



20 January 2023

Committee Secretary
Select Committee on Cost of Living
PO BOX 6100
Parliament House
Canberra ACT 2600

Dear Select Committee on the Cost of Living

RE: Senate inquiry into cost of living

Suicide Prevention Australia welcomes the opportunity to contribute to this inquiry. Suicide Prevention Australia is the national peak body for the suicide prevention sector. With over 390 members representing more than 140,000 workers, staff and volunteers across Australia, we provide a collective voice for service providers, practitioners, researchers, local collaboratives and people with lived experience.

We are deeply concerned about the growing number of Australian families and households struggling with the rising cost of living.^{1,2,3} We are concerned that soaring living costs are continuing to increase rates of distress and the risk of suicide in our community.^{4,5} Sadly, a recent survey identified that cost of living is one of the highest rated risk factors for suicide over the next 12 months for Australians.⁶ The evidence shows that people who have experienced severe financial strain may have a 20-fold higher risk of suicide.⁷ Unfortunately, suicide rates are between two and eight times greater in disadvantaged areas.^{8,9,10} Australian data also finds that

¹ ABC News, 2023, *Middle-income Australians turning to charity as cost-of-living pressures grow, while independent MP wants government tax offsets*, viewed 18 January 2023, [Middle-income Australians turning to charity as cost-of-living pressures grow, while independent MP wants government tax offsets - ABC News](#).

² News.com.au, 2023, *Families going without food, medication as cost of living crisis cuts deep*, viewed 18 January 2023, [Cost of living crisis: NCOSS chief Joanna Quilty says families going without food, medication to save costs | news.com.au — Australia's leading news site](#).

³ The Guardian, *Australia's cost of living crisis is hurting ordinary households, and it won't be over soon*, viewed 18 January 2023, [Australia's cost of living crisis is hurting ordinary households, and it won't be over soon | Satyajit Das | The Guardian](#).

⁴ Katie Rowlett, ITV News West Country, 2022, *Cost of living crisis pushing people to consider suicide warns Somerset Charity*, viewed 18 January 2023, [Cost of living crisis pushing people to consider suicide warns Somerset charity | ITV News West Country](#).

⁵ BBC News, 2022, *Charities warn Rishi Sunak about cost of living crisis suicide risk*, viewed 18 January 2023, [Charities warn Rishi Sunak about cost of living crisis suicide risk - BBC News](#).

⁶ Suicide Prevention Australia, 2022 *State of the nation in suicide prevention report*, viewed 18 January 2023, [SPA StateNationReport 2022 FINAL-2.pdf \(suicidepreventionaust.org\)](#).

⁷ Medical News Today, 2020, *Financial hardship is a top risk factor for suicide attempts*, viewed January 2023, [Suicidal tendencies: Definition, risk factors, and how to overcome \(medicalnewstoday.com\)](#).

⁸ The Independent, 1995, *Suicide-poverty link is reinforced in new study*, viewed 5 January 2023, [Suicide-poverty link is reinforced in new study | The Independent](#).

⁹ O'Farrell, I, Corcoran P, Perry, I, 2016, 'The area level association between suicide, deprivation, social fragmentation and population density in the Republic of Ireland: a national study', *Soc Psychiatr Epidemiol*, vol. 51, no. 6, pp. 839-847.

¹⁰ Office for National Statistics, 2020, *How does living in a more deprived area influence rates of suicide?*, viewed 9 January 2023, [How does living in a more deprived area influence rates of suicide? | National Statistical \(ons.gov.uk\)](#)





suicide occurs more frequently in the lowest socioeconomic areas¹¹ and has identified that problems related to housing and economic circumstances is a risk factor for suicide.¹²

Findings from the Suicide Prevention Australia Community Tracker indicate that rates of distress in the community remain persistently high.¹³ The survey found that 71% of people experienced an elevated level of distress in November 2022 compared to the same time 12 months earlier. Cost-of-living and personal debt was the lead cause of elevated distress, and worryingly, distress over housing and affordability grew the most among Australians in the previous three months.

We would like to provide input relating to the following terms of reference for this inquiry:

- (a) *the cost of living pressures facing Australians*
- (b) *the Government's fiscal response to the cost of living*
- (d) *measures to ease the cost of living through the provision of Government services*

We refer the committee to four reports that address the link between cost of living and suicide and give recommendations for key actions that address cost of living and suicide risk. A brief overview of key points and relevant recommendations from these reports is below. The reports are attached to this submission and can be downloaded here:

- [Turning Points: Imagine a World Without Suicide](#)
- [Turning the Tide: A Six Point Plan for Change](#)
- [The role of housing insecurity and homelessness in suicidal behaviour and effective interventions to reduce suicidal thoughts and behaviours: a review of the evidence](#)
- [Suicide Prevention Australia: Social Security Policy Position](#)

These four reports address key aspects of cost of living and suicide: debt, insecure work, increased risks for specific populations, and inadequate welfare supports.

Debt:

Due to increasing cost of living pressures many Australian households and families are taking on more debt than they can afford.^{14,15} Sadly, the relationship between debt and poor mental health is well documented.¹⁶ Mortgage holders struggling to meet repayments can experience significant mental distress and worsening mental health outcomes. Housing costs can precipitate protracted financial stress and can result in loss of security due to eviction, insecure housing, and homelessness. For children and young people, housing insecurity and homelessness can have severe long-term ramifications and an adverse impact on mental health. Sadly, there is strong

¹¹ Australian Institute of Health and Welfare, 2022, *Deaths by suicide, by socioeconomic areas*, viewed 5 January 2023, [Suicide by socioeconomic areas - Australian Institute of Health and Welfare \(aihw.gov.au\)](#).

¹² Australian Institute of Health and Welfare, 2022, *Psychosocial risk factors and deaths by suicide*, viewed 5 January 2023, [Psychosocial risk factors & suicide - Australian Institute of Health and Welfare \(aihw.gov.au\)](#).

¹³ Suicide Prevention Australia, 2022, *Suicide Prevention Australia Community Tracker 2022*, viewed 9 January 2023, [Suicide Prevention Australia Community Tracker - Suicide Prevention Australia](#).

¹⁴ ABC News, 2022, *Rising cost of living sees more Australians rely on donations and spiral into debt*, viewed 18 January 2023, [Rising cost of living sees more West Australians rely on donations and spiral into debt - ABC News](#)

¹⁵ The Guardian, 2022, *How Australia's skyrocketing cost of living is pushing people into poverty*, viewed 18 January 2023, [How Australia's skyrocketing cost of living is pushing people into poverty | Australia news | The Guardian](#)

¹⁶ Fitch, C, Simpson, A, Collard, S, Teasdale, M, 2007, Mental health and debt: challenges for knowledge, practice and identity, *Journal psychiatric and mental health nursing*, vol. 14, no.2, pp.128-133.





evidence that economic recessions and mediators such as unemployment, income decline, and unmanageable debts, are significantly associated with poor mental wellbeing, and suicidal behaviour. Living in areas with higher rates of foreclosure and evictions was also linked to an increased likelihood of depression, anxiety, psychological distress and suicide.

Recommendation: The Commonwealth Government better regulate mortgages and lenders to prevent abuse against borrowers

The increasing popularity of buy-now-pay later schemes such as Afterpay increases vulnerability to debt and can compound financial stress. Concerningly, 40% of buy-now-pay-later service customers are on low incomes of less than \$40,000 per annum and one in six customers engage in at least one activity which negatively affects their finances with many overdrawing, delaying repayments, or incurring additional debt to service their buy-now-pay-later debt.

Unfortunately, the health impact of indebtedness can be dire, and people who are unable to pay their debt experience suicidal ideation and depression more often than the general population. Findings indicate that levels of personal debt are associated with thinking about suicide even after adjusting for socioeconomic factors, lifestyle behaviours and other risk factors. These services are not required to verify the financial capabilities of customers which can have dire consequences as borrowers can take on more debt than they can afford. To protect consumers from financial harm, buy-now-pay later schemes should be regulated.

Recommendation: The Commonwealth Government strengthen responsible lending practices through legislation covering the Buy-Now-Pay later industry.

Insecure Work:

People engaged in insecure work are at greater risk of financial distress due to growing cost of living pressures compared to the permanently employed.¹⁷ The growth of the freelance workforce or gig economy has major financial ramifications for employees due to loss of superannuation, paid sick leave and annual leave. Worryingly, the growing casualisation of the workforce and shift towards contract work has coincided with rising underemployment and low wage growth in Australia.

Recommendation: The Australian Government to co-fund:
a. an online peer support platform for gig-economy workers
b. toolkits to help gig companies to support better workplace mental health

Increased Risks for Specific Populations:

The report conveys that specific population groups are at greater risk of financial difficulties and economic disadvantage. Aboriginal and Torres Strait Islander peoples experience the highest rates of financial exclusion and are often unable to borrow for a home or car to build their future financial security. Given that Aboriginal and Torres Strait Islander peoples experience higher rates

¹⁷ Australian Union, 2022, *What you need to know about insecure work*, viewed 18 January 2023, [What you need to know about insecure work - Australian Unions](#)





of suicide and higher rates of disadvantage the report suggests that there is a potential link between suicide and deprivation.

Recommendation: The Commonwealth Government fund specialist financial counsellors for priority groups and a campaign to promote their services.

Current welfare supports are inadequate:

Australia's income support system has not kept pace with the rising cost of living¹⁸ and is failing to prevent poverty.¹⁹ Sadly 55% of Australians receiving Newstart allowance and 64% of people receiving Youth Allowance are living in poverty.²⁰ The Senate Community Affairs References Committee reported significant evidence on the inadequacy of income support payments and their current ability to meet basic living needs during their inquiry into poverty and financial hardship.²¹

We know from previous recessions and pandemics that social safety nets play a crucial protective role in reducing distress and suicide risk.²² A fair and efficient income support system which ensures that all Australians can afford necessities will lift people out of poverty²³ and protect against suicide. This was evident in 2020 when poverty levels in Australia were reduced and suicide rates contained following the roll out of additional COVID-19 support payments.²⁴ We support the Raise the Rate campaign championed by ACOSS²⁵ and recommend that Australia's welfare system is reformed in line with the recommendations of their campaign.

Recommendation: The Commonwealth Government permanently increase the base rates of income support payments to adequate levels as outlined in the Raise the Rate campaign.

Given the accelerating cost of living across Australia it is imperative that there is increased investment in Government services and initiatives to support vulnerable Australians who are experiencing financial stress to prevent a potential increase in the suicide rate.

¹⁸ACOSS, 2022, *Income support and social security*, viewed 18 January 2023, [Income Support and Social Security - ACOSS](#)

¹⁹ Pro Bono Australia 2022, *Charities say inadequate income support payments are leading to poverty*, viewed 16 January 2023, [Charities Say Inadequate Income Support Payments are Leading to Poverty - PBA \(probonoaustralia.com.au\)](#)

²⁰ Davidson, P, Saunders, P, Bradbury, B, Wong, M, 2018, *Poverty in Australia*, ACOSS/UNSW Poverty and Inequality Partnership Report no. 2

²¹ The Senate Community Affairs References Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty, Commonwealth of Australia*, viewed 16 January 2023, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2002-04/poverty/report/index

²² Stuckler, D, Basu, S, 2013, *The Body Economic: Why Austerity Kills*, Basic Books.

²³ Romig, K, 2022, *Social security lifts more people above the poverty line than any other program*, Centre on Budget and Policy Priorities, viewed 16 January 2023, [Social Security Lifts More People Above the Poverty Line Than Any Other Program | Center on Budget and Policy Priorities \(cbpp.org\)](#)

²⁴ UNSW Sydney, 2022, *Reducing poverty and inequality in Australia is possible, report says*, viewed 16 January 2023, [Reducing poverty and inequality in Australia is possible, report says | UNSW Newsroom](#)

²⁵ ACOSS, 2020, *Raise the rate for good*, viewed 16 January 2023, [Home - Raise The Rate](#)





Yours sincerely,

Nieves Murray
Chief Executive Officer



Phone 02 9262 1130
admin@suicidepreventionaust.org
www.suicidepreventionaust.org
GPO Box 219 Sydney NSW 2001
ABN 64 461 352 676
ACN 164 450 882

Patron: His Excellency General the Honourable
David Hurley AC DSC (Retd)