



Vinnies
good works



COST OF LIVING:
VINNIES NSW
SOCIAL JUSTICE STATEMENT

OUR VISION

Everyone in our community should be able to access the essentials they need to live with dignity. Even when things go wrong, families should feel secure in the knowledge that they can afford a roof over their heads and food on the table, to pay the bills and maintain their health.

Rebalancing our social and economic systems so that everyone can access an adequate standard of living will make our communities safer and stronger. By getting the basics right, we will empower more people to reach their potential, to actively participate in our shared public life, and to experience fulfilling lives.

THE CHALLENGE

Many people in our communities struggle just to afford the basics and make ends meet. Across Australia, more than one in eight people live below the poverty line.¹ In NSW, this equates to 900,000 people. Of all age groups, children are the most likely to live in poverty.²

Living in poverty leaves people with little choice but to go without the essentials so many of us take for granted. This can mean skipping meals, going without heating or hot showers, or missing out on proper health care.

While many of the daily experiences endured by people living in poverty go unobserved and unrecorded, indicators of the extent and impact of poverty in our community are disturbing. In NSW, each year more than 35,000 households are disconnected from their energy supply due to an inability to pay,³ over one third of households on low incomes experience food insecurity⁴ (with significantly higher rates amongst people seeking asylum and in some Aboriginal communities),⁵ more than 275,000 households live in housing stress,⁶ and over 100,000 people are on the waitlist for public dental services.⁷

Worry over money can cause constant stress and embarrassment. It limits opportunities to build or maintain social connections, and can put immense pressure on relationships within households and families. Over time, the experience of poverty impacts people's social and emotional well-being as well as their physical health.

Although most parents try hard to shield their children from the impacts of poverty, too often they pass from one generation to the next. An inability to afford basics such as nutritious meals and the cost of education, stress or instability within the home, and competing demands on parents' and children's time are just some of the factors that influence a child's health and their experience of education, setting the course for future life outcomes.

In many countries, a strong safety net is a source of pride. It is there to support people if they lose a job, get sick, are unable to work, decide to study, need to care for a child or for someone else, or require support as they get older.

But in Australia, the holes in our social safety net are responsible for much of the poverty in our communities. Even with the recent and irrationally small increase to the base rate of the JobSeeker Payment (formerly Newstart), our unemployment payments are the second lowest in the OECD.⁸ Following the historic reduction in poverty achieved with the introduction of the coronavirus supplement,⁹ poverty rates amongst people who are without work is once again on the rise.

There is also a growing number of people trapped in poverty despite the fact that they work – and for many, work long hours. In NSW, poverty rates for people in full-time and part-time work are 5.0% and 7.0% respectively.¹⁰ Drivers of the growing prevalence of 'in-work' poverty include low wage growth, job insecurity, rising housing costs and flaws in our systems of support.

Various concession schemes and subsidies exist to improve the affordability of essentials for people on low incomes, yet this assistance does not always work well for those who need it most. Many supports are not well understood or are hard to access, while others are undermined by a lack of co-ordination.

In a wealthy country like Australia, no-one should have to go without the basics. Working together, governments can end the poverty trap and make sure everyone can lead a full and dignified life.

OUR PRACTICAL CONTRIBUTION

Each day, members of the St Vincent de Paul Society provide material assistance to more than 600 people across NSW. The majority of people who reach out for assistance do so because they cannot afford that most basic of essentials – food. In the 2018/19 financial year alone, Vinnies provided over \$7 million worth of food assistance to individuals and families across the State.

Vinnies NSW also provides people with clothes and other household items, helps families cover rent, transport and other expenses – particularly medical expenses, and supports households to access other forms of assistance such as energy, phone and water vouchers.

In working with people in our communities, Vinnies aims to provide a hand up, not just a hand out. As well as responding to immediate needs, we help people identify and achieve their own goals, and connect them to services and supports that can help. Often, however, the constant struggle to make ends meet creates a poverty trap that prevents people from being able to achieve stability, resilience and independence, and to live life to its fullest potential.

OUR RECOMMENDATIONS

The NSW Government should address cost of living pressures for households on low incomes:

- Ensure everyone can afford the cost of energy as an essential service:
 - Realign energy concessions so that they better respond to need including through subsidies for low-income households based on the percentage of a bill.
 - Mandate efficiency standards for rented homes.
 - Roll-out targeted programs that address barriers to the take-up of home energy efficiency initiatives by people on low incomes.
- Identify communities with high rates of food insecurity and fund community-based responses to improve access to healthy, affordable food.
- Improve transport affordability:
 - Extend access to transport concessions to all people on low incomes.
 - Expand programs that assist marginalised young people to attain a driver licence.
- Identify strategies to better support families on low incomes to meet the cost of full participation in school education, including digital inclusion.
- Guarantee access to a safe, secure and affordable place to call home, including by implementing the recommendations outlined in our Housing and Homelessness Social Justice Statement.

In rebalancing our social and economic systems to ensure everyone can access an adequate standard of living, the Federal Government should:

- Improve our social welfare system so that it:
 - Enables welfare recipients to cover basic living costs, including housing, with a permanent increase to the JobSeeker Payment a priority.
 - Takes into account the additional costs faced by particular groups, such as people with disability, and people with children or other caring responsibilities.
 - Is informed by a Social Security Commission established to provide independent expert advice to Parliament about payment rates, eligibility, and accessibility.
 - Treats recipients with dignity and respect, including by removing compulsory income quarantining and overly onerous mutual obligations.
- Ensure all workers are paid a living wage.
- Reduce out-of-pocket medical costs for people on low incomes and others on income support.
- Provide access to basic, preventive dental care for children and adults through the public health system.
- Develop a National Housing Strategy to improve affordability for people on low incomes, including through significant investment in social and affordable housing and a review of Commonwealth Rent Assistance to meet affordability objectives.



ELEANOR'S* STORY

Eleanor has been on Newstart and now JobSeeker on and off for six years. She was previously employed in temporary positions over an eight-year span. As she has become older she has found it harder to get work. She says “I am seen as being too old to employ but cannot get an Age Pension. I’m stuck.”

After paying \$600 in rent each fortnight, Eleanor only has \$154 left to cover all her other expenses. Even though she is very frugal with her electricity use, sometimes using candles and sitting under blankets to avoid putting on the heater, she still cannot pay her bills, and needs to access the Energy Accounts Payment Assistance Scheme twice a year.

Eleanor manages the cost of groceries by skipping meals on a daily basis, by eating mainly porridge rather than fresh fruit and vegetables, and by reaching out to the St Vincent de Paul Society and the Salvation Army for assistance. She cannot afford health cover and cannot get dental work, even though she desperately needs it.

Because she cannot afford transport fares or petrol, Eleanor usually stays at home. She only fills up her car when her daughter gives her money to buy petrol, and is embarrassed about having to put tyres on layby. She sometimes feels that life is not worth living.

A higher payment, Eleanor says, would mean that she could “... actually start living like a human being, and a grandmother... I could have a grandchild over and give them a biscuit.”

*Not her real name.

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

² 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.

³ Australian Energy Regulator (2019) Annual Retail Markets Report 2018-19

⁴ NCOSS (2018) Access to Healthy Food – NCOSS Cost of Living Report, September 2018.

⁵ McKay FH, Haines BC, Dunn M. Measuring and Understanding Food Insecurity in Australia: A Systematic Review. Int J Environ Res Public Health. 2019;16(3):476. Published 2019 Feb 6. doi:10.3390/ijerph16030476

⁶ AIHW (2019) Housing Affordability Snapshot. Available at <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>

⁷ NSW Health (2020) NSW Public Dental Service Data. Available at <https://www.health.nsw.gov.au/oralhealth/Pages/public-dental-care-waiting.aspx>

⁸ <https://insidestory.org.au/is-newstart-the-pace-setter-scott-morrison-says-it-is/>

⁹ Phillips, B., Gray, M., and Biddle, N. (2020) COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios. ANU, Centre for Social Research and Methods.

¹⁰ NCOSS and NATSEM (2019) Mapping Economic Disadvantage in New South Wales.



ACKNOWLEDGEMENT OF COUNTRY

The St Vincent de Paul Society NSW acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this land, with deep respect. May Elders, past and present, be blessed and honoured. May we join together and build a future based on compassion, justice, hope, faith, and reconciliation.

**To join Vinnies NSW in building a more
just and compassionate society visit
socialjustice.vinnies.org.au
or call 0448 832 400.**