NCOSS
NSW Council of Social Service

The Affordability Crisis:

The new face of poverty in NSW

Each year, NCOSS surveys people experiencing poverty to understand if they can afford a basic standard of living in NSW[1].

This year, the research showed that the intensifying cost of living is reshaping who experiences poverty, pulling in households on middle incomes who weren't struggling a few years ago. The most financially vulnerable households in NSW are finding it increasingly difficult to afford the essentials of life, including food, health care and a home, and to stay connected with families, friends and the community.

1 in 3

households in **poverty** have been pushed into poverty only in the past few years.

53%

of households in poverty are in **extreme housing stress**[2]

+33% INCREASE SINCE 2023

Almost half

(47%) of households in poverty are **skipping meals.**

*All data is sourced from NCOSS Voices of Poverty Research 2026 unless otherwise stated. While poverty thresholds are calculated at the household level to account for shared income and expenses, statistics are reported per person to accurately reflect the population impacted.

1 'Poverty' was defined as living below the poverty line, being households with income less than 50% of the median household income after tax and housing costs.

2 Extreme housing stress is described as households that spend more than 50% of their gross income on housing costs. (Australian Bureau of Statistics 2022).

"Nobody can understand unless they've lived it too. There's no help, I survive on one meal a day just so there's food for my kids."

– SURVEY RESPONDENT, WOMAN, 40, REGIONAL NSW

1 · THE CRISIS IS SPREADING

In 2026, The cost-of-living crisis is spreading and hitting harder

The cost-of-living crisis is deepening and impacting people that were not struggling a few years ago.

6 in 10
identify the rising cost of living as the main driver of financial stress.

1 in 3
households in poverty have been pushed into poverty only in the past few years.

47%
of people experiencing poverty have regular paid work.

> *"Stagnant wages cannot cope with the high cost of living which is getting even higher every month."* - SURVEY RESPONDENT

2 · BASIC NEEDS

Basic needs are no longer affordable and people are making dangerous trade-offs

Many households in poverty cannot afford their everyday needs. With energy rates jumping 9% in 2025[3], families are choosing between going hungry or being freezing in winter. Financial stress is forcing people to compromise their wellbeing to survive the day, and the higher fuel costs are quickly compounding these issues.

> *"I can't afford my bills — electricity, water and gas."* - SURVEY RESPONDENT, WOMAN, 29, METRO NSW

63%
of people cannot always pay their utility bills on time – a sharp increase from 50% in 2023[4].

Almost half (47%)
of people are skipping meals. 1 in 7 are skipping meals more than once a week.[5]

1 in 4
people can't afford the same quality of meals (i.e. fresh produce) on a weekly basis.

61%
of people in poverty are skipping important medical and dental appointments due to cost – up from 47% in 2023.[6]

1 in 3
people have gone without basic hygiene products.

One quarter
of women have had to go without tampons or pads at least once in the past year.

3 Australian Energy Regulator (2025), Final determination on 2025-26 safety net prices for NSW, SA and SE QLD: https://www.aer.gov.au/news/articles/news-releases/final-determination-2025-26-safety-net-prices-nsw-sa-and-se-qld
4 NCOSS (2024). Impossible Choices: Decisions NSW Households shouldn't have to make.
5 Oz Harvest (2026). Oz Harvest Frontline Report
6 NCOSS (2024). Impossible Choices: Decisions NSW Households shouldn't have to make.

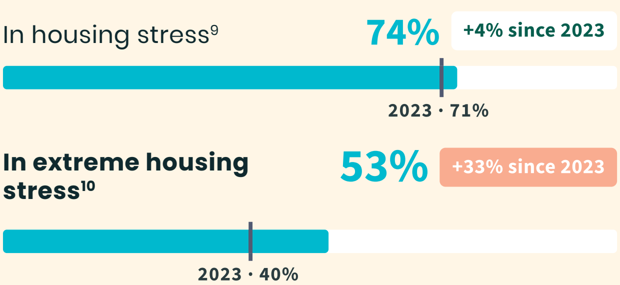
3 · HOUSING STRESS

Housing stress and insecurity are placing more people at risk of homelessness

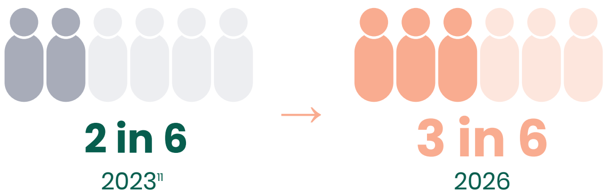
Rising interest rates and rents are driving unprecedented housing stress[7] across the state. Financial hardship is placing people at risk of losing their homes and becoming homeless – there are 80,000 people already experiencing homelessness in NSW, and 700,000 currently at risk[8].

> *"I'm scared of another rent increase because we cannot afford that, and we have nowhere else to go."* - SURVEY RESPONDENT, WOMAN, 36, REGIONAL NSW

HOUSEHOLDS IN POVERTY



UNABLE TO ALWAYS PAY RENT / MORTGAGE ON TIME



4 · ISOLATION

Financial hardship cuts people off from friends, family and community

People in poverty are struggling to participate in society. They are unable to afford travel costs, the data required to stay digitally connected, or the cost of a restaurant meal. This forced withdrawal from community creates a cycle of loneliness and isolation. The consequences are severe, exposing them to lower levels of happiness, life satisfaction and poorer mental health[12].

> *"You need to be able to socialise and see people, for your own mental health."*
> - FOCUS GROUP PARTICIPANT, MAN, 31, REGIONAL NSW, LGBTQIA+

Of people in poverty:

85%
feel socially isolated.

55%
cannot afford to travel to work, school or health appointments – up from 49% in 2023.[13]

54%
are unable to pay for mobile data or internet at home – up from 44% in 2023[14].

74%
find it hard to build and maintain friendships and/or relationships.

1 in 3
say that they **Always** or **Often** turn down a social invitation because they cannot afford it

1 in 3
say that they **Always** or **Often** feel shame and/or self-loathing for being in their financial situation.

7 Housing stress is described as lower-income households that spend more than 30% of their gross income on housing costs. (Australian Bureau of Statistics 2022).
8 Homelessness NSW and Equity Economics. (2025), A place to call home & the support to keep it.
9 NCOSS (2024). Impossible Choices: Decisions NSW Households shouldn't have to make.
10 Ibid.
11 Ibid.
12 Relationships Australia (2024). Relationship Indicators 2024: 'Full Report'
13 NCOSS (2024). Impossible Choices: Decisions NSW Households shouldn't have to make.
14 Ibid.

Financial hardship is far more severe for specific groups of people

While cost of living pressures are felt by all, it hits some groups much more than others. Single parents and members of the LGBTQIA+ community are far more likely to report greater levels of financial strain due to cost of living pressures.

> *"My son has special needs, and the NDIS has taken away some of his funding, so I have to pay those things out of my own pocket."* - FOCUS GROUP PARTICIPANT, WOMAN, 26, REGIONAL NSW, SINGLE PARENT

Cohort — share within this group | All households in poverty

Single parents

In the past 12 months:

Unable to always pay rent or mortgage repayments on time	61%	vs 46%	HIGHER BY 33%
Unable to always pay utility bills on time	80%	vs 63%	HIGHER BY 27%
Wouldn't be able to replace a major appliance if it broke	45%	vs 23%	HIGHER BY 96%
Felt isolated because of their financial situation	97%	vs 85%	HIGHER BY 14%
Have gone without mental health care or medication	63%	vs 47%	HIGHER BY 34%

Member of the LGBTQIA+ community

In the past 12 months:

Gone without meals	68%	vs 47%	HIGHER BY 45%
Gone without essential hygiene items	56%	vs 35%	HIGHER BY 60%
Didn't have a safe place to sleep	33%	vs 18%	HIGHER BY 83%
Gone without essential sanitary items	44%	vs 27%	HIGHER BY 63%
Unable to pay utility bills on time	79%	vs 63%	HIGHER BY 25%
Could not afford to travel for essential reasons (e.g. work)	70%	vs 55%	HIGHER BY 27%
Went without care or prescribed medication for my physical health	79%	vs 61%	HIGHER BY 30%

This is the first snapshot from collaborative research from the NSW community services sector, to be released through 2026. Thank you to our partners for their support.

SSI For equality of life. Relationships AUSTRALIA · NSW Shelter NEW SOUTH WALES St Vincent de Paul Society NSW good works MISSION AUSTRALIA Uniting

Contact advocacy@ncoss.org.au to learn more.