

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

Via email: costofliving.sen@aph.gov.au

10 March 2023

Dear Committee,

Thank you for the opportunity for the NSW Advocate for Children and Young People (ACYP) to provide feedback to the Select Committee on the Cost of Living.

Established under the *Advocate for Children and Young People Act 2014*, the Advocate for Children and Young People is an independent statutory appointment overseen by the Parliamentary Joint Committee on Children and Young People. ACYP advocates for the safety, welfare and well-being of children and young people aged 0-24 years and promotes their participation in decisions that affect their lives. The Act requires ACYP to 'give priority to the interests and needs of vulnerable and disadvantaged children and young people' and to 'focus on systemic issues affecting children and young people'. Further information about ACYP's work can be found at: www.acyp.nsw.gov.au

Ensuring that children and young people have a good standard of living – including that they do not live in poverty and that they are provided with the necessities they need to thrive - is a key focus area of the *NSW Strategic Plan for Children and Young People 2022-2024*. Throughout ACYP's engagement and consultation activities with children and young people across NSW over the past few years, concerns relating to financial instability and the high cost of living have been raised as one of their key issues of concern, as well as a focus area that they recommend government seek to address.

We have attached a copy of our recently published *NSW Strategic Plan for Children and Young People: Tracking Report 01 (the Tracking Report)* for the Committee's review. This report is intended to track changes in sentiment among young people in NSW across the six key commitments in the *NSW Strategic Plan for Children and Young People 2022-2024 (The Strategic Plan)*. It compares benchmark data from 2021, to a second survey conducted in 2022. The surveys are conducted with children and young people aged 10-24 from across NSW.

The Tracking Report found that measures related to the commitment, *A Good Standard of Living*, saw negative changes in 2022.¹ Children and young people also independently identified the cost of living or financial pressure as a key issue that children and young

¹ ACYP (2023), The NSW See pages 32-25 of the Tracking Report.

people face in NSW.² When given the opportunity to share their advice about how the NSW Government can support young people like them, financial support also remained a key recommendation.³

We asked young people aged 18-24 years, as well as those who were under 18 years but living independently, to describe their financial situation.

- While 67% said they were either 'doing well and feeling comfortable' or 'doing okay', there were 32% who said they were either having 'some' or 'a lot of difficulty making ends meet' and covering basic living expenses.
- This measure of those experiencing financial difficulty has increased from 25% in 2021 up to 32% in 2022.

The following groups were statistically more likely to report they were struggling financially in 2022:

- Those with mental illness (45%);
- Aboriginal and/or Torres Strait Islander participants (42%)⁴;
- Those who identify as LGBTQIA+ (41%);
- Those living in Regional NSW (40%);
- Those with disability (39%); and
- Those who were not from a CALD background (35%).

While most other measures in this survey remained relatively stable at an overall level, fewer young people reported being able to eat a healthy and balanced diet if they chose to – decreasing from 85% (2021) down to 81% (2022). Whilst not possible to determine from this survey, this is likely in line with increasing costs of living widely documented throughout 2022. For example, Foodbank's Hunger Report 2022, found that an increasing number of Australian households are experiencing food insecurity, with households with dependent children and those with young adults 18-24 years old being more susceptible.⁵

Those in ACYP's survey more likely to disagree with the statement – indicating they cannot eat a healthy and balanced diet if they wanted to – were:

- Young parents (23%);
- Those neither studying nor working (19%);
- TAFE/VET students (16%);
- Those living alone (16%); and
- Those with mental illness (14%).

² See page 14 of the Tracking Report.

³ See page 50 of the Tracking Report.

⁴ Note the number of Aboriginal and/or Torres Strait Islander participants who answered this question was small (n=39) and so while this is sufficient to determine a statistically significant result, the finding should be interpreted with caution.

⁵ Foodbank (2022) Foodbank Hunger Report 2022, accessed via: <https://reports.foodbank.org.au/wp-content/uploads/2022/10/Foodbank-Hunger-Report-2022-1.pdf>

The group identified above who indicated they are struggling financially were also more likely to report negative results in a large number of measures across the six commitment areas of the Strategic Plan. Those who reported that they were struggling financially were more likely to:

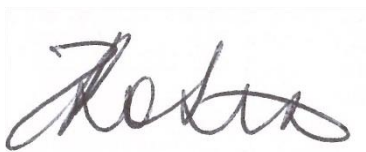
- Feel negative about their lives;
- Feel hopeless about their future in general, their education, and their careers;
- Report negative relationships with their household and their immediate family;
- Report poor physical health and poor mental health;
- Be unsatisfied with their participation in and access to fun activities; and
- Feel unsafe in public areas around the local community.

In line with these findings and ACYP's intention to focus on the Good Standard of Living pillar of the Strategic Plan in 2023, ACYP is currently embarking on a series of consultations with young people about cost of living. The intention of the project is to explore the impacts of cost of living pressures on young people across NSW, with a focus on understanding young people's experiences; identifying the barriers that young people face to living the life they want; and solutions that Government can implement to address these. If it is of interest to the Committee, we would be happy to provide a copy of the future findings as they are completed later in the year.

Included with this letter, please find some relevant quotes drawn from the survey that informed the Tracking Report, so that young people's perspectives, in their words, might also inform the work of the Committee.

Please do not hesitate to contact me at or my team at acyp@acyp.nsw.gov.au if we can be of any assistance as this review continues.

Yours Sincerely,



Zoë Robinson
Advocate
Office of the Advocate for Children and Young People

Appendix: Advice from children and young people in their words

The following quotes are drawn from open ended questions in the survey that informed the Tracking Report. Young people were asked about the main issues they faced and their advice for Government about how to make life better for children and young people their age.

The main issues young people face in NSW

“Cost of living. It feels like we will forever be renting and unable to afford a house and are having to constantly sacrifice one essential over another.”

“The rising cost of living. Working 36 hours a week and only being able to earn minimum wage and expected to be able to purchase a house.”

“The increased cost of living will make it hard for us young people to get on our feet.”

“The cost of living and purchasing their first home. Unavailability of certain jobs post study.”

“Increase in expenses and how the cost of living is so expensive leaving many in debts with little support.”

“At this rate life is too expensive and many young people get overwhelmed even thinking about the next day let alone their lives. Trying to juggle school, with working for a better future is very tough.”

“The cost of living rising, difficult to buy homes and sometimes even to move out of home.”

“The impact of the cost of living on enjoyment is also massive - the awareness that the majority of us will not be able to afford a home, and that rent is horribly expensive for properties that aren't worth it.”

“High cost of living which makes it hard to afford daily necessities and buying a home or renting.”

“A very expensive city, causing young people to have to work excessively whilst studying, giving young people no chance to look after themselves and their mental health. Another issue is the pressure to build a successful future with the current economic climate is extremely daunting.”

Advice for the NSW Government about making life better for young people

“Subsidise living costs for young people who are working or trying to work. Living is expensive even if working full time. Young people don't always get paid well.”

“I think a rent freeze for those renting under the age of 30 would be so good. We are paying way too much rent with nothing to help us. In my case, I have to work 3 jobs with full time uni in order to make ends meet, I'm not sure how other people are doing it.”

“Bring down housing costs as well as house/land packages. Bring down food and petrol costs. Up wages. Including maternity leave pay with an extension of time for new mums.”

“Help support [young people with the] cost [of] groceries and female hygiene products.”

“Fix the cost of living and the home ownership problem so that young people can have a fair chance.”

“Ease the rising cost of living and open the way for more apprenticeships.”

“I would like to see them give us more benefits and reduce the cost of living and tertiary education.”

“More access to mental health for free. Better facilities and fun things for youth to do, and hang out, and doesn't cost a lot.”

“Provide better funded services. Allowances never cover [the] cost of living, forcing tertiary students to sacrifice their degree to fund their cost of living.”