefer not to answer' or 'not applicable' answers from the analysis. Therefore the total base in some questions will be smaller than n=730.

CONSIDERATIONS AND LIMITATIONS

The limitations of these survey findings reflect those of any similar study. It is important to note, for example, that the survey represents a snapshot-in-time of the population.

Although any survey based on a sample of the total population cannot be expected to perfectly represent the population, we can be confident that the results reported in this study are statistically robust.

There are also limitations due to the online mode of delivery of the survey, which might not have reached a small proportion of the population without any online access (neither on their phones nor on public computers). This is known as 'sampling bias'. However, this is a standard contemporary method of collecting data.

APPENDIX B

Profile of survey respondents

DEMOGRAPHICS	%	N
GENDER		
Male	47%	345
Female	52%	382
Non-binary / gender-fluid	0%	3
AGE		
18-24	11%	82
25-34	18%	134
35-44	17%	122
45-54	15%	108
55-64	16%	119
65-74	14%	105
75+	8%	60
AREA		
Sydney metropolitan	64%	464
Rest of NSW	36%	266
TOTAL WEEKLY INCOME (AFTER TAX)		
Between \$0 and \$427 per week (\$0 to \$22,167 annually)	21%	152
Between \$428 and \$512 per week (\$22,238 to \$26,605 annually)	13%	97
Between \$513 and \$639 per week (\$26,684 to \$33,212 annually)	10%	76
Between \$640 and \$682 per week (\$33,278 to \$35,374 annually)	7%	50
Between \$683 and \$767 per week (\$35,570 to \$39,893 annually)	11%	79
Between \$768 and \$818 per week (\$39,959 to \$42,513 annually)	10%	71
Between \$819 and \$894 per week (\$42,579 to \$46,509 annually)	9%	65
Between \$895 and \$1075 per week (\$46,542 to \$55,875 annually)	19%	140

DEMOGRAPHICS	%	N
PEOPLE AGED 18 YEARS OR MORE LIVING IN THE HOUSEHOLD		
1 person	26%	191
2 people	51%	372
3 people	12%	91
4 people	6%	47
5 or more people	3%	21
Prefer not to answer	1%	8
CHILDREN AGED UNDER 18 YEARS LIVING IN THE HOUSEHOLD		
No children	70%	512
1 child	15%	109
2 children	10%	76
3 children	2%	18
4 children	1%	7
5 or more children	0%	3
Prefer not to answer	1%	5
YOU OR ANYONE IN THE HOUSEHOLD HAVE A DISABILITY		
Have a disability	21%	153
Don't have a disability	77%	565
Prefer not to answer	2%	12
CARE (NOT PROFESSIONALLY) FOR SOMEONE WHO HAS A DISABILITY		
Care for someone with disability	16%	117
Don't care for someone with disability	83%	606
Prefer not to answer	1%	7

DEMOGRAPHICS	%	N
MAIN SOURCE OF INCOME		
Government support payments	28%	201
Full-time work	23%	168
Part-time work	15%	113
A combination of government payments AND full-time work	3%	19
A combination of government payments AND part-time work	6%	44
A combination of government payments AND casual or contract	2%	18
Regular casual or contract work	4%	31
Irregular casual or contract work	4%	32
Other	12%	85
Prefer not to answer	3%	19
GOVERNMENT SUPPORT		
Age Pension (single person)	11%	78
Age Pension (couple)	9%	69
Disability Support Pension	9%	67
Parenting Payment	8%	57
Carer Allowance	5%	35
Newstart Allowance	5%	40
Youth Allowance	2%	12
Service Pension	1%	7
Austudy/ Abstudy	1%	8
Other	3%	20
None of the above	49%	357
Prefer not to answer	3%	24

DEMOGRAPHICS	%	N
HOUSING		
Own my home outright (no mortgage)	30%	219
Own my home and paying a mortgage	18%	133
Renter (private rental market)	33%	242
Renter (public or community housing)	11%	77
Live rent free / life tenure	4%	26
Other	2%	11
Prefer not to answer	3%	19
PERCENTAGE OF INCOME SPENT ON HOUSING		
Less than 10%	21%	155
11% to 20%	13%	93
21% to 30%	16%	120
31% to 40%	15%	109
More than 41%	17%	121
Don't know	14%	102
Prefer not to answer	4%	30
SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME		
Yes	26%	188
No	74%	539
Prefer not to answer	0%	3
ABORIGINAL OR TORRES STRAIT ISLANDER ORIGIN		
Aboriginal or Torres Strait Islander	4%	26
Non-Indigenous	96%	698
Prefer not to answer	1%	6



Suite 3, 52 William Street,
Woolloomooloo NSW 2011
Phone: (02) 9211 2599

E-mail: info@ncoss.org.au

Website: www.ncoss.org.au

Facebook: on.fb.me/ncoss

Twitter: [@_ncoss](https://twitter.com/_ncoss)