

Tough Times, Hard Choices

Recommendations to the NSW Government



July 2022

About NCOSS

The NSW Council of Social Service (NCOSS) is the peak body for the social services sector in NSW. With over 400 members and a wider network of organisations and individuals who share our values, we advocate to alleviate poverty and disadvantage in NSW.

NCOSS was founded in 1934 during the Great Depression when unemployment rose to 28% and extreme poverty was rampant. With few government programs available, assistance was provided through a limited number of overstretched religious charities. A small group was motivated to improve the lives of those suffering and so the NSW Council of Social Services was formed, to coordinate relief efforts and maximise benefit for those in need. Our core vision remains unchanged: a NSW free from poverty and disadvantage.

To achieve this vision, we work to:

- Amplify the experience of people affected by poverty and disadvantage
- Support a diverse, collaborative and innovative community sector
- Form constructive partnerships to influence change
- Ensure a strong, effective and sustainable organisation.

Over 880,000 people are living below the poverty line in NSW and this number is growing. As communities struggle to meet the cost-of-living, many people are being left behind. Natural disasters as well as the COVID-19 pandemic have exacerbated the already growing number of vulnerable communities.

As the peak body for the social services sector, NCOSS is uniquely placed to work together with our members, government, business and other stakeholders to strive for a more equitable and inclusive society. We provide a platform for sharing information and resources, developing agreed positions, progressing joint work and seeking greater transparency and delivery on commitments from government.

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NCOSS can be found at:

Yirranma Place, Level 1, 262 Liverpool St, DARLINGHURST NSW 2010

phone: (02) 9211 2599

email: info@ncoss.org.au

website: www.ncoss.org.au

facebook: on.fb.me/ncoss

twitter: [@ncoss](https://twitter.com/ncoss)

Overview

NCOSS' 2022 Cost-of-Living in NSW research report, [Tough Times, Hard Choices: Struggling households and the rising cost-of-living in NSW](#), has uncovered the devastating choices low-income households and people living below the poverty line are making daily in order to survive. The effects of COVID, overseas turmoil and natural disasters continue to drive up the cost of housing and everyday essential items. People are experiencing the impacts of this across Australia, but those who are on the lowest incomes are feeling it the most, with very little choice but to forego spending on essentials to make ends meet.

This research highlights that in regions right across NSW, low-income households and those below the poverty line are at breaking point. Feedback from the survey and focus groups gives some indication of the distress that the rapid increase in everyday living costs is causing, and the extreme steps households are taking.

This aligns with reports from NCOSS member organisations of increasingly high demand for services, with more people needing assistance to meet their daily needs and to navigate complex online administrative processes to obtain government assistance. Aboriginal Community- Controlled Organisations report significant concern that the combination of cost-of-living pressures and a lack of safe, secure, and adequate housing is having dire consequences for Aboriginal women and children.

Now is the time for the NSW Government to implement urgent, targeted measures that will ease the pressure for these households. These measures need to be prioritised for households with existing vulnerabilities, in extreme housing stress and living below the poverty line. Our recommendations to the NSW Government, developed in consultation with representatives from the social services sector across NSW, provide a practical roadmap to achieve this.

1. Raise the rate of income support payments

When the Coronavirus supplement temporarily increased income support to above the poverty line, it made a powerful impact on people's lives. It meant that those relying on income support such as JobSeeker and Youth Allowance were finally able to keep up with rent and bills and access the essentials. Currently people receiving JobSeeker are trying to survive on \$46 a day. With such significant recent increases to the cost of housing and essential items, this further entrenches them in a cycle of disadvantage.

In addition to advocating to increase Commonwealth Rent Assistance (see 1.4) the NSW Government should advocate to the Commonwealth Government to increase JobSeeker, Youth Allowance, Austudy, Abstudy and Parenting Payments permanently and adequately by between \$185 per week (to the pension rate) and \$275 per week.

2. Invest in social housing

In Australia, per head of population, social housing is shrinking. In 1994, it made up six per cent of all housing. Today it is just four per cent¹. NSW is experiencing a social and affordable housing crisis that has worsened over the last decade of neglect and recent events including bushfires, floods, and the pandemic. There are more than 50,000 people waiting for social housing with wait times of up to 10 years and more².

While social and community housing once played an important role in assisting vulnerable people to have a safe and secure home, the underinvestment over the last few decades has significantly weakened the current state of social housing.

The NSW Government should, in partnership with Community Housing Providers (including Aboriginal Community Housing Providers) and local government, invest in a multi-year construction program to grow the supply of social housing stock across NSW with a view to:

- 2.1. Return supply to at least 6% of overall housing (the average across wealthy nations³) to address the chronic shortfall and relieve high rates of housing stress across Greater Sydney and regional NSW.
- 2.2. Commence construction projects in areas where there is high housing stress and available land, labour supply and immediate benefits for local economies and households in need.
- 2.3. Prioritise new stock for households with existing vulnerabilities and facing health risks including people with disabilities, Aboriginal and Torres Strait Islander families and carers.
- 2.4. Investigate innovative approaches including conversion of existing buildings, construction in airspace above shops and the use of prefabricated housing.

3. Make energy affordable and efficient

Energy-efficient and healthy housing measures can improve quality of life, benefit the economy, and contribute significantly to both climate change mitigation and adaptation. Investing to support households on lower incomes to live in efficient, healthy housing will create local jobs, savings for the health system, and protect the environment. Households living on lower incomes continue to spend a significant part of their disposable income on energy costs. They often have little control over the energy efficiency of their home and little financial capacity to upgrade old, polluting, inefficient appliances.

¹ Everybody's Home Budget Paper (2022) accessed through <https://everybodyshome.com.au/wp-content/uploads/2022/02/EH-Election-2022-Budget-Position-Paper-v04b.pdf>

² Community Housing Industry Association NSW (20220) as accessed through <https://communityhousing.org.au/media-releases/we-cant-wait-new-campaign-to-end-housing-limbo-for-50000-families/#:~:text=Course%20Dates-,We%20Can't%20Wait%3A%20new%20campaign%20to%20end,safe%2C%20secure%20and%20affordable%20housing.>

³ Organisation for Economic Co-operation and Development (2020) as accessed through <https://www.oecd.org/social/social-housing-policy-brief-2020.pdf>

The NSW Government should support low-income households (including private renters and public housing tenants) to lower energy bills and improve energy efficiency by:

- 3.1. Prioritising the upgrade of inefficient fixtures (water, heating, and cooling) and improving the thermal performance of existing social housing stock.
- 3.2. Permanently increasing the cap on EAPA vouchers to \$1,600 per year, regardless of energy type used.
- 3.3. Changing the Low-Income Household Rebate to a fixed percentage of a person's energy bill.
- 3.4. Ensuring that the design of the recently announced Energy Bill Buster program guarantees that low-income households who forego their rebate are better off financially and able to meet their energy needs to support their health and wellbeing.
- 3.5. Setting legally enforceable energy efficiency standards for rental housing to protect against heat, cold, mould, and pollution. This would include simple measures such as insuring ceilings are insulated, doors and windows are adequately sealed and covered and that there is decent heating and cooling.

4. Better protection for renters

In NSW, housing needs to be recognised as an essential service. People who rent deserve stable long-term housing and protection from unjust evictions and unaffordable housing. It is important to build a more crisis-resilient rental system that protects renters especially at times of hardship.

The NSW Government should make renting a viable, long-term option by:

- 4.1. Ensuring renters have legislative protection against unfair, no-grounds evictions by amending the *Residential Tenancies Act 2010* to include a list of reasonable grounds, and protections against the false use of eviction grounds.
- 4.2. Advocating to the Commonwealth Government to increase Commonwealth Rent Assistance by 50% to improve affordability for low-income renters.

5. Improve transport affordability

Transport costs are a significant barrier to many people living healthy and productive lives and more needs to be done to improve access. Recent announcements for toll relief will assist those reliant on toll roads in Sydney for work, accessing services or participating in the community, however this does not alleviate the pressures felt by those relying on public transport, or those living in regional NSW who rely on private vehicles due to a lack of public transport.

The lack of available and suitable transport options has a compounding effect on people experiencing disadvantage, particularly in rural and regional NSW. Poor access to transport is curtailing people's opportunities, health and quality of life. Indeed, the absence of this link can lead to and exacerbate unemployment, ill-health, mental illness and poverty.

The NSW Government should improve transport affordability for vulnerable groups by:

- 5.1. Extending concessional fare pricing to Jobseeker recipients and Health Care Card holders.
- 5.2. Reducing car licensing, registration, and insurance costs for people on low incomes living in areas where public transport is limited and reliance on private vehicles is high.

6. Improve access to Cost-of-Living schemes and rebates

More households in financial hardship will lead to increased demand on non-government organisations (NGOs). NGOs are now the primary providers of a range of essential social services to an increasing number of people in NSW. It is small to medium-sized NGOs that are often the trusted source of community-based practical as well as psychosocial support. They form a soft entry point to the broader service system and are an important partner in efforts to reach the most vulnerable – providing 'the last mile of assistance' to people who would otherwise not be reached.

The NSW Government should establish a comprehensive NSW Cost-of-Living Relief Program in partnership with the social services sector, which includes:

- 6.1. Recognising, promoting, and resourcing the role of NGOs as key access points, 'system navigators' and administrators of cost-of-living rebates and schemes.
- 6.2. Simplifying the application and approval processes associated with such rebates and schemes to improve accessibility.
- 6.3. A public information campaign that raises awareness of available rebates and schemes for low-income households, targeting Aboriginal and Torres Strait Islander households, those from Culturally and Linguistically Diverse backgrounds, and those experiencing literacy challenges.
- 6.4. A three-year flexible funding pool available to NGOs able to demonstrate effective delivery of proven programs designed to address cost-of-living issues for groups facing the most hardship.