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FOR: IMMEDIATE RELEASE

COST OF LIVING DRAINING SAVINGS FOR VICTORIANS

Both renters and mortgaged homeowners in Victoria are dipping into savings, borrowing money from friends and are more likely to be delaying health care, new data from the Consumer Policy Research Centre (CPRC) shows.

CPRC CEO Erin Turner said, “Victorians paying off a mortgage and people who rent have low savings buffers and limited ability to raise finance in an emergency.”

Nearly two in five (38%) mortgaged homeowners in Victoria reported they couldn’t raise more than \$2000 if faced with an emergency, and 10% reported they couldn’t raise more than \$500.

Renters fared slightly worse: more than two in five (43%) reported they couldn’t raise more than \$2000 if faced with an emergency, and more than a quarter (27%) reported they couldn’t raise more than \$500.

“Both homeowners with a mortgage and renters are turning to informal sources of finance and unregulated forms of credit to get by.”

“But most alarming is the proportion already missing meals and delaying medical appointments due to cost. This is particularly worrying as the full impact of the latest rate rises won’t flow through to mortgage repayments after Christmas and many rental contracts come up for renewal in the new year,” Turner said.

In the last 6 months in Victoria:

- 38% of people who rent and 35% of people paying a mortgage dipped into their savings.
- 22% of people who rent borrowed money or resources from friends or family
- 17% of people who rent skipped a meal due to costs.
- One in five (18%) mortgaged homeowners reported difficulty paying their council rates.
- Nearly one in five (19%) of mortgaged homeowners and renters delayed a medical appointment due to costs.

“The rapid rise in interest rates has really started to bite people with a mortgage, 78% of mortgaged homeowners in Victoria have seen their mortgage increase in the past 12 months and one in seven reported their repayments have increased by more than \$700 per month.

“If you’re one of the many Victorians feeling the cost of living crunch, know that help is available. If you have a mortgage, speak to your bank about hardship options as early as you can. Anyone struggling can also get help from a free and independent financial counsellor,” Turner said.

These increases mean households have less disposable income and broader affordability problems. We’re seeing that Victorians are already stretched thin by the rising cost of living.

About the research

Media Release



The Consumer Policy Research Centre (CPRC) surveyed 1500 Victorians to understand actions taken and financial behaviours over the past six months.

More information, including the full report, *Rising rates, falling financial wellbeing: the impact of housing stress on Victorians* is available at: www.cprc.org.au/rising-rates-falling-financial-wellbeing

CPRC CEO, Erin Turner is available for interview on request. Contact media@cprc.org.au or ph: 0493 539 466

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Erin Turner, CEO, CPRC

Erin Turner is a consumer advocate dedicated to working with governments and regulators to make markets fairer for Australians. With a wealth of experience in governance, policy, communications and research, Erin leads now leads the team at CPRC. Prior to CPRC Erin spearheaded the advocacy and communications team at consumer group CHOICE and worked for ACCAN and the CBAA. Erin has Master of Politics and Public Policy and is a board member of the Australian Financial Complaints Authority (AFCA) and the Chair of the Financial Rights Legal Centre

CPRC

Consumer Policy Research Centre (CPRC) is an independent, non-profit, consumer think-tank established to work with policymakers, regulators, academia, industry, and the community sector to develop, translate and promote evidence-based research to inform practice and policy change.