



2 August 2022

STATEMENT

SUPPORT FOR VULNERABLE NEEDED AS RATES RISE AGAIN

Today's increase in the official interest rate—the fourth in as many months—is another blow to Australians struggling to cope as the cost of life's essentials—shelter, food and fuel—continue to rise.

The Reserve Bank of Australia this afternoon announced a 50-basis-point increase in the official cash rate from 1.35 per cent to 1.85 per cent. The cash rate has now jumped 175 basis points since May.

National President Claire Victory said the St Vincent de Paul Society in Australia is seeing a sharp increase in the number of people who need help as costs rise sharply; and urged the Albanese Government to provide urgent help those in need.

'More and more people are turning to Vinnies for help as they struggle to cover the cost of accommodation, food and heating – the basics of life,' Ms Victory said.

'A lot of people are feeling very vulnerable and embarrassed that they're having to ask for help.

'There has been a significant increase in people asking for help for the first time – many have jobs but still can't make ends meet.

'Most of these people budget very carefully – they pay their bills, rent and debts as a first order of business – and then there's nothing left for food and other essentials.

'That's an awful situation for a growing number of people across Australia,' Ms Victory said.

The Society is calling on the Albanese Government to scrap stage 3 tax cuts to free up funding for an increase in JobSeeker and Commonwealth Rent Assistance.

While an increase in housing stock is urgently needed, it is not a quick fix. A review of Commonwealth Rent Assistance, to ensure it is properly targeted to those who need it most, along with an increase of 50 percent, would support renters now.

'These are choices that the Government makes about who misses out and who benefits,' Ms Victory said.

'We need to say that it is not good enough that people in Australia cannot afford to feed themselves and to feed their children,' Ms Victory said.

The cost of today's official interest rate rise will in large part be passed from landlords to renters, who are already suffering after a 12 per cent year-on-year increase in average rents and a national vacancy rate of just 1.0 per cent.

'Those on the lowest income levels are finding it the hardest at the moment and are in desperate need of assistance,' Ms Victory said.

'We call on the Albanese Government to raise income support and lift Commonwealth Rent Assistance, both of which no longer provide sufficient support to keep recipients out of poverty,' Ms Victory said.