

**Select Committee on Cost of Living**

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Parliament House

Canberra ACT 2600

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13 February 2023

## REF: Submission to Cost of Living Inquiry

Dear Select Committee on the Cost of Living,

First of all, I would like to thank you for conducting this Inquiry. It is certainly urgent and timely. Too many Australians just don't have enough income to cover the basic costs of living. It is a situation that our member agencies witness every day.

I am writing to you as the Executive Officer of Community Information & Support Victoria. CISVic is the peak body representing 55 local community information and support services across 64 sites in Victoria. Member agencies provide vital support to people needing help with a range of personal and financial matters. They are deeply imbedded in their communities and are trusted and welcoming places where people can seek help. Our member agencies are often the 'first port of call' for people who don't know what is available. CISVic is also the lead agency in a consortium of 29 local centres delivering federally funded Emergency Relief. In the year 2021-2022 we distributed over \$3.2 million in emergency relief to community members from 34 sites.

Importantly, CISVic's service model offers holistic assessment, referral and support – playing a role in both crisis intervention and prevention – thus going beyond the provision of a food voucher or parcel.

This submission provides front-line intelligence from our member agencies, with a focus on three of your Terms of Reference i.e.:

- (a) The cost of living pressures facing Australians.
- (c) Ways to ease cost of living pressures through the tax and transfer system.
- (d) Measures to ease the cost of living through the provision of Government services.

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**Term of Reference (a): The cost of living pressures facing Australians**

Our member agencies have seen a surge in demand in recent times as people struggle to purchase food, cover rent or mortgage, pay their bills, buy medicine, cover children’s school costs, and have urgent health care including dental treatment. People struggling with these and other costs include those in employment (albeit often casual or uncertain), as well as people in receipt of government benefits.

Along with the decline in volunteer numbers since COVID, and the increase in people presenting with complex and inter-related issues such as family violence, mental health difficulties and homelessness, the rising cost of living has presented a ‘perfect storm’. (Our agencies rely heavily on volunteers with the volunteer-paid worker ratio before COVID being 11:1. Almost a third of our member agencies are entirely volunteer run).

While volunteer numbers have drastically declined, the number of people seeking help in 2022 increased dramatically compared to pre-pandemic levels, as shown in some agency examples below.

Member agency	% Increase in client visits
Banyule Support & Information Centre	<b>83%</b> from Nov 2018 – Nov 2022
Bendigo Family and Financial Services	<b>72%</b> from Dec 2018 – Dec 2022
Community Information & Support Merri-bek	<b>59%</b> from Dec 2018 – Dec 2022
Laverton Integrated Community Services	<b>80%</b> from Nov 2018 – Nov 2022
Darebin Information Volunteer & Resource Service	<b>62%</b> from Dec 2018 – Dec 2022
Shepparton Family and Financial Services	<b>89%</b> from Dec 2018 – Dec 2022
Western Port Community Support	<b>41%</b> from Dec 2018 – Dec 2022
Chelsea Community Information and Support Service	<b>44%</b> from Dec 2018 – Dec 2022

More information is provided below about the particular cost of living pressures for community members, as witnessed by some of our member agencies. These ‘snapshot’ accounts are extracts from reports to the Department of Social Services which provides the CISVic-led consortia with emergency relief funding. They are indicative only, and do not cover all consortia members or all points raised by agencies in these reports.

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Suburb of agency (+ date)	Cost of living issues (not exhaustive)
Bendigo (January 2023)	<ul style="list-style-type: none"> <li>• Increase of daily emergency relief visits from 20 -25 to 30-45.</li> <li>• Increase in demand for emergency relief and financial counselling due to increase of rental prices.</li> <li>• New client intake due to relocation due to floods.</li> <li>• Increase in emergency food support due to Christmas holidays, children at home and lack of hours for work due to business closure.</li> <li>• Increase of back-to-school support for uniforms and NILS applications for booklists.</li> </ul>
Coburg (February 2023)  <i>(Directly managed by CISVic)</i>	<ul style="list-style-type: none"> <li>• We are experiencing a high demand for emergency relief and struggling to meet this demand due to staffing issues (short-staffed) and budget.</li> <li>• Community members are reporting much frustration with the lack of accessible agencies in our area for emergency relief, specifically food relief. Many volunteer-run services have shut down since pandemic funding ceased and others ... have changed their service delivery models. Our agency is available via phone or face-to-face during opening hours and workers are inundated with requests for assistance...</li> <li>• Our homeless population around our area has increased and we are working with a number of homeless people who are living on our grounds, in our vicinity and local area. They are reporting issues with being able to access any services that can provide them with long term housing.</li> </ul>
East Burwood (November 2022)	<ul style="list-style-type: none"> <li>• Most common reasons for seeking assistance stated by consumers is about the increased costs of basic needs – food, fuel/travel, health, utilities and rent.</li> <li>• A number of clients have reported sleeping rough/couch surfing in the area and have been linked with housing/homelessness support.</li> </ul>
Hampton (January 2023)	<ul style="list-style-type: none"> <li>• Rising cost of living.</li> <li>• Rental crisis.</li> <li>• Increase in clients from CALD communities.</li> <li>• Requests for emergency relief remain elevated post COVID.</li> <li>• Increased demand for transport and fuel assistance.</li> <li>• Increase in disabilities identified by clients (~40%).</li> <li>• Increase in clients identifying significant trauma histories.</li> <li>• Challenges within the support services networks continue with ongoing issues with 'expert' agencies unable to fulfil their roles, leaving many aspects of community services with our agencies...</li> </ul>

Hastings (November 2022)	<ul style="list-style-type: none"> <li>The financial capacity of our more vulnerable community appears to be reduced and results in more families and individuals experiencing food and housing insecurity.</li> <li>Significant rise in need which is impacting our emergency relief program, as well as both our case managed programs (Housing and Homelessness Program and Family Support Program).</li> </ul>
Laverton (November 2022)	<ul style="list-style-type: none"> <li>Our emergency relief volunteers and crisis workers, are still seeing a huge increase in bills and debts due to the increase in cost of living.</li> </ul>
Mentone (November 2022)	<ul style="list-style-type: none"> <li>Increase in people seeking regular food support as food parcels and prepared meals.</li> <li>Increase in people accessing food parcels after hours, available from two local police stations provided and delivered by our organisation.</li> <li>Large housing organisations placing people (Individuals and families) that are homeless in local motels continues.</li> </ul>
Mornington (September 2022)	<ul style="list-style-type: none"> <li>Funding remains a significant issue ..., with the large reduction in COVID supplement funding with a growing need. We're seeing a significant increase in those presenting from different areas, who have settled in the area recently looking for support.</li> <li>Given the widespread increase in rent prices, we are seeing an emerging group who are working and/studying who are finding themselves in financial stress. This is leading to displacement from the Mornington Peninsula, causing issues with wellbeing which then go on to impact other areas.</li> </ul>
Mt Waverley (November 2022)	<ul style="list-style-type: none"> <li>Many of the people we help are still homeless or in precarious, insecure housing. In addition, some of our clients are women in very difficult situations due to family violence. As in our previous ... reports, anecdotally family breakdown seems to have been reported more often.</li> <li>The government needs to address the cost-of-living crisis for people who need help by raising income support payments.</li> </ul>
Prahran (October 2022)	<ul style="list-style-type: none"> <li>Increases in the cost of food are having a serious effect on our clients....</li> <li>A continuing issue is unavailability of volunteers due to sickness...</li> <li>The main reasons for clients seeking assistance from us between August and October were lack of food, utility/phone bills and medical/pharmacy expenses.</li> <li>We believe that some of our clients would benefit from access to a case worker. We are investigating the possibility of getting a part-time case worker and associated funding.</li> </ul>

<p>Rosebud (October 2022)</p>	<ul style="list-style-type: none"> <li>• Increase in people accessing food through emergency relief. As rents rise more people are having to rely on ER food to get through the week...</li> <li>• Increase in older people who have never had to rely on ER assistance etc, being evicted due to landlords selling, or increasing rent beyond affordability.</li> <li>• Clients presenting with imminent notices to vacate due to landlords selling up. Clients struggling to find rental properties due to exorbitant rental rates and not many properties available ...</li> <li>• Housing affordability leaving many clients facing homelessness or being forced to leave the area to find affordable rentals. This uproots families from supports, workplaces, schools and social networks and can have long term negative effects.</li> <li>• People presenting in extreme crisis situations – higher needs and sometimes challenging behaviour.</li> </ul>
<p>Shepparton (February 2023)</p>	<ul style="list-style-type: none"> <li>• Clients are advising of mental health issues, stress, anxiety and depression related to the increased cost of living. A percentage of clients are seeking support from their GP; other clients stating that it not affordable to seek help as there is a lack of bulk billing services in Shepparton area.</li> <li>• Clients are struggling with fuel costs, particularly clients living out of Shepparton and requesting fuel vouchers.</li> <li>• Flood impacted clients are returning after the end of temporary housing and struggling to find accommodation...</li> <li>• Increase in clients accessing referral to State School Relief due to increased cost of school essentials, uniforms and fees.</li> <li>•</li> </ul>
<p>St Kilda (November 2022)</p>	<ul style="list-style-type: none"> <li>• Clients reporting increases in general cost of living is having serious effect on their ability to manage without emergency relief. Food, petrol, and utility bills are often cited.</li> <li>• Presentation of clients experiencing homelessness and needing immediate crisis support is continuing to rise.</li> <li>• Food relief remains our most highly requested support.</li> </ul>

Although **cost-of-living issues** of people seeking assistance vary across areas, there are some common themes such as:

- Centrelink payments being set way below the rising cost of living
- new cohorts of 'working poor' requiring help, in the context of low wages and casual or uncertain work.
- severe shortage of affordable housing
- an increase in the seriousness and complexity of issues, often in the context of inadequate specialist agencies for referral, including for trauma, homelessness, mental health, disability, and family violence
- mental health issues being created or exacerbated by the stress of not being able to cover basic needs
- cost of living pressures and housing issues compounded in flood -affected areas
- people presenting for help to cover the cost of housing, food, utilities, transport/fuel, medical needs, and schooling for children, among other expenses.

Common **service issues** for our sector include the following:

- Escalating demand for assistance with basic living costs far exceeding the ability of agencies to assist, in the context of the sharp decline in volunteers, and insufficient financial/material capacity to meet need.
- In particular, demand for emergency relief expected to grow even more, in line with the rising cost of living and interest rates.
- Needs of service users are increasingly serious and complex, with workers (often volunteers) being called on to provide more intensive and expert support.
- Increased demand is exacerbated by declining availability of other support and services in the area, or specialist services for referral (e.g. emergency relief, family violence, housing/homelessness).
- In general, our workforce is depleted and at risk of burnout.

### **Term of Reference (c): Ways to ease cost of living pressures through the tax and transfer system**

Our agencies are assisting many people trying to live on Centrelink payments, which just don't cover the basic costs of living, including food. This situation was temporarily reversed during COVID lockdowns when some payments were doubled. During that time many regular service users did not require assistance, and on follow up, reported being able to buy food, pay their bills, get their car repaired, get medical treatments, cover children's school costs and pay off debts. This respite provided many with a 'breather' and improved their mental health. (At the same time agencies saw a new cohort of people who became unemployed and had financial obligations exceeding even the raised level of payments).

- We strongly support ACOSS's call for Centrelink payments to be raised to a minimum of \$511.00 per week, to cover basic costs of living. We also believe these payments should be indexed to wages as well as prices to maintain their value over time.

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## **Term of Reference (d): Measures to ease the cost of living through the provision of Government services**

The following suggestions relate to services to assist people with the cost of living. They cover preventive as well as supportive measures.

### *Emergency relief*

- Increase the base funding for emergency relief services to ensure the community information and support sector can adequately respond to the volume and dire circumstances of people in financial hardship.
- In the context of the complexity of intersecting issues that people are presenting with, provide greater resourcing for preventative intervention through holistic wrap around support, as provided by CISVic member agencies.
- Include CISVic on the National Coordination Group, so we can represent diverse, secular agencies and their ongoing front-line intelligence and ideas for future strategies.
- Department of Social Services (DSS) provide ongoing development and support to the workforce.

### *Housing*

- Government provide 25,000 new affordable homes per year, with a substantial proportion being social housing, and public housing in particular. (Public housing built and managed by government provides the optimal security and protection for tenants on a long term basis).
- Adequately fund homelessness services, including funding for wage rises associated with the Equal Remuneration Order (ERO).

### *School costs*

- Fund public schools to a minimum of 100% of the Schooling Resource Standard (SRS) which is the minimum funding needed to give every child the opportunity to achieve their full potential, regardless of their parents' ability to afford the rising costs of living.

### *Dental*

- Establish a Dental Benefits Scheme, making dental care more accessible to all Australians on Health Care Cards.

### *Asylum seekers*

- Provide access to Medicare, income support, employment, mental health and other vital services to all people seeking asylum.



Thank-you for your attention to the matters raised in this Submission. I would be happy to provide further information or clarification on request.

Yours Sincerely,



**Kate Wheller**

Executive Officer