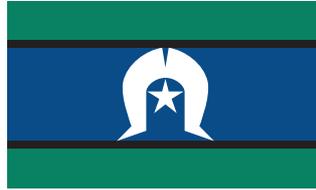


“It should be easier to just exist”:

How children and young people are impacted by and responding to the rising cost of living in NSW

Final Consultation Report
December 2023



We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to lands, waters and cultures.

We pay our respects to their Elders past and present. We would also like to acknowledge the important role of Aboriginal and Torres Strait Islander people and culture within the NSW community.

We also acknowledge the young people who participated in the development of this report for sharing their experiences. ACYP extends its gratitude and thanks to those young people.

If you or someone you know requires support, there is always hope and there is always help available. For support, contact Lifeline on **13 11 14** (at any time, 24/7) or visit lifeline.org.au and Kids Helpline on **1800 55 1800** (at any time, 24/7).

If you're facing a lot of financial difficulty or need advice from a financial counsellor, please call the National Debt Hotline on **1800 007 007** or visit ndh.org.au. For resources and tips around managing cost of living and money stress visit acyp.nsw.gov.au/life-skills.

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Foreword



As you read this report, have front of mind the incredible children and young people who participated in this work. Not only did they share their honest thoughts, they bravely walked us through their lives. Some of our most vulnerable young people gave their voice and experience to this work.

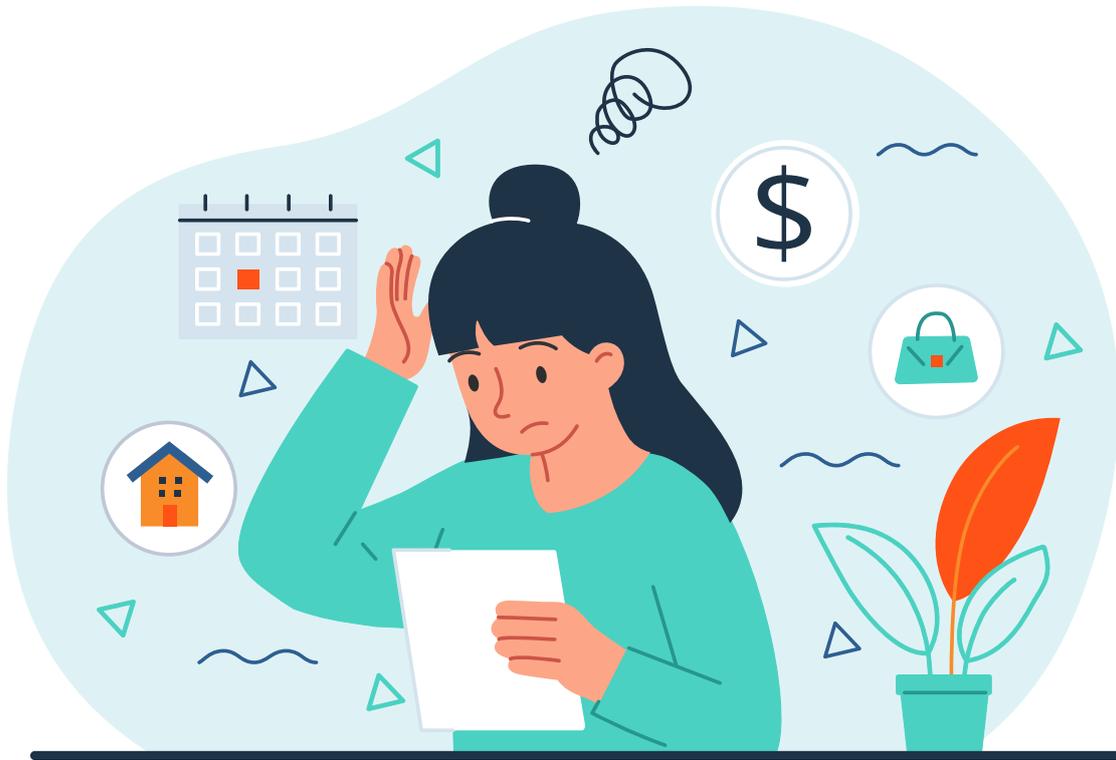
The students who engaged in this work, from TAFE and Universities, are the same people we are hoping will “change the future” and on who we have placed great expectations. However, both these groups of people are often the ones we do not consult with when making policy changes. We need to hold them close as we look for and design solutions to the rising cost of living.

Sitting with young mums in one consultation, I was distracted and often found myself having to double check what was being said. They are making incredible choices to prioritise their children over themselves. Perhaps that is just *what parents do*. However, they are in the situations where they are choosing food for their baby, over feeding themselves. No one should have to choose when it comes to food. They are choosing to not proceed with medical needs for themselves, over the needs of their children. They shouldn't have to choose. One mother talked about being concerned to take her baby to a specialist appointment because she was worried she couldn't afford what her baby needed. Healthcare shouldn't involve that kind of sacrifice.

This report demonstrates that children and young people are having to compromise on choices that relate to their housing, their health, their education and their physical wellbeing (including food and activities).

ACYP considers all of the work we do within the policy and legislative environment, including international commitments. The Universal Declaration of Human Rights says (amongst other things):

- Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
- Everyone has the right to a standard of living adequate for the health and wellbeing of themselves and their family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond their control.



What children and young people ask for and recommend in this report is not out of reach, in fact it is within their rights as humans to hope for these things. They are also the young people who are going to be teachers, nurses, doctors and policy makers in the future. They are raising children and want to give them every opportunity to thrive.

This report gives us real insights into their current situations and their hopes for the future, but also their real fears. The recommendations are achievable and together we can implement and make positive change that provides relief around cost of living pressures, that ultimately ensures that children and young people have access to the things they need and have a right to.

Zoë Robinson

Advocate for Children and Young People

Recommendations

The following recommendations have been made based on the findings of this consultation report.



Groceries and Food

Recommendation

- 1.1 To increase young people's ability to access food banks when needed, we recommend that government, the community sector and other key stakeholders (such as universities) work to:
- Promote the Foodbank Find Food search engine.
 - Provide regular access (including standard opening hours), promotion and stocking of foodbanks and food pantries – particularly those on university campuses.
 - Increase availability to food bank and food pantry services outside of CBD/ metropolitan areas (for example, western suburbs, regional and remote areas).
- 1.2 ACYP strongly supports the NSW Government's existing commitment to double school breakfast programs in NSW from 500 to 1000 over the next four years. To complement this, we recommend additional targeted programs aimed at supporting young people to access essential healthy food. *(Continues on next page.)*

Responsibility

NSW Department of Communities and Justice, NSW Department of Customer Service and other NSW Government agencies, local councils, community service providers and other key stakeholders (such as universities)

NSW Department of Communities and Justice, NSW Department of Education and other NSW government agencies

Recommendations



Healthcare and Medical Costs

Recommendation

1.2 This could include the implementation of a targeted grocery vouchers program for vulnerable young people, for example young parents, young people experiencing homelessness and international students.

Responsibility

NSW Government

2.1 Address rising costs and availability of bulk-billing clinics to access basic medical care. ACYP notes the Federal Government's recent tripling of bulk billing incentive payments for GPs to increase bulk billing rates for children aged under 16, pensioners and other concession card holders. The NSW Government should work in partnership with the Federal Government to improve access to bulk-billed GP services for young people across NSW.

The Federal Department of Health and Aged Care and NSW Ministry of Health

2.2 Invest in options to develop a targeted Wellbeing Voucher program for young people aged 12 – 24 years that could provide financial assistance for activities that support their wellbeing and better mental health.

NSW Ministry of Health, Mental Health Commission of NSW and NSW Department of Customer Service

2.3 Expand fee-help programs to improve equity of access to mental health services, including:

- Extend the limit of 10 sessions under Mental Health Treatment Plans for children and young people, and the time to utilise these sessions – i.e. beyond 12 months.
- Provide financial assistance to support young people to travel to a mental health specialist when they live in a regional or remote area.

Services Australia, NSW Ministry of Health and NSW Department of Communities and Justice

(Continues on next page)

Recommendations

Recommendation

- 2.3
- Fund plans to cover the gap for subsidised Mental Health Treatment plans for children and young people, up to the age of 24.
 - Increase funding to support mental health prevention programs, both in schools and online.

2.4 Increase awareness and uptake of existing means-tested Child Dental Benefits Scheme (CDBS) for children and young people aged under 18 years in NSW. This should include promotion through GP clinics, dental clinics and government and parenting websites. In addition, there should be a promotion to families from culturally and ethnically diverse communities, by providing information in the most commonly used languages in NSW.

2.5 Expand access to the public dental scheme to enable all children and young people (aged 0-25 years) to have access to a free check-up and service every 12-months. This should include a focus on expanding the use of mobile dental clinic services, with a particular focus on increasing access for children and young people in regional/remote areas, as well as for Aboriginal children and young people and vulnerable cohorts.

2.6 Expand the contraceptives available on the Pharmaceutical Benefits Scheme (PBS) for young people aged 18 – 25 years (to include contraceptives such as Zoely, Yaz, Qlaira and Slinda), to reduce costs and allow young women to avoid side effects from some of the generic and older generations of contraception.

Responsibility

Services Australia,
NSW Ministry of
Health and NSW
Department of
Communities
and Justice

NSW Ministry
of Health in
collaboration with
general practitioners,
dental practitioners,
NSW Department of
Education, NSW
Department of
Communities and
Justice and other
government agencies

NSW Ministry
of Health

The Federal
Department of
Health and Aged
Care and Services
Australia

Recommendations

	Recommendation	Responsibility
 <p data-bbox="199 1142 406 1220">Housing and Rent Costs</p>	<p data-bbox="491 369 1101 862">2.7 Expand and increase awareness of <u>Community Youth Health Services</u> (such as Youthblock Redfern and the Fairfield Liverpool Youth Health Team), which provide medical care to young people aged 12 to 25 years from priority populations including LGBTIQ+, out of home care, youth justice, young people from the Aboriginal and Torres Strait Islander or from culturally diverse backgrounds. A Medicare card is not required to access these services.</p> <p data-bbox="491 929 1101 1848">3.1 ACYP acknowledges existing work underway by the NSW Government to reform the rental system. Any reforms should include a focus on addressing young people’s concerns and inherent discrimination in the existing system by:</p> <ul data-bbox="550 1198 1093 1848" style="list-style-type: none"> • Developing and promoting existing information to young people about the rental process, their rights and advice on how to address concerns relating to repairs or issues. • Further regulating the rental system to support reform and transparency such as preventing excessive rent rises, rent bidding and ‘no grounds’ terminations. • Prohibiting the use of certain data (applicant name, age or suburb and a lack of rental history for young people), to assess a rental application. <p data-bbox="491 1892 1101 2038">3.2 ACYP will develop an additional Life Skills video for young people focused on ‘Rental Rights’ including share-housing rights by mid-2024.</p>	<p data-bbox="1133 369 1324 436">NSW Ministry of Health</p> <p data-bbox="1133 929 1436 1310">NSW Department of Communities and Justice, NSW Department of Customer Service, NSW Rental Commissioner and other government agencies</p> <p data-bbox="1133 1892 1212 1915">ACYP</p>

Recommendations

Recommendation

3.3 Increase awareness and access to existing subsidies (such as Rent Choice), which support young people to access accommodation and housing, with a focus on:

- Increasing awareness about existing supports amongst young people, including through a focus on both education and outreach programs.
- Reducing barriers that prevent young people from accessing existing supports – for instance, support around obtaining identification documents, and further extending beyond the recently announced seven days that young people can access temporary accommodation through Link2Home.
- Working in partnership with the Real Estate Institute to develop awareness and knowledge about Rent Choice products and other subsidies which are available to young people.

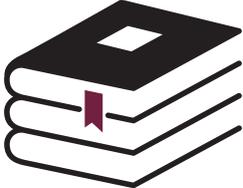
3.4 Enhance partnerships between community, government and business sectors, to utilise vacant or available properties (often referred to use as meanwhile use), to provide additional temporary housing and accommodation options for young people.

Responsibility

NSW Department of Communities and Justice and other government agencies, community service providers and youth services

NSW Department of Planning, NSW Department of Communities and Justice and other NSW Government agencies

Recommendations

	Recommendation	Responsibility
	<p>3.5 Expand funding for medium-term transitional services that include wrap-around support, based on models designed and proven to work with young people. This should include investment in scaling Youth Foyer models across NSW, which provide integrated learning and accommodation settings for young people aged 16-24 years who are at risk of, or experiencing, homelessness.</p> <p>3.6 Ensure that the next NSW Homelessness Strategy includes a particular focus on the needs and experiences of children and young people who are at risk of, or have experienced, homelessness. This should include a focus on the importance of access to housing for young people exiting the out-of-home care and youth justice systems.</p>	<p>NSW Department of Communities and Justice</p> <p>NSW Department of Communities and Justice</p>
 <p>Education</p>	<p>4.1 Extend and expand the course offerings for the fee-free TAFE courses scheme. This should also include a focus on ensuring that course materials are also provided free of cost for fee-free courses.</p> <p>4.2 Ensure universal access to resources and workshops in schools to explain the process of HECS debt and wider promotion of available scholarships, fee help and other financial aid programs to young people during high school and upon enrolment in TAFE and University.</p>	<p>Federal Department of Education, Skills and Employment, NSW Government agencies, in partnership with industry peak organisations to supply course materials</p> <p>NSW Department of Education, TAFE and Universities</p>

Recommendations

Recommendation

4.3 Ensure promotion of Study Australia Cost of Living Calculator tool by service providers, universities and TAFE, at point of enrolment.

4.4 Promote and expand existing international student scholarships connected to a skilled workforce shortage list, which may include a mandatory period of employment in Australia thereafter.

Responsibility

Universities, TAFE, youth service providers, NSW Department of Education, NSW Department of Communities and Justice and NSW Department of Customer Service

Federal Department of Education and Skills and Training; Federal Department of Home Affairs and NSW Department of Customer Service



Employment

5.1 ACYP supports the ongoing work to develop resources to support the 'Becoming an Adult' life event. ACYP notes this resource should be co-designed, tested and evaluated by young people and provide:

- A toolkit of life skills resources to better prepare them for success as they transition out of high school including education on financial literacy and financial management for young people.
- Youth friendly version of the Careers NSW platform to make it easier to navigate further study and career choices. It should include information on skill shortages, course requirements, any upfront tertiary costs, fee arrangements, tools required, the tertiary trajectory and base salary.

NSW Department of Customer Service

Recommendations

Recommendation

- 5.1 · (See recommendations 1.1, 2.7, 3.1, 3.2, 3.3, 4.3, 5.4 - 5.6, 6.2, 6.3 and 8.2 for potential inclusions in this resource.)
- 5.2 Invest in future employees by funding and promoting discounts or subsidies to support 16 – 24 year olds to obtain mandatory requirements for entry-level casual employment such as RSA, RCG, Barista and White Card certifications and uniforms.
- 5.3 Re-consider the base rate of income support payments such as Youth Allowance to align with current cost of living pressures and median rental prices.
- 5.4 Promote the NSW Government [‘Your rights and entitlements at work’](#) web page to increase young people’s understanding of their rights and their employer’s existing obligations.
- 5.5 Develop a youth-facing version of Fair Work’s “Child employment in NSW and the Fair Work System” web page resource including better promotion of the Casual employees information, Starting a new job online course and Find my Award search platform.

Responsibility

NSW Department of Customer Service

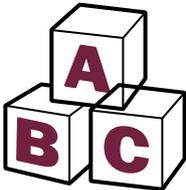
Industry Peak Organisations

Services Australia

Department of Customer Service, NSW Department of Communities and Justice and other government agencies, ACYP, TAFEs, universities and service providers

Fair Work Ombudsman

Recommendations

	Recommendation	Responsibility
	<p>6.3 Expand and promote the Driver Licensing Access Program (DLAP) to vulnerable and geographically disadvantaged young people via the ACYP Life Skills web page and NSW Government’s Becoming an Adult life events work.</p>	<p>Transport for NSW</p>
<div style="text-align: center;">  <p>Childcare</p> </div>	<p>7.1 ACYP welcomes the recent NSW budget announcements to build 100 new preschools and supports growth of not-for-profit ECEC in high demand areas and expand funding relief. ACYP recommends new preschools, community and council-run child care centres and long daycare centres are built in regional areas which lack facilities as an urgent priority.</p>	<p>NSW Department of Education</p>
<div style="text-align: center;">  <p>Debt</p> </div>	<p>8.1 Improve regulation to ensure that Buy now, pay later (BNPL) schemes cannot be accessed by young people before the age of 18.</p> <p>8.2 Increase access to education on financial literacy and financial management for young people, including clear and more transparent information about credit ratings and BNPL schemes.</p>	<p>Australian Treasury and BNPL providers</p> <p>Australian Treasury, NSW Government through the Becoming an Adult life events work</p>

Introduction

The rising cost of living has been an area of concern across government, media, and among communities for several years. This is echoed in the views and experiences of children and young people across NSW. In 2023, cost of living became the number one issue for young people in NSW for the first time, with over a third (35%) mentioning this issue unprompted – up from just 8% in 2021.¹ It is also the top area that young people would like to see more support from the NSW Government.

The following final consultation report presents the findings of ACYP's 2023 Cost of Living project which was focused on:

- Understanding the ways that young people are impacted by and coping with increasing cost of living pressures in NSW.
- Identifying solutions that government, business and community can implement to address these experiences.

This document builds on an earlier interim quantitative report and includes qualitative and quantitative data drawn from mixed-methods engagement with over 2,000 children and young people across NSW. The report provides an important picture into the specific pressures that young people and their families are facing in the following areas: groceries, healthcare, housing, education, employment, transport, childcare and experiences of debt.

This report highlights a confronting reality where young people are being forced to change their aspirations and sacrifice their health, wellbeing, education, and social connections due to rising cost of living. These pressures are even more stark for those young people who are already experiencing vulnerability and doing it tough.

The rising cost of living is causing a high level of stress and anxiety for young people. In ACYP's 2023 Youth Week Survey, over half (55%) of young people were very or quite concerned with the cost of living, and the vast majority (80%) reporting that their cost of living has increased in the past 12 months. Young people are feeling the financial burden in relation to both the immediate management of everyday expenses and impacts on their future planning and decisions.

¹ACYP (2023). *2023 Strategic Plan Survey*. 2023 was the first year that cost of living topped the list of key unprompted issues for children and young people across NSW since ACYP started conducting polling of children and young people in 2015.

Introduction

Whilst young people are demonstrating strength and taking steps to respond to the increasing cost of living, for many this is not enough to cope with rising pressures. Over the past few years there has been a decline in young people's financial situation across NSW, with fewer reporting they are 'doing well and feeling comfortable' and more slipping into financial difficulty.² More than a third (35%) of young people now report having 'a lot' or 'some' difficulty making ends meet – a 10% increase since 2021.² This means that young people are increasingly struggling to pay for the things that they need to live with the little money they have access to.

When probed further throughout ACYP's mixed-method engagement, including consultations and surveys, children and young people said the top area for government to focus their efforts on was housing. This referred to both supporting young people's ability to buy their first home and reducing the cost of rent. Other core priorities included cost of groceries, cost of electricity and gas, and costs associated with education.³

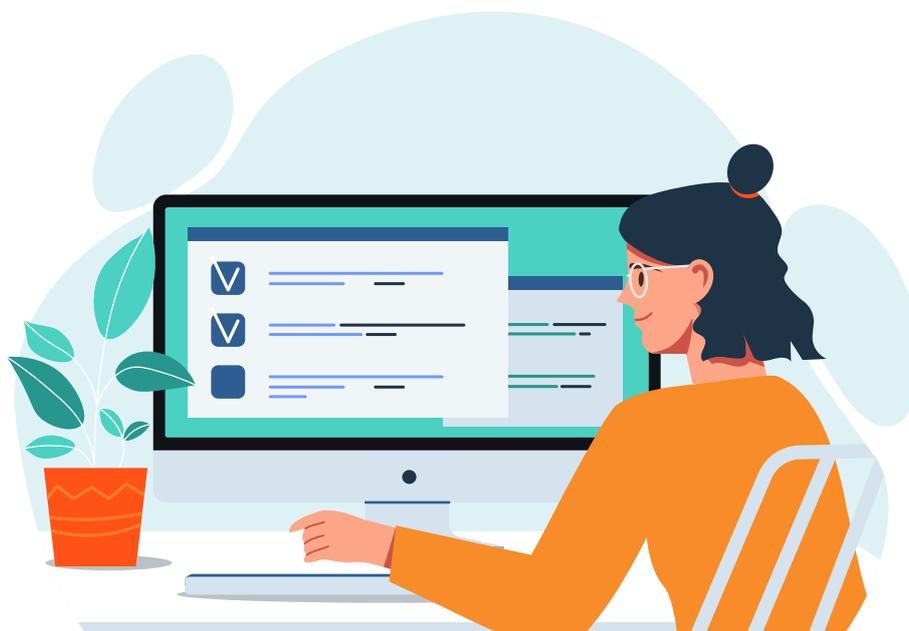
Ensuring that children and young people have a good standard of living – including that they do not live in poverty and that they are provided with the necessities they need to thrive - is a key focus area of the [*NSW Strategic Plan for Children and Young People 2022-2024*](#) and a core principle in the United Nations Convention on the Rights of the Child.⁴ This report provides a series of recommendations and highlights that further supports are needed to safeguard children and young people against the damaging impacts of the cost of living crisis.

² ACYP (2023). *2023 Strategic Plan Survey*.

³ In the absence of specific feedback from young people in relation to energy costs (electricity and water), ACYP has not developed recommendations relevant to these issues despite it being an area of concern.

⁴ United Nations Conventions on the Rights of the Child (UNCRC), Article 27.

Methodology



ACYP's cost of living project focused on understanding young people's experiences of cost of living pressures in NSW and identifying both challenges and opportunities for improved support.

The research project utilised a mixed-methods approach, and this report includes findings drawn from:

- ACYP's annual quantitative 2023 Youth Week (YW) Survey facilitated by SEC Newgate;
- A series of 34 qualitative focus group consultations with young people aged 16 – 24 years facilitated by ACYP; and
- A series of supplementary open-link online questionnaires which asked children and young people about their top concerns and advice for government in regard to cost of living.

Overall, more than 2,000 children and young people across NSW were engaged throughout the project.

Methodology

■ Quantitative survey

The 2023 YW Survey involved a 15-minute, online quantitative survey of n=1,007 children and young people in NSW aged 10-24 years⁵. The fieldwork ran between 8 – 17 April 2023 and quotas were set to ensure a good cross-section of the population across demographic sub-groups. Data was weighted to ABS population data for age, gender and location. At an overall level, the margin of error at a 95% confidence interval was +/- 3.1%.

The 2023 YW Survey was conducted for ACYP by professional research firm, SEC-Newgate Research, which is a member of the Australian Polling Council and The Research Society.

The table below shows unweighted sample sizes for key sub-groups and the associated margin of error at a 95% confidence interval⁶.

	n=	Margin of error %
Total	1,007	3.1
Males	543	4.2
Females	464	4.6
Age 10-17 years	488	4.4
Age 18-24 years	519	4.3
Greater Sydney	700	3.7
Rest of NSW ⁷	307	5.6
Young adults (those aged 18-24 or living independently)	535	4.2

⁵For this report, the term 'young adult' will be used when discussing data from the 2023 Youth Week Survey to describe young people who are aged 18-24 years old and living independently.

⁶ACYP acknowledges the limitations of this survey. There is some representation among the sample from young people who have experienced various types of vulnerability (such as those who have experienced homelessness, experiences of the youth justice system or in out-of-home-care). ACYP acknowledges there is a large number of children and young people across NSW who have limited literacy or live below the poverty line and who are less likely to have participated in this survey. To combat this, many of ACYP's face-to-face consultations were targeted at young people experiencing vulnerability in order to ensure these viewed are represented throughout the report.

⁷Throughout this report, we have used the term Regional NSW as a reference to young people who do not live in Sydney, noting that participants may have been drawn from across regional and rural areas of NSW.

Methodology

■ Qualitative consultations

To better understand the breadth of experiences and pressures young people face in relation to the cost of living, ACYP undertook qualitative consultations with young people across NSW. ACYP consulted with 198 young people (aged 16-24 years) in face-to-face focus groups of between 2 – 15 young people. Of the 34 focus groups across 24 locations, 25 were in greater Sydney areas, and nine were in regional NSW.

Throughout consultations, ACYP sought to ensure representation from young people who have experienced various types of vulnerability. To facilitate this, ACYP focused on recruiting young people through support services, such as services for young parents, refugee and recent migrant services, homelessness services and disability support services. Their unique insights bring depth and colour which is captured in this report. In addition, ACYP also sought to ensure the general population was represented, so focus group consultations also took place in other places where young people spend their time, for example at universities, TAFE campuses, online and in their local communities.

Young people who participated in these consultations were asked broader questions about how the cost of living was impacting them and if there had been any changes in their personal behaviour or habits to deal with the rising cost of living. ACYP also asked deeper questions about their experiences across housing, transport, education, employment, healthcare, groceries and energy and childcare. Young people were also asked to select the focus areas they think the government should prioritise from the following list:



Ability for young people to buy their first home



Cost of rent and availability of rental properties



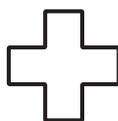
Cost of groceries



Cost of electricity and gas



Costs associated with education



Upfront costs of medical appointments



Cost of medications



Cost of transport

Methodology

Finally, young people were asked for their advice about what the government should do to better support young people to manage the cost of living.

Before the focus group discussions, young people were invited to provide demographic information to capture the diversity of experiences represented. Of the 198 young people ACYP met with, 171 fully completed the demographic information. Of these:



97 were female, **108** were male and **six** identified as transgender and **three** preferred not to say.



49 spoke a language other than English at home.



34 identified as LGBTQIA+.



17 were Aboriginal and Torres Strait Islander.



38 lived with disability.



39 were aged 14-17 years and **121** were aged 18-24 years.



136 lived in Sydney and **35** lived in Regional NSW, for a total of **171** young people.

ACYP notes that while the sample was recruited to reflect the diversity of views and experiences among young people in NSW, the focus group consultations were qualitative in nature. Findings should not be considered as statistically representative across NSW.

All participants were provided with information on where they could access financial supports, financial literacy and wellbeing services.

■ Supplementary engagement with young people

In addition to the 2023 YW Survey and face-to-face consultations, ACYP also conducted supplementary engagement with children and young people through a series of open-link online questionnaires using the SurveyMonkey platform. These online questionnaires provided children and young people across NSW with the opportunity to share their views, and in particular asked children and young people to share their advice for government in regard to cost of living.

A total of three open-link questionnaires were conducted including:



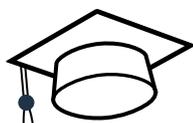
General population

This online questionnaire was in the field from 18 April – 1 June 2023 via an open link available to young people aged 12 – 24 years. It was distributed through outgoing email communications to ACYP stakeholders, children and young people and promoted via social media. A total of 852 children and young people completed the online questionnaire. However, we note that the majority of those who completed the questionnaire were female (75%), aged 10-17 years (97%) and lived in the Sydney region (85%)⁸.



TAFE students

This online questionnaire was targeted at TAFE students and utilised as an intercept survey from 27 April – 22 August 2023 with 62 young people between the age of 15 – 24 years completing it⁹.



University students

This online questionnaire was targeted at University students and utilised as an intercept survey from 21 April – 26 July 2023 with 62 young people between the age of 15 – 24 years completing it¹⁰.

⁸Of those who answered these demographic questions, this included 638 females and 187 males. It also included 824 children and young people aged 12 – 17 years and 28 young people aged 18 – 24 years, 720 of respondents were from Greater Sydney and 132 were from regional NSW.

⁹Of those who answered these demographic questions, this included 31 females and 19 males. It also included 59 young people from Greater Sydney and five from regional NSW.

¹⁰Of those who answered these demographic questions, this included nine females, eight males and one transgender/non-binary or other gender. It also included 23 young people from Greater Sydney and three from regional NSW

Groceries and food



Young people are skipping meals and prioritising less nutritious foods to cope.

ACYP acknowledges the ongoing complexities and context which result in the cost of food and groceries rising. The price of dairy has risen over 15% in the past 12 months, breads and cereals have risen 11% and there has been an increase of 7.5% for food and non-alcoholic beverages.¹¹ NSW also experienced supply shortages as a direct result of the floods. As a result, 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.¹²

Many young people who participated in ACYP's consultations had noticed the steady and dramatic increase in grocery costs, with young people identifying this as one of their greatest areas of concern. They spoke openly about the challenges in affordable healthy groceries and the unavoidable and necessary changes they have made to account for the increase in prices at the supermarket. Concerningly, the 2023 YW Survey found that 22% of all children and young people and 31% of young adults, ate smaller meals or skipped meals as a way of coping with the rising cost of living.¹³ This was echoed in consultations.

Other research conducted by ACYP also revealed Aboriginal and Torres Strait Islander young people, those with a disability, young parents, young people aged 18 – 24 years, living independently or in regional NSW were more likely to self-report it was more difficult to eat a balanced and healthy diet.¹⁴



It's really hard to have a healthy balanced diet when you have to worry about the cost of the food you're buying.



Young people shared examples of common practices including:

- Prioritising carbohydrates to bulk out food and make it last longer as well as purchasing more processed, frozen foods and less fresh food produce.
- Deprioritising purchasing fresh food produce. The 2023 YW Survey found 26% of young adults and 19% of young people living with parents or carers, were buying less fresh food to reduce spending on groceries.

¹¹ Australian Bureau of Statistics (2023). [Consumer Price Index - Australia](#), June 2023 quarter.

¹² Foodbank (2022). [Foodbank Hunger Report 2022](#).

¹³ When we refer to percentages throughout this report, it refers to the findings of ACYP's quantitative 2023 Youth Week Survey. Additional analysis of these quantitative findings can be found in [ACYP Interim Quantitative Report \(June 2023\)](#).

¹⁴ ACYP (2023). [2023 Strategic Plan Survey](#).

Groceries and food

- Shopping around at multiple stores for the best discounts, buying less groceries more frequently to get better savings on deals and sale items or bulk buying.
- Meal prepping, avoiding both takeaway and socialising as a way to save money on food – with some take away items having risen by as much as 25%.
- Young parents spoke about buying cheap no name brand food items so they could prioritise quality baby products such as nappies, cream and formula to avoid any harm caused to their children.

“ Even if something is a few dollars, you know that a few dollars might be needed for toilet paper. ”

Young people often acknowledged that while costs had increased, groceries are an expense that often needs to be prioritised over energy bills and fines because it requires real-time funds. They reasoned energy bills and fines can be paid late or via payment plans.

“ I put aside my gas and electricity because I can get away with not paying them for one or two weeks, so I can afford food. ”

“ If we can't buy food, we won't pay bills so we can eat. ”

A small cross-section of young people also shared their experience with food bank services where they could access free groceries and essential items at outlets. Young people experiencing acute poverty such as those experiencing homelessness shared their frustration at the lack of facilities available across greater Sydney with most situated closer to the Central Business District. They also reported highly inconsistent hours of operation for these services. Some of these young people were spending precious funds on train travel to arrive at a food bank that was closed despite being advertised as open.

ACYP acknowledges the critical role that food banks continue to play in supporting children, young people and their families to access emergency food relief. Some university students living on campus reported the campus-based food pantry was always empty. One student reported they had never seen it stocked in the eight months they had lived in the dorm above the pantry. ACYP notes it was clear many young people living in disadvantage did not know these services exist or where to find them.

“ I survived off bread and noodles for two weeks. It's a struggle and there isn't even \$2 to put towards savings. ”

“ I have to choose - do I want food, or light? ”

Recommendations

- 1.1** To increase young people's ability to access food banks when needed, we recommend that government, the community sector and other key stakeholders (such as universities) work to:
- Promote the Foodbank Find Food search engine.
 - Provide regular access (including standard opening hours), promotion and stocking of foodbanks and food pantries – particularly those on university campuses.
 - Increase availability to food bank and food pantry services outside of CBD/ metropolitan areas (for example, western suburbs, regional and remote areas).
- 1.2** ACYP strongly supports the NSW Government's existing commitment to double school breakfast programs in NSW from 500 to 1000 over the next four years. To complement this, we recommend additional targeted programs aimed at supporting young people to access essential healthy food. This could include the implementation of targeted grocery vouchers program for vulnerable young people, e.g. young parents, young people experiencing homelessness and international students.

Healthcare and medical costs



The rising cost of living is preventing young people from accessing essential care to support their health and wellbeing.

In the 2023 YW Survey, one in nearly five (19%) children and young people and over a quarter (27%) of young adults reported not seeking medical services in the past few months due to rising costs. Notably, young adults most likely to report having avoided seeking medical services were: those who identified as LGBTQIA+ (42%), those with a mental health condition (37%), a disability (29%) and those living in Regional NSW (23%).¹⁵ These findings were reflected throughout focus group consultations where young people regularly spoke about the experience of either avoiding or being unable to access essential healthcare services due to the associated costs.

A key concern raised by young people was access to general practitioners (GPs) – including a lack of available bulk-billing GPs; extensive waitlists for these services; and prohibitive costs associated with non bulk-billing practices. Collectively these barriers are often leading to many young people failing to access healthcare when “actually sick”. For many young people, the rising costs associated with seeing a GP are impacting on their ability to receive continuity of care. For instance, some young people spoke about having to “doctor shop” to find a GP that provides bulk-billing and does not have any fees associated with appointments.

This results in young people often being seen by different doctors at different medical practices. In addition, some young people spoke about needing to travel outside of their Local Government Area to access a medical appointment which adds an additional travel cost burden. This occurred when they sought a continuum of care from their historical GP or had no local GP that bulk-billed after being forced to move to more affordable areas due to rising costs.

In some circumstances, young people shared they could not afford the additional costs for medications. ACYP heard examples of young people seeking sample packets of antibiotics from the GP as an alternative to paying for the full prescription. Young people living with disability shared that the cost of the medications they are required to take is significant, with many having to prioritise which medication to buy each month due to high costs. They expressed concerns that the National Disability Insurance Scheme (NDIS) and disability support pension (DSP) did not provide them with enough financial support to cover the different services and supports they required.

¹⁵ Of those children and young people living with parents or carers, 12% reported that their parents or carers did not seek medical services for them due to rising cost of living pressures. Notably, 23% of those with a mental health condition and 21% of those with a disability reported their parents had not accessed medical services for them due to costs.

Healthcare and medical costs

ACYP notes there are sometimes additional costs associated with follow-up appointments. Costs associated with specialist services and referrals was also a key area of concern. Young people shared examples where they either delayed specialist care or were not able to follow-up with referrals to specialist appointments due to costs.

“
I'm nervous I'm going to get hit by a big bill. I've been waiting for 2-3 months.

I've been putting off seeing a specialist for a long-term medical condition as I can't afford the gap payment to see the specialist, let alone the cost of the ongoing medication I should be taking.
”

In targeted consultations with young parents, some had not been accessing medical care for themselves, instead prioritising the medical care of their children. They also reported needing to delay medical appointments for their children due to the uncertainty about both upfront and any ongoing costs. Young parents shared that the purchase of daily essentials, such as the formula and nappies, were a key priority. The increasing costs for these items were meaning they often had little money left over for medical appointments.

Some young women who attended consultations with ACYP felt strongly about the costs associated with sanitary products and contraception.

These items are essential necessities for young women, and they spoke about needing to save each month to be able to purchase these items. They compared this to countries such as Scotland where sanitary products are free.¹⁶

“
I have to choose between being clean and being fed.
”

Across consultations, ACYP observed that most young people are not regularly accessing dental care and have often avoided dental appointments due to the high cost of dental work and long wait periods. Some young people who required treatment reported being on the public dental waitlist for over 12 months. Concerningly, some reported utilising Buy Now Pay Later (BNPL) schemes to access and pay for healthcare, including dental care services. ACYP notes this seemed to be seen as an accessible solution rather than a last resort.

“
I have used Afterpay to pay for my dental treatment across three different clinics, as the quotes varied depending on the treatment required.
”

¹⁶ [The Period Products \(Free Provision\) \(Scotland\) Act 2021](#) places duties on local authorities and education providers to make period products obtainable free of charge for anyone who needs to use them. Building on existing voluntary policies, the Act ensures that everyone in Scotland who menstruates can have reasonably convenient access to period products, free of charge, as and when they are required.

Healthcare and medical costs

Other specialist services, such as surgeries and optometrist appointments, were also raised as not being accessed with appointments delayed by young people.

“ *I couldn't afford to get my glasses that I needed as nowhere offered a payment plan, so now I have to go without which is having ongoing effects to my longer-term eyesight.*

I've had breathing issues since 2018, spent so much money addressing my breathing issues. The only way to fix it is to get surgery. I don't want to pay an anaesthetist for the surgery. ”

In consultations with young migrants, some shared they would wait until they could go back home to seek health care in their home country as they could afford it there.

“ *The flight home was cheaper than it was to see a specialist for my eyes in Sydney.* ”

Young people were often not attending to health issues when they were more minor. Across consultations, concerningly young people shared they would sometimes wait until they were 'really sick' and attend the emergency department, rather than seeing a GP or specialist service, in an effort to avoid upfront costs. In ACYP's broader work, we often hear that a lack of access to preventative care leads young people to be forced to access more acute or crisis services when becoming more unwell.

Other young people we met with spoke about going to work or secondary education when they were seriously unwell. They explained this was their only option as they could not afford the day off work or the cost to provide a medical certificate to their employer or tertiary education provider.

Many young people reported they were unable to afford their own private health insurance, once they had been removed from their parents' private health insurance due to age. They also often did not see this as a financial priority due to other rising cost of living priorities such as groceries and rent.

The rising cost of living is also having a significant impact on the mental health of young people. For instance, data from ReachOut and Headspace has highlighted that many young people across Australia are so concerned about the cost of living and the future right now that their mental health is suffering.¹⁷ The research shows that young people are losing sleep, their moods are changing, and they lack motivation.

¹⁷ Headspace (2023). [Cost of living pressures for young Australians aged 18-25 \[Infographic\]](#). April 2023; Reach Out (2023). [Cost of living having major mental health impacts for young people, including sleep issues \[Media release\]](#). April 2023.

Healthcare and medical costs

At the same time, young people are also facing increasing barriers to accessing professional mental health support due to rising costs. At present, young people can attend a GP surgery to be assessed and issued a mental health plan which provides them with access to 10 subsidised sessions to engage with a counsellor and or psychologist.

However, many young people reported that they are not able to afford to continue accessing support after the 10 free sessions runs-out, leading some to stretch out the sessions to monthly rather than fortnightly to have them last longer. One young person said they were able to access Headspace for free however, needed more specialised psychological support and could not access this due to additional costs.

ACYP notes that even for the existing 10 subsidised sessions, there remains a significant gap payment which may be a significant barrier for young people. Many of the above-mentioned barriers and concerns related to healthcare, were more prominent and compounded for those living in regional areas.

“

Mental health is bloody impossible to get.

I can't believe I'm having to wait six months to see a psychiatrist just to get prescribed medication. We have been ringing two or three times every week and they won't even answer or call back.

Even if you do have access to a free (mental health) service, you have to pay for your medication, which is really stressful to do, because, you need those. There's been quite a few times where I have had to go off medication for a few days, which is quite dangerous.

”

Recommendations

- 2.1** Address rising costs and availability of bulk-billing clinics to access basic medical care. ACYP notes the Federal Government's recent tripling of bulk billing incentive payments for GPs to increase bulk billing rates for children aged under 16, pensioners and other concession card holders. The NSW Government should work in partnership with the Federal Government to improve access to bulk-billed GP services for young people across NSW.
- 2.2** Invest in options to develop a targeted wellbeing voucher program for young people aged 12 – 24 years that could provide financial assistance for activities that support their wellbeing and better mental health.
- 2.3** Expand fee-help programs to improve equity of access to mental health services, including:
- Extend the limit of 10 sessions under Mental Health Treatment Plans for children and young people, and the time to utilise these sessions – i.e. beyond 12 months.
 - Provide financial assistance to support young people to travel to a mental health specialist when they live in a regional or remote area.
 - Fund plans to cover the gap for subsidised Mental Health Treatment plans for children and young people, up to the age of 24.
 - Increase funding to support mental health prevention programs, both in schools and online.
- 2.4** Increase awareness and uptake of existing means-tested Child Dental Benefits Scheme (CDBS) for children and young people aged under 18 years in NSW. This should include promotion through GP clinics, dental clinics and government and parenting websites. In addition, there should be promotion to families from culturally and ethnically diverse communities, by providing information in the most commonly used languages in NSW.

Recommendations

- 2.5** Expand access to the public dental scheme to enable all children and young people (aged 0-25 years) to have access to a free check-up and service every 12-months. This should include a focus on expanding the use of mobile dental clinic services, with a particular focus on increasing access for children and young people in regional/remote areas, as well as Aboriginal children and young people and vulnerable cohorts.
- 2.6** Expand the contraceptives available on the PBS for young people aged 18 – 25 years (to include contraceptives such as Zoely, Yaz, Qlaira and Slinda), to reduce costs and allow young women to avoid side effects from some of the generic and older generations of contraception.
- 2.7** Expand and increase awareness of [Community Youth Health Services](#) (such as Youthblock Redfern and the Fairfield Liverpool Youth Health Team), which provide medical care to young people aged 12 to 25 years from priority populations including LGBTIQ+, out of home care, youth justice, young people from the Aboriginal and Torres Strait Islander or from culturally diverse backgrounds. A Medicare card is not required to access these services.

Housing and rent



The pressure to afford rent and navigate a confusing housing system is the number one concern for young people.

The young people that ACYP spoke to throughout consultations were living in a wide variety of housing situations: young people living with their parents, young people in private rentals, in social housing, homeless young people in refuges, young people in student accommodation and other circumstances. However, regardless of their living circumstances – housing stress was overwhelmingly the primary concern of young people across consultations. For most young people, the cost of housing is a key source of financial pressure. This is relevant both in the immediate search for rental housing and the aspiration of living independently, with the goal of purchasing a home increasingly feeling like a hopeless aspiration for many. In other research conducted by ACYP, young parents, Aboriginal young people and those aged 18 – 24 years were more likely to report they find it difficult to have a safe and secure place to sleep.¹⁸

“ We are all just pretending it’s okay to be living in a housing crisis. ”

High costs of rent were mentioned in the majority of consultation groups as a major barrier faced by young people who are either currently, or seeking to, live independently.



In the 2023 Youth Week Survey, **65%** of young adults reported spending over a third of their income on accommodation - an indication of housing stress.¹⁹

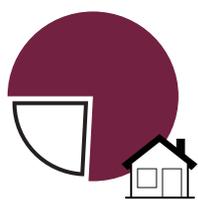
The experience of housing stress was strongly echoed in consultations where young people often estimated rent as being a significant proportion of their income. Young people doing it tough were more acutely impacted, with the 2023 YW Survey finding that 76% of those reporting financial difficulty were experiencing housing stress.²⁰ Young people also reported struggling to find affordable private rental options within reasonable distance to places of work and study.

¹⁸ ACYP (2023). 2023 Strategic Plan Survey.

¹⁹ Housing stress is defined as those spending 33% or more of their income on housing (rental or mortgage repayments).

²⁰ Those who were experiencing financial difficulty included young people who self-reported having a lot or some difficulty.

Housing and rent



The majority, **(76%)** of young adults reported that the proportion of income they spent on housing had increased in the past 12 months.

Amongst young people aged 18-24 who currently live dependently, more than one in three (35%) reported delaying moving out as a result of the rising costs of living. The same proportion (36%) reported experiencing anxiety from a fear that they will never be able to find a rental property. For those we spoke to in consultations, this number would be much higher. The rising costs coupled with a lack availability of housing is creating a property market that young people feel they cannot compete in, while still in the early stages of their careers or lives.



Moving back home isn't an option for everyone.



When discussing availability of housing, many young people reported being surprised and disheartened by how competitive the current rental market is. In the 2023 YW Survey, children and young people said that when thinking about where to live they would prioritise proximity to essential shops and services, safety, transport, family and employment opportunities.

The priorities were similar for young adults and those currently looking for a rental, though proximity to family and friends were slightly lower priorities compared to opportunities for employment. Those currently looking for a rental were also more likely to prioritise proximity to employment over safety.

Throughout consults, young people spoke in particular about the importance of housing being located to public transport and highlighted that this was key to ensuring that many young people in Greater Sydney could get around. This did not prevent significant commute times to access education and employment. Throughout consults, young people also spoke about the implications of needing to relocate a significant distance away from support networks, family, work, or study. Having to live further away because it was more affordable had repercussions across all aspects of a young person's life; access to services, a GP, being able to see their family and friends.

With the process to find an affordable rental often taking several months, young people are taking additional steps to secure housing. In consultations, young people frequently spoke of rent bidding as a barrier to accessing affordable housing, echoed in findings from the 2023 YW Survey where 17% of those renting said they had offered to pay more rent than what was advertised to secure a property, and 18% had offered to pay an advance in attempts to secure a property.

Housing and rent

Almost one third (28%) of young renters reported needing to increase the price range they were willing to pay in order to afford a rental property. ACYP notes a lack of experience in the private rental market, as well as a lack of understanding about their rights, is placing young people at a disadvantage. Throughout consultations, young people reported that there is a lack of information about the rental application process, and that they can be left feeling confused or discriminated against. ACYP notes this can take the form of excessive rent rises, rent bidding and 'no grounds' terminations, as well young people being at a disadvantage due to age, income level and lack of previous rental history.

Among young adults surveyed, 20% were planning to rent a property in the next six months and 7% indicated they are currently looking for a rental property. We note this includes both those who are currently renting and those who will be moving out of the family home. With rental properties in such high demand, many young people reported negative experiences in seeking or securing a rental, with the majority of young renters (81%) reporting at least one negative experience. Anxiety about securing a rental property was highest among those with a mental health condition (61%), those struggling financially (46%), and females (44%). As young people shared, this anxiety may contribute to young people feeling pressure to accept properties that were sub-standard, did not meet their expectations, or they felt unsafe in.

“ I had to do 14 applications to find a crappy home. ”

In the 2023 YW Survey, 23% reported they had been reluctant to inform their real estate agent of issues with the property and almost one in five (19%) accepted a rental property that did not meet their expectations. In general, those with a mental health condition and females were more likely to report a range of negative experiences while looking for a rental property. Young people said that they do not always feel they know their rights in relation to renting, including how to address concerns relating to repairs or issues around the quality of housing.

ACYP notes that a majority of young people are taking steps to prioritise housing costs and to manage the financial pressures that come with housing and accommodation above all else. The consequences of rising housing costs can look very different to many young people. Young people frequently spoke of the pressures that come with rising housing costs, and how a minor unforeseen overspend (for example the cost of a train trip, medical costs or car repairs), can have a detrimental effect on their stability. ACYP heard examples where this resulted in young people not being able to afford food in order to continue to cover their accommodation costs. In some of the more vulnerable groups that ACYP spoke with, young people expressed how close they were, or could be, to becoming homeless in the future, despite having a regular income.

Housing and rent

With extensive waitlists for social housing options, many young people resorted to living in cars, tents, or “hot bedding”.

“ *People are hot bedding. Somebody would use the same bed in the morning and the other person would use the same bed at night. You know, you schedule it accordingly and if it is vacant, either one of them is left without a bed and they will have to sleep, you know, outside or at a friend's place or something of that sort.* ”

This lack of availability of housing and other pressures were echoed and compounded for young people attempting to access social housing. These young people often found themselves placed on extensive waitlists with limited options for relocation. Young parents reported that the lack of social housing availability can lead to many being forced to accept accommodation in locations they feel are unsafe or dangerous when faced with the fear of becoming homeless.

“ *I'm really worried what will happen to me, I'm broke and not in priority housing.* ”

Other young people shared this reality was a deterrent to move out of home as they could only afford to rent in an area that they thought was unsafe.

This mirrors the 2023 YW Survey, where 60% of young adults said that being in a safe area was a key priority for them in choosing where to live, as well as access to transport and essential services.

Poor quality housing was consistently raised by young people in the context of both social housing and rental properties. For instance, young parents living in social housing spoke about broken locks on windows and entrance gates, mould in bathrooms and laundries, pests and the smell of urine, as well as the unhygienic conditions of carpets and being required to clean carpets at their own cost. Young people in private rentals reported issues relating to mould, leaking bathrooms and properties in general poor and unhygienic conditions. Across consultations, young people were often frustrated at the lack of response by landlords and social housing providers to address these issues. Social housing tenants also spoke about feeling unsafe in their home due to being located in areas with high levels of crime.

In addition to these issues, international students also specifically spoke about issues related to over-crowding in housing.

“ *You would have two or three people living in the same room which is no bigger than a 10 by 10 room. So, there is, you know, no concept of privacy. There is no concept of hygiene when you are sharing it with so many people.* ”

Housing and rent

“ I’ve seen people - like 11 people - living in a three or four-bedroom apartment. ”

A strict eligibility criterion around employment status, income expectations, family circumstances and challenges navigating the service system, were discussed as barriers preventing many young people from accessing government funded grants and schemes to support them in accessing housing.

While many young people had a general understanding of and access to government and NGO supports, this was not enough to make a significant impact in easing the rising cost of living. ACYP notes that young people experiencing disadvantage or vulnerabilities such as those experiencing homelessness, exiting OOHC and young parents were often well versed in specific programs or assistance schemes that offer support. These young people were clearly accessing such services in higher rates in comparison to less vulnerable young people.

Existing supports such as Rent Choice or Rent Assistance had mixed receptions during consultations.²¹ Some young people described these services as difficult to access with complex application procedures and reported their own lack of knowledge of the eligibility requirements.

However, some young people described accessing these services as achievable when provided with the right support from family or external services. ACYP acknowledges the critical role of service providers and notes access to services was highly dependent on the quality of the caseworker and their understanding of the system.

In addition, ACYP notes there were some young people supported to continue to live at home through their own family support networks. Young people in these circumstances often expressed shock to hear the challenges faced by their peers who are living independently in private rental accommodation.

²¹ [Rent Choice](#) is a private rental subsidy that helps you pay the rent for up to 3 years. [Rent Choice Youth](#) helps people aged 16 to 24 who are homeless or are at risk of homelessness; [Rent Assistance](#) is an additional payment available to some people who access other social security payments.

Housing and rent

During ACYP's consultations, the ability to buy property to live in or as an investment was discussed and reported to be increasingly out of reach. Young people shared that at this early stage in their careers, their income was not sufficient to meet the financial expectations required to purchase property or save for a deposit. This is compounded by the pressure to meet everyday expenses. Despite these barriers, young people often spoke of home ownership as a goal they still wanted for the future, but that it felt increasingly unattainable due to the need to focus on immediate costs rather than saving. Young people frequently suggested a key area in need of further government attention is further support for young people to buy their first home.

Young people identified the need for more awareness of the available supports, and an easier, centralised service to locate government and non-government supports all in one place.

A focus on increasing the amount of financial support provided through social services, along with changing the eligibility criteria to increase the amount of young people able to access financial support, was a high priority. Young people shared the view that housing should be treated less as a commodity or investment tool, and rather as a human right and necessity.

Across consultations, a focus on increasing programs and schemes aimed at lowering rent and the costs to buy a house were regularly highlighted as being a top priority for government to focus on.

The right approach to easing the pressures of housing costs will have a significant impact on the lives of young people in NSW. ACYP observed that existing supports and programs are not keeping up with the rising costs of rent, housing and home ownership. When discussing potential supports that could be introduced to help ease the pressures of housing and accommodation costs, young people acknowledge there is no one single solution.

“ You can't take it easy anymore; if you stop concentrating on your budget, you will fall behind - there is no room for error, or you're homeless.

You basically need to be like a millionaire just to have a stable place to live now, it's not right. ”

Recommendations

- 3.1** ACYP acknowledges existing work underway by the NSW Government to reform the rental system. Any reforms should include a focus on addressing young people's concerns and inherent discrimination in the existing system by:
- Developing and promoting existing information to young people about the rental process, their rights and advice on how to address concerns relating to repairs or issues.
 - Further regulating the rental system to support reform and transparency such as preventing excessive rent rises, rent bidding and 'no grounds' terminations.
 - Prohibiting the use of certain data (applicant name, age or suburb and a lack of rental history for young people), to assess a rental application.
- 3.2** ACYP will develop an additional Life Skills video for young people focused on 'Rental Rights' including share-housing rights by mid-2024.
- 3.3** Increase awareness and access to existing subsidies (such as Rent Choice) which support young people to access accommodation and housing, with a focus on:
- Increasing awareness about existing supports amongst young people themselves, including through a focus on both education and outreach programs.
 - Reducing barriers that prevent young people from accessing existing supports – for instance supporting around obtaining identification documents, and further extending beyond the recently announced seven days that young people can access temporary accommodation through Link2Home.
 - Working in partnership with the Real Estate Institute to develop awareness and knowledge about Rent Choice products and other subsidies which are available to young people.

Recommendations

- 3.4** Enhance partnerships between community, government and business sectors, to utilise vacant or available properties (often referred to as meanwhile use), to provide additional temporary housing and accommodation options for young people.
- 3.5** Expand funding for medium-term transitional services, that include wrap-around support, based on models designed and proven to work with young people. This should include investment in scaling Youth Foyer models across NSW, which provide integrated learning and accommodation settings for young people aged 16-24 years who are at risk of, or experiencing, homelessness.
- 3.6** Ensure that the next NSW Homelessness Strategy includes a particular focus on the needs and experiences of children and young people who are at risk of, or have experienced, homelessness. This should include a focus on the importance of access to housing for young people exiting the out-of-home care and youth justice systems.

Education



More can be done to prepare young people for the financial impacts of further education and training.

During consultations, young people shared their insights about how the rising cost of living is impacting their decisions to access further education within NSW. ACYP heard from young people that the costs required to engage in further study and obtain a qualification was a deterrent for many. This included both the required upfront and ongoing costs in some cases and the potential HECS debt in others. Young people acknowledged their shock at the amount of additional costs. Key costs included textbooks and any equipment or tools required for their study, on top of other essentials, such as car maintenance or transport costs to attend their place of education. This accords with the 2023 Youth Week Poll which found 34% of tertiary students and 8% of school students avoided purchasing supplies for their education, as a way of coping with the rising cost of living.

.....

■ School students said...

The impact of cost of living pressures is not limited to young adults and those in tertiary education. The 2023 Youth Week Survey found that school students have also been impacted by the rising cost of living when it comes to their experience of education.



15% said their parents or carers had avoided paying their school fees.

.....

12% avoided purchasing supplies for their education.



.....

14% were not able to cover the cost of school excursions, camps, or extra-curricular activities.

ACYP notes the flow-on impacts of this for young children including isolation and disconnection from friends, peers and community.

In consultations, high school students living independently in homeless refuges spoke of the financial burden placed on them to purchase school uniforms, pay for school excursions and the price of food at the canteens. Some young people living in Western Sydney and Newcastle shared how their parents had moved them from a private school to a local public school as they could no longer afford the private school fees.

.....

Across consultations, young people shared that they needed to plan how they would afford to live while studying. It was clear young people commonly reconsidered their future aspirations based on what courses are affordable at present. They explained cost of living pressures required them to prioritise paid work over education in order to be able to continue to live and manage everyday living expenses.



There's no guaranteed job available for me once I have completed my degree and there is no guarantee that if I do further study, I will be able to get a job in the relevant field.



ACYP heard many examples where young people had either placed their course on hold or changed their choice of course due to costs. The length of time required for completing the course before they can obtain full-time employment informed their decision making. Some young people who planned to obtain a university degree, shared they are delaying the enrolment and commencement of study for up to two years. They explained this as a strategy to save up for both the costs of living independently while studying, and the upfront costs of the course.

.....

■ TAFE students said...

Young people in TAFE often referred to the potential of a **HECS debt as a strong deterrent** to consider undertaking a university qualification. Young people currently studying at TAFE in courses which had their fees removed for 2023 expressed gratitude to the Government for this opportunity. In facing uncertainty about how long fee free study would be available; some young people were studying two courses to get through their study by December 2023. The additional study mitigates the financial stress but impacts their mental health with additional pressures. ACYP also heard from young parents and young Aboriginal people who face barriers to undertake a desired TAFE course as they lack digital literacy and access to a computer.

Some TAFE qualifications include significant financial pressures. Young apprentices shared their concerns about low wages that are not keeping up with the rising cost of living. They acknowledged this had become a big consideration for them in deciding whether to continue an apprenticeship. In another example, some young people studying Beauty and Make Up explained the mandatory makeup kit required for the course costs \$800. While some were able to seek support from parents, others utilised Afterpay or only purchased what they could afford.

ACYP also heard from young people undertaking a game design certification who could not afford the high-end technology required. This inequity in quality of course materials and equipment impacted their assessment results and was mirrored across these examples.



■ University students said...

Young people undertaking a university degree that required **unpaid practical components** (prac), wear a heavy burden to financially support themselves while working full-time for an extended period of time. ACYP acknowledges the important role that practical components of study play in providing young people with on-the-job training and experience. ACYP spoke to young people who were expected to undertake teaching professional experience or social work internships for up to 12 weeks full-time as part of their degree. ACYP acknowledges prac being a mandatory requirement is not limited to these qualifications. The young people we spoke with reported that it limited them to casual employment throughout their degree to ensure they had flexibility to participate in prac. Unplanned travel costs where the prac was far from home was an additional unplanned cost identified by young people. Young people shared these expectations were unfair and had a significant impact on their financial situation.

Some sought to address this by selecting the university they would study at based on the length of practical components required by the university.

As another example, one young person could not keep up with the cost of materials required for her university Fashion Design degree assessments, so reverted to a Youth Work TAFE qualification. **International university students** expressed deep concerns for their future when it comes to engaging in education as they explained the impact of the financial barriers they face. ACYP was shocked to learn from these young people that it was increasingly common for this cohort to access bank loans, at a much higher rate, to be able to pay for the course up front. ACYP notes this was deemed a viable solution given they are not offered payment plans through the university and are charged a higher fee to study than national students.



Education

Where young people did try to juggle study with paid employment, they explained they were cutting into study time, getting sick and pulling late nights to try and manage. This added a significant strain on them financially and on their mental health. Young people shared examples of working late into the night to receive an income and then going on to their practical university placement with minimal sleep.

“ *There is an expectation that young people will be in education and will also juggle employment and other commitments.* ”

When young people were asked about their knowledge of and access to financial aid and scholarships, there was mixed feedback. While some reported a good understanding, many reported little to no understanding of what was available to them. Many young people called for additional financial information and support like an online central portal or tool to allow everyone to know what is available and be able to apply if it is applicable to them.

“ *How are we meant to change anything if we can't even afford an education.* ”

The 2023 YW Survey found that the most common form of debt among young people aged 18-24 is HECS or HELP debt associated with their studies. Many young people cited the fear of an unknown future of HECS/HELP debt as a reason not to obtain further education. Young people voiced concerns about the anxiety of HECS/HELP debt hanging over them and the worry of paying it back. ACYP notes that more could be done to ensure young people understand how HECS/HELP debt works and how it can benefit them into the future.

Recommendations

- 4.1** Extend and expand the course offerings for the fee-free TAFE courses scheme. This should also include a focus on ensuring that course materials are also provided free of cost for fee-free courses.
- 4.2** Ensure universal access to resources and workshops in schools to explain the process of HECS debt and wider promotion of available scholarships, fee help and other financial aid programs to young people during high school and upon enrolment in TAFE and university.
- 4.3** Ensure promotion of Study Australia Cost of Living Calculator tool by service providers, universities and TAFE at point of enrolment.
- 4.4** Promote and expand existing international student scholarships connected to a skilled workforce shortage list, which may include a mandatory period of employment in Australia thereafter.

Employment and income



Young people struggle to make ends meet in the current job market.

ACYP spoke with young people about their general experiences both seeking and participating in employment. During these discussions, young people shared their challenges to secure employment that provides enough financial stability to manage the rising cost of living. The specific barriers a young person faces to secure stable employment can be circumstantial and systemic. ACYP notes it is irrefutable this experience is widespread, with young people regularly raising employment and access to jobs as a key issue across ACYP's surveys and consultations.²²

During consultations, many first-time job seekers reported they feel unprepared and acknowledge this impacts their confidence in their employment prospects. Young people shared their lack of understanding about what qualifications are required for specific roles, the costs involved in obtaining those qualifications and the potential salary, once qualified. Young people shared that due to their limited experience, their employment prospects are often limited to entry level roles on minimum wage. Many shared this leaves them struggling to meet their financial obligations and that this is further exacerbated by the current rising costs of living.

This is further compounded in circumstances where a car is required to obtain, let alone attend, employment commitments – such as care/social work and trades sectors.

“ I've been looking for a job, it hasn't been going really well. ”

Many young people spoke about needing to work in casual jobs to balance other commitments, and their frustration about the additional necessary fees attached to mandatory certifications. For entry level jobs, there are costs associated with obtaining White Cards, Responsible Service of Alcohol (RSA), Responsible Conduct of Gambling (RCG) and barista courses. ACYP notes at the time of writing this report, the previous fee free Statement of Attainment in Prepare to Work Safely In The Construction Industry (White Card) had expired and the fee-free Certificates in Construction required a White Card.^{23, 24}

²² ACYP (2023). *2023 Youth Week Survey*; ACYP (2022). *2022 Youth Week Survey*; ACYP (2021). *2021 Youth Week Survey*.

²³ Advance OHS (2023). *Construction White Card (NSW) Fee Free*. Advance OHS Website.

²⁴ NSW Department of Education (2023). *Skills NSW: Construction – Fee-free courses*. Skills NSW Website. November 2023.

Young people asked for a centralised service to find support for skills like resume and cover letter writing. They also spoke about their desire to better understand earning potential attached to roles and how much income is required to be financially stable when living independently. ACYP acknowledges existing resources such as Job and Skills Australia's Labour Market Insights web pages which seek to: support people to find the career suited to what they think they would enjoy via the Career Quiz, provide industry projections, and specific occupation profiles which includes limited data on earnings. An expanded and holistic information platform that is tailored to young people could help to address this information gap and support young people to make informed decisions.

Young people who were already engaged in employment shared barriers they faced to engaging in ongoing stable employment. Young people expressed that there is an unfair expectation to accept low paying roles or unpaid internships, as a stepping stone to higher paying employment opportunities. When discussing wages, young people frequently shared that their wage or income is only enough to cover essential living costs. Among the university students of teaching that we spoke to, all acknowledged the required 12 weeks in an unpaid teaching support position had a significant impact on their financial situation.

“ A lot of us want to be teachers because it was an affordable course to do, you get the degree quickly, I had to pick and choose a degree based solely on the costs of the courses. ”

■ The harsh reality of living on minimum wage

A young person on minimum wage earns \$882.80 per week before tax.²⁵ To better understand how this translates to daily living - Study Australia's Cost of Living calculator estimates it costs approximately \$725 per week to live in a one-bedroom unit in the suburbs of Greater Sydney.²⁶ These weekly expenses are based on a young person who mostly cycles, rarely uses public transport, never uses a car, taxi or Uber or eats out, eats cheap meals, uses a cheap phone plan and clothes, and does not utilise gym, get haircuts or participate in activities like the cinema, live music or social sport. Living this frugal life leaves them with \$158 in disposable weekly income and little hope of saving for a house. The glaring issue with this scenario is that it also assumes this young person is both able to secure a full-time job that pays minimum wage and work for 38 hours a week – i.e. they do not study or have other commitments. ACYP notes many young people are paid cash in hand.

Employment and income

Those who are studying or doing apprenticeships are often on youth allowance, the lowest of all government payments. A young person who has no children and is living away from their parent's home earns \$602.80 per fortnight.²⁷ If you're a single Job Seeker with children this increases to \$760.40.²⁷ ACYP notes the spread of weekly median rent costs across NSW for a one-bedroom apartment at \$190 in Broken Hill to \$700 in Waverley with the median rent in Blacktown LGA being \$390.²⁸ A recent study by Anglicare Australia found that across 45,895 rental listings across Australia, 0 rentals (0%) were affordable for a person on Youth Allowance, 4 sharehouse rentals (0%) were affordable for a person on JobSeeker, 345 rentals (0.8%) were affordable for a person earning a full-time minimum wage, 66 rentals (0.1%) were affordable for a person on the Disability Support Pension.²⁹ Households with the lowest number of affordable and appropriate listings lived in NSW South East, NSW West, NSW Riverina and ACT & Queanbeyan.³⁰ ACYP recognises this issue is not limited to young people with families with two parents in full-time work locked out of 94% of rentals Anglicare surveyed. ACYP has significant concerns about the trajectory for poor outcomes this reality results in for many young people.

In this context, ACYP acknowledges the proportion of young people who are not engaged in any employment, education or training.

Under social housing arrangements, tenants pay between 25% and 30% of their household income as rent if eligible for a rent subsidy.³¹ If paying 30% of their youth allowance on social housing rent, a young adult is left with \$421.96 per fortnight to pay for groceries, bills, transport costs and other everyday expenses. With the daily challenge to make ends meet, it is easy to see how a young person in these circumstances can quickly find themselves struggling financially and mentally.

²⁵ Fair Work Ombudsman Australia (2023) *Minimum wages*. Fair Work Ombudsman Australia website. November 2023.

²⁶ Study Australia (2023). *Cost of Living calculator*. Study Australia website. November 2023.

²⁷ Services Australia (2023). *Youth Allowance for students and Australian Apprentices, How much you can get*. Services Australia website. 2 November 2023.

²⁸ NSW Department of Communities and Justice (2023). *Housing rent and sales: Rent and sales report - interactive dashboard (rent tables June 2023 Quarter)*. NSW Department of Communities and Justice website. 14 August 2023.

²⁹ Anglicare Australia (2023). *2023: Rental Affordability Snapshot*. August 2023.

³⁰ *Ibid*. These households were either on the Single JobSeeker Payment, Single (18+) Youth Allowance or Single (Share house) Youth Allowance, Single, one child JobSeeker Payment, Single, two children Parenting Payment or Single, one child Parenting Payment.

³¹ NSW Department of Communities and Justice (2023). *Housing and homelessness: Charging Rent Policy*. NSW Department of Communities and Justice website.

Employment and income

“ You need at least two jobs to be able to live alone and afford it.

There is no way to make enough money unless you have some real fancy job. Even middle-class people are now poor. ”

Very few young people shared that they had any disposable income for recreational activities, unless supported by their parents however, this was surprisingly rare. The majority of young people living at home with parents or siblings were expected to financially contribute to household bills.

“ It takes a long time to get a proper job to get that amount of cash. ”

In a consultation with young apprentices, they shared concerns about the expectation to undertake tasks that do not align with their job description. They expressed it was unfair they are being utilised, at low cost, for general labour rather than focusing on work that aligns with their education and expected abilities as an apprentice. ACYP notes they may feel they are being held back from learning in their chosen industry.

Young people are taking steps to increase their income. As echoed in both polling and consultations, working more hours or starting an additional job are the main ways in which young people are trying to cope with increases in the cost of living.

The 2023 YW Survey found 27% of children and young people and 38% of young adults worked additional hours or started an additional job to supplement their income. ACYP notes this is compounded by the pressure young people face to meet their educational requirements. This was even higher among just under 45% of tertiary students and young people with a mental condition reporting they had increased their working hours. Young people are also getting creative with 21% reporting they started a side hustle to earn additional money. A small number of young people echoed this was how they used their free time in consultations.

“ I work three different jobs and I used to do a lot of volunteering but with the rising cost of living I can no longer afford to and have had to prioritise paid employment. ”

ACYP notes these circumstances result in young people having less time available to spend connecting with their family, friends and community. For some, an increase in work hours may be a necessary response to increased costs and have minimal impact on their wellbeing. For others, this is a key source of their concerns about their mental health as ACYP heard about the pressures of balancing work, study, family and social commitments.

“ What do they expect when you have to struggle like this for so long, of course you end up depressed. ”

Proximity to employment opportunities was a much higher priority for those living in Regional NSW (58% vs 49% in Sydney), and the second most frequently mentioned priority – after access to essential services.³² ACYP notes this is consistent with a job market that centres around geographical locations in greater NSW. ACYP surmises this was likely not raised in consultations given the high proportion of Western Sydney-based participants where travel for work and/or study is assumed a given.

■ Regional spotlight: “Who you know.”

ACYP acknowledges that the barriers faced by young people living in regional NSW are often very different to young people living in metropolitan cities. A lack of available jobs was highlighted as a major concern, often forcing young people to relocate away from support networks, friends, and families to obtain employment. ACYP heard the common refrain “not what you know, but who you know”, as a barrier for young people in regional NSW. They shared that without pre-existing connections to employers, employment prospects are significantly lower. This was strongly echoed by culturally and linguistically diverse (CALD) and young people who had newly arrived in NSW. A lack of personal relationships and connections to the community presented as additional challenges to the language barriers when finding and applying for jobs. ACYP notes the direct impact of these barriers on young people’s mental health and quality of life.

■ Young parents unable to secure employment while they wait for childcare

Through focus groups held with young parents in Western Sydney and Albury, ACYP notes that many young parents were struggling to find work after having children. While each young parent’s journey included their own set of personal challenges and triumphs, they commonly shared their lack of experience and lack of available and affordable childcare as the most significant barriers. Some young parents also shared their general distrust of the ability of childcare professionals to safely care for their children. This distrust was a disincentive for them to return to the workforce, even if they wanted to. ACYP acknowledges having children at a young age, can interrupt a young person’s education and subsequently cause barriers when seeking to join the workforce. More should be done to empower young parents to navigate their options.

“ I loved working because it gives me some things, since having a child I don’t have anything for myself anymore.

I miss working.

I am more than the baby’s mum - I still have a name. ”

³² For the purposes of these consultations, ACYP refers to regionally-based young people as all young people living outside of Greater Sydney.

■ Income support payments provide critical support for young people, but are failing to keep pace with rising costs

Whilst ACYP notes that discussion about income support and social security was not a key focus of consultation discussions, access and adequacy of these payments were raised by young people across focus groups. The young people that ACYP heard from were accessing a range of payments – both for students and apprentices, and for job seekers. This range included Youth Allowance, JobSeeker, Austudy, AbStudy, Parenting Payment and Disability Support Payment. For many young people, access to these payments was a vital source of income and critical to them being able to cover key essential costs – such as rent and groceries. Despite this, some young people also raised that these payments were not keeping up with the rising cost of living, and shared that whilst the payments provided some welcome support, they were still struggling to make ends meet.

“
.....
My Centrelink payment is \$640 a fortnight, and rent is \$630.
.....
”

Some young people also voiced their concerns about the stress of trying to balance study commitments with their Centrelink reporting obligations.

ACYP notes that since consultations were undertaken, the Federal Government has moved to increase the indexation and/or base rate of some social security payments, including the payment types referenced by young people throughout ACYP’s consultations. Whilst this is a positive step, it is widely acknowledged that additional investment is needed to ensure payments are at an adequate level to support the most vulnerable to access essentials – such as food, medical care and housing.

.....

These circumstances often led to young people feeling there was little incentive to meet career goals. A lack of meaningful positions is contributing to young people changing their career path before achieving their aspirations. Across 27 consultations, young people acknowledged they are needing to accept roles that do not benefit or align with their career and educational goals. A higher rate of pay and better working conditions provides all the incentives required in a cost of living crisis. Young people reported that making decisions like this has a significant effect on their mental health and hopes for the future.

“
.....
Living is not about being a slave, working 50 hours a week just to make ends meet.
.....
”

Recommendations

- 5.1** ACYP supports the ongoing work to develop resources to support the 'Becoming an Adult' life event. ACYP notes this resource should be co-designed, tested and evaluated by young people and provide:
- A toolkit of life skills resources to better prepare them for success as they transition out of high school including education on financial literacy and financial management for young people.
 - Youth-friendly version of the Careers NSW platform to make it easier to navigate further study and career choices. It should include information on skill shortages, course requirements, any upfront tertiary costs, fee arrangements, tools required, the tertiary trajectory and base salary expectations for entry level roles in that field.
 - *(See recommendations 1.1, 2.7, 3.1, 3.2, 3.3, 4.3, 5.4 - 5.6, 6.2, 6.3 and 8.2 for potential inclusions in this resource)*
- 5.2** Invest in future employees by funding and promoting discounts or subsidies to support 16 – 24 year olds to obtain mandatory requirements for entry-level casual employment such as RSA, RCG, Barista and White Card certifications and uniforms.
- 5.3** Re-consider the base rate of income support payments such as Youth Allowance to align with current cost of living pressures and median rental prices.
- 5.4** Promote the NSW Government [*Your rights and entitlements at work*](#) web page to increase young people's understanding of their rights and their employer's existing obligations.
- 5.5** Develop a youth-facing version of Fair Work's [*Child employment in NSW and the Fair Work system*](#) web page resource including better promotion of the Casual employees information, Starting a new job online course and Find my Award search platform.
- 5.6** ACYP will continue to promote existing information sources available to young people on our Life Skills information page through a targeted communications campaign.
- 5.7** As part of ACYP's Strategic Plan priority Hope for the Future, ACYP will undertake further consultations with young people aged 16 – 24 years including refugees and recent migrants and young parents to better understand their experiences in navigating a career path and the barriers they face.

Transport



Cost of living is widening the divide in access to transport across the State.

ACYP notes that transport is a considerable challenge for many young people across NSW. The implications of this mean young people often face significant barriers to opportunities such as access to adequate health services, education, employment and training opportunities, programs and services, and social connection.

When young people were asked in ACYP's 2023 YW Survey about where they wanted to live, young people highlighted accessible transport as an important factor. ACYP notes that due to the rising costs of rent, young people are increasingly having to move further away from their work, study, family, friends and other social connections in order to find housing that is affordable. As a result, travel time and costs associated with travel have significantly increased and are leaving many young people feeling isolated.

ACYP notes that young people are highly dependent on public transport. They use it to get to and from school and other study, work, services. It enables them to socialise through activities and see their family and friends. Across consultations, young people reported that access to public transport allows them to be connected to the people and services they need.

They also said that they chose to use public transport instead of driving as a cost saving measure – mirroring findings from the 2023 YW Survey.

Young people talked about consistently looking for the most cost-effective option to travel from place to place. They shared examples over the last 12-24 months where they resorted to walking, cycling or using a range of public transport options to try and keep the costs to a minimum. This was also reflected in the 2023 YW Survey where more than one in three young adults (35%) reported they avoided driving to reduce petrol use and toll road costs.

Young people living independently, especially in Western Sydney, highlighted concerns about the high cost of using public transport. They called for an expansion of cheaper fares, discounts and concession cards for young people to make public transport accessible and affordable. This was a particular concern for young people not engaged in study, all international students, and part-time students who do not have access to concession cards. For these groups, traveling to and from university and TAFE was a significant cost in their weekly budget.

Transport

Across focus groups, young people also spoke about transport costs causing them to:

- Miss out on health appointments.
- Not being able to get to job interviews.
- Not being able to get to view rental properties.
- Not being able to attend Centrelink.
- Not being able to get to food banks and cheaper priced groceries stores.
- Not seeing friends and loved ones due to the cost of getting there.



We can't get to the things we need to.



Young people who have experienced vulnerability or disadvantage reported that transport costs were not part of their budget. For instance, young people accessing homelessness services, young parents, those in OOHC, or those living in low-income households reported other costs such as rent, food, gas and electricity were the priority, rather than transport. They explained that if they didn't have enough income to pay for these essential items it would mean they couldn't survive. ACYP notes the stark experience of young people facing this reality where they are stringently planning out their finances to live day-to-day.

A majority of young people experiencing vulnerability reported missing out on health appointments, education, socialising and other opportunities as they did not have the money to get there.

A few young people spoke about fare evasion, deliberately going to train stations with no gate, and “jumping the gates” on public transport. With very limited income or no income at all, they are sometimes forced to travel without a valid ticket, often resulting in fines.



I just don't tap the Opal card and I'll risk getting a fine.

Need to jump the gates at the train station to save money, 'cause I can't afford it otherwise.



They reported that they would risk paying fines and not pay for public transport as they had no money and no other choice. Young people accessing homelessness services suggested that that travel should be made free for young people who were facing significant financial hardship.



There should be a special Opal card for those experiencing homelessness.



Throughout consultations, some young people reported spending more than one – two hours waiting for and travelling on a bus and train to get to work, study or training each day, sometimes just to travel a short distance. In addition, some young people also said they were spending up to \$200 a week, just getting to and from the places they needed to reach.

Transport

Some university students also shared that they were sometimes forced into having to choose how many times they could afford to attend university in person each week due to the cost of travel. To mitigate this, a small number were couch surfing at a friend's home that was located closer to campus in order to be able to get there with less or no cost.



Just can't afford to pay to travel to uni every day, I just have to pick the most important days.

I couch surf on uni days so I can stay closer to uni and not have to pay transport costs.

\$50 in toll to get to uni from Penrith.



Across both TAFE and university groups, the majority of students did not understand why they were eligible or not eligible for discounted transport fares. This was also reported by a small number of high school students who did not have a concession card and had to pay the full fare. For these young people, this had a significant impact on their motivation and attendance at school, with a few dropping out of their education completely due to transport costs.



I personally take the bus to school since it's up the hill from my house, but I walk home. However, since the distance is not very far, I'm not eligible for a school Opal card, meaning I have to pay \$3 to go to school every morning.

I don't have a concession card or anything, it costs me \$15 to get to school.

I had nowhere to live, now in here (homelessness hostel) and am miles from school. I just quit, because I couldn't afford to get there every day.



A few young people also raised an issue when using an opal card or tapping on with a credit card. ACYP notes it is clear more could be done to ensure young people understand the fees and charges of transport or how long the money takes to leave their bank account. Young people assume they are getting over charged. This then resulted in young people getting overdrawn at their bank causing financial stress, and a further distrust of government.

Some groups reported concerns regarding their safety on public transport, and talked about anti-social behavior and violence on buses and trains.

Transport

This was expressed particularly strongly in focus group consultations with young parent groups who said that they felt very unsafe on public transport, particularly late at night in both metro Sydney and Western Sydney areas. This concern about safety was also expressed by Aboriginal young people around the Mt Druitt area. As a result, these groups discussed sometimes avoiding public transport and instead paying more money to travel via Uber or taxi. They noted that the greater cost for Uber and taxi services limited where and when they could travel.

Young people in regional NSW spoke about the lack of public transport services in regional areas across NSW, and how this affects their access to opportunities. Due to the limited access to transport services particularly in rural areas, some reported waiting hours for a bus or spending up to three hours to only travel a short distance. For others public transport had a very limited service in their area or did not exist at all in their community.

“
You can't use public transport for work because you will always be late.

Buses only operate from 6am to 5pm at night. Not helpful for those that work nights and need public transport to get around.
”

ACYP welcomes one exception to this with young people in Albury noting they were very appreciative of a recent extension of public transport in their area. For the majority of regional young people who have limited access to public transport, getting their driver's license and a car was the only option.

“
There is no other option for us.
”

Many young people who had their driving license could not afford the costs required to purchase and maintain a vehicle and so were left without one. We heard many examples of cars sitting dormant at home because they could not afford new tyres or repairs. Others mentioned a car was only used when it was absolutely necessary and the only option, because it meant they would have to miss out on other things to pay the running costs.

“
Car insurance was \$2000, I had to work extra hours just for that.
”

Across consultation, young people strongly discussed the importance of driving and owning a car for them. For those who did own and run a car, they all agreed and emphasised the significant rise in the costs associated with buying and running a car, for example ongoing costs such as petrol, tolls, insurance and maintenance.

Transport

“

\$80 a week on fuel to get to university and back.

Petrol prices are disgusting.

The cost of petrol is expensive, and needs to be reduced. It's gone up so much recently - it used to cost me \$50 for my tank, and now it's well over \$70.

”

Despite this, driving was still seen as an absolute priority for some young people, particularly for those living in regional NSW. Regardless of all the costs associated, driving was seen as a necessity in being able to get to work, education, undertake essential tasks and generally staying connected.

“

In Cowra, everyone drives a car. There are only two taxis in town. A bus service that is limited and no rail, no Ubers, it is a rite of passage at 16 to begin driving.

We have limited public transport options, a lot of the time its late or doesn't come at all, so I have to drive. Driving, I spend \$40 a day to get to uni.

”

Those young people who drove cars also still reported looking for the most cost-effective option to travel, often driving to public transport, walking, cycling and using their cars only when necessary.

Again, for the majority of the young people doing it tough, owning and running a car was not possible. Across these groups in particular, young people also spoke about the barriers that many young people encounter in trying to get their driving license. ACYP notes that in NSW, people on Learner plates are required to log 120 hours of supervised driving before they can sit a driver's license test. This is impossible for young people who are experiencing homelessness, OOHC or are newly arrived refugees with no one available to take them on driving lessons. Young people reported that without family support, and the high cost of professional lessons, they were unable to afford to get their license, or even consider saving for a car.

“

Driving lessons costing \$50-\$80 per hour.

Young people just can't afford to get their licence. The test is \$80.

”

Some young people also spoke about the significant cost of parking. This was particularly strong for university students. As a result, students were needing to spend longer travelling on public transport, to avoid spending money on parking.

Recommendations

- 6.1** Improve transport affordability for children, young people and their families by:
- Making public transport free for all children and young people aged 18 years and under.
 - Extending concessional fare pricing so that part-time and international students are eligible.
 - Extending concessional fare pricing to vulnerable young people aged 18-24 years, for instance young parents, young people exiting youth justice and out-of-home care.
- 6.2** Implement an education campaign to assist young people to better understand costs related to Opal cards, including existing discounts and price caps for weekly use, as well as any price differences related to use of a debit card rather than Opal card.
- 6.3** Expand and promote the [Driver Licensing Access Program \(DLAP\)](#) to vulnerable and geographically disadvantaged young people via the ACYP Life Skills web page and NSW Government's Becoming an Adult life journeys work.

Childcare



Fees, long wait lists and a complex system to navigate are leaving young parents unable to return to work.

The rising cost of living is affecting the way young parents access childcare services. Childcare affordability is the greatest barrier in preventing their return to the workforce.

“
: *It's just another bill that's too expensive.*”

During consultations with ACYP, young parents shared their concerns and frustrations about the childcare system. In regional NSW, significant waitlist times and a complete lack of availability was the greatest barrier faced by young parents. Parents had often placed their child on the enrolment waiting list before they were even born and were still waiting years to get a place.

ACYP was surprised to also hear some young parents express their general distrust about how their child would be treated. This played a significant role when deciding whether to enrol their child into childcare. Young parents across groups shared their understanding of the benefits of accessing childcare, such as opportunities for career progression, and the social and cognitive development for their child. Despite this, they were extremely reluctant to enrol their child into childcare for a range of reasons.

“
: *I am a first-time mum – it's scary, the thought of leaving my baby is scary.*”

Young parents reported they often look to family for support or community organisations as their first choice. Young parents listed free community childcare as an essential necessity to support them in their week. Community organisations that offer free childcare services for one-two hours a week, was often the only service young parents had access to. This type of service was crucial for young parents, offering a break from parenting so they could apply for housing, employment or social service applications that can take a significant time to complete.

In consultations with ACYP, both negative and positive experiences were shared regarding the cost of childcare. Young parents on a low income reported childcare centres with lower fees are often understaffed, less resourced and do not meet their expectations. This made them uncomfortable with leaving their child in these centres. Young parents compared this with the centres offering a higher quality service which were often too expensive for them to afford.

Childcare subsidies also received positive and negative feedback, often depending on the parent's employment status. ACYP notes employed young parents shared that the NSW Childcare subsidy provided a significant discount and financial help. Some young people currently studying and working in the childcare industry in Northern Sydney expressed a view that children are spending longer hours and more days in childcare compared to previous years. This was not the case for unemployed young parents, who mostly reported that the out-of-pocket costs for childcare are still unaffordable despite any subsidies.

“

\$14 a day for five days a week is too expensive..

”

A lack of knowledge and understanding of childcare support systems was also noted as a barrier for young parents. While the majority of young parents understood that Services Australia will pay a percentage of the costs associated with childcare, they faced other barriers. ACYP notes the complex application processes and limited community support systems often disincentivised young parents from accessing these services.

There was also a general lack of understanding around the process of calculating subsidy entitlements, income thresholds and eligibility. This misunderstanding of subsidy entitlements often left young parents assuming they could expect unaffordable childcare costs and discouraged them from returning to work.

Young parents explained feeling confused and intimidated by the process of social and financial support applications. ACYP notes the essential support provided by many of the caseworkers servicing the young people ACYP met with during consultations, and that this support was critical in enabling young people to navigate the complexities of the system.

Recommendations

- 7.1** ACYP welcomes the recent NSW budget announcements to build 100 new pre-schools, support growth of not-for-profit ECEC in high demand areas and expand funding relief. ACYP recommends new preschools, community and council-run child care centres and long daycare centres are built in regional areas which lack facilities as an urgent priority.

Debt



Young people are asking for greater financial literacy.

In the 2023 YW Survey, approximately 50% of young adults reported that they had increased their level of debt or taken out new debt to manage increasing costs of living. The majority of this was through formal and informal lending avenues such as borrowing money from friends or family (29%) or using a Buy Now Pay Later (BNPL) platform. Those most likely to have increased their debt in some form were those with a mental health condition (58%), young parents (57%), those who identify as LGBTQIA+ (51%), those with a disability (45%) and those living in regional NSW (41%).

The most common form of debt among young people aged 18-24 was HECS and HELP debt associated with their studies (45% overall and 63% of current tertiary students). In addition, more than one in two (57%) young adults also hold some form of credit debt, such as credit card, buy now pay later, car loan, personal loan or payday loan. Among those living independently, 70% had some form of credit in comparison to those living with parents or carers (48%).

Young people living in Sydney (34% vs 21% of those in regional NSW), and those from culturally and linguistically diverse backgrounds (CALD) (45% vs 28% non-CALD), were more likely to have a credit card. BNPL services were more commonly used by young parents (48%), those with a mental health condition (42%),

those struggling financially (35%) and those living independently (35%).

Those living independently were more likely to use personal loans (16% vs 6% of those who live with their parents or guardians), and car loans (11% vs 3%). Young parents were also more likely to rely on personal loans (32%) and pay day loans (32%).

Despite 63% of young people actively working towards reducing their debt, concerningly, those who are struggling financially were most likely to say that they felt like they would never be out of debt (52%). Those with a mental health condition (57%) and females (50%) strongly agreed with these sentiments, in comparison to males (37%).

Young people were making strategic financial decisions (i.e. sacrificing spending in other areas and working additional hours), to help them consistently repay their credit card (76%) and BNPL accounts (67%). Despite this, not all young people were staying on top of their repayments. Concerningly, around one in five young people have late fees or interest charges on various credit types every month, and one in four for personal loans.

These quantitative findings were also reflected in conversations ACYP had with young people across NSW.

Debt

ACYP notes that throughout consultations, debt, in terms of credit cards and BNPL schemes, was clearly not at the forefront of young people's mind when compared with their fear over HECS and mortgage debt. Although debt was not predominantly discussed, this topic was raised more often in conversations with young people experiencing disadvantage or vulnerability. ACYP noted this was more common amongst those with experiences of homelessness and young parents, as well as young people engaging in tertiary education or TAFE.

Throughout consultations, ACYP observed that young people have different understandings, attitudes, and approaches towards debt. On one hand, some young people negatively spoke about debt and chose to avoid any form of debt where possible. Others saw credit cards, BNPL schemes and other loans as essential to enabling them to buy goods and services that they may not otherwise be able to afford.

“

I had to use Afterpay and borrowing money from people to pay for stuff. Asking people like friends and family for money to help pay for goods but also living costs.

”

Regardless of young people's attitudes towards debt, it was a key consideration in young people's financial decision making and, in some cases, essential in trying to obtain products or services.

ACYP notes that young people often associated certain forms of debt more negatively than others. Throughout consultations, credit card debt was more commonly viewed as being negative by young people, in comparison to BNPL schemes.

In ACYP's 2023 YW Survey, young people reported using BNPL schemes because they:

- Are convenient.
- Easy to use.
- Involve a less formal process to borrow money.
- Allow young people to borrow money in small increments.
- Allow you to receive the goods or services instantly.

Only a small number of young people spoke negatively about BNPL schemes during consultations. These negative views were related to late penalty fees, increasing user fee rates, and the level of debt they have accumulated.

Whilst young people ACYP met with were generally aware of the potential negative consequences of BNPL schemes, young people reported an increase in their reliance on BNPL. Overall, young people were aware of a number of different forms of BNPL schemes (for example, Afterpay, ZipPay, Klarna) that can be used to purchase goods or services. From ACYP's consultations, Afterpay was the most utilised BNPL scheme by young people because it offered a wider selection of retailers and provided discounts after multiple uses.

Debt

Throughout consultations, young people reported using BNPL schemes to purchase both non-essential items and day-to-day essentials and services that they could not otherwise afford.³³ These include, but are not limited to: essential items such as groceries, household bills, medical and utility bills and non-essential items such as car repairs and maintenance fees, food delivery services, clothing, furniture, concert tickets, holidays, vapes and gifts. Young parents also reported using BNPL to purchase high-end professional photos of their family.

Discussions about the use of BNPL schemes were particularly predominant in ACYP's consultations with young parents in both urban and regional areas of NSW. Several young parents who spoke to ACYP reported using multiple BNPL type schemes simultaneously. We note that the majority of young parents said they were selective about the amount of money they would spend using BNPL platforms. They reported that they tended to use these platforms to maximise their borrowing capacity for essential items, such as buying a large number of gift cards as a way to enable them to pay for groceries.

Some young people also spoke about having debt through fines incurred when they jumped gates on transport as highlighted earlier in the report. ACYP notes that not all young people can afford to pay off their debts, and that this can be a particular challenge for young people already doing it tough.

For example, young people who had lived experience of homelessness said they would address their debts by taking on work development orders (WDOs) because they cannot afford to pay fines incurred by police.

Concerningly, across all consultations, ACYP observed that young people are not receiving financial literacy and information on financial management that is reflective of their needs. Young people often spoke about needing to manage their finances without margins of error and the stress that arose when they were faced with unexpected expenses they had not accounted for. In these circumstances, some young people reported going on to accumulate more debt to pay off their existing debts from BNPL schemes and other forms of credit. In addition, young people also shared their concerns about the "addictive" nature of BNPL schemes and the inability to pay off their accumulated debt as a result of these platforms.

“

We pay off our Afterpay the day after we receive our [Centrelink] payment and end up broke.

Afterpay is addictive, it's too easy to use.

When I found out I could use Afterpay on DoorDash, it was the worst thing that ever happened to me.

”

³³ ACYP notes that this echoes findings in a previous report commissioned by NCOSS and Youth Action NSW which found that young people are using BNPL schemes for essentials such as groceries, healthcare and education. See: NCOSS (2021). [*Young People and BNPL: An NCOSS "Cost of Living in NSW" Report*](#). August 2021.

Recommendations

- 8.1** Improve regulation to ensure that BNPL schemes cannot be accessed by young people before the age of 18.
- 8.2** Increase access to education on financial literacy and financial management for young people including clear and more transparent information about credit ratings and BNPL schemes.

Voices of Young People



“My parents got married at 25, and their plan was easy – get a good job and buy a house, have kids. There is no way people our age can have that same plan these days.”



“The Government needs to focus on reducing the insane cost of living crisis that is unbearable and slowly pushing people into states of poverty or just a very uncomfortable life.”



Please listen to young people - we are the future. The cost of living has significantly increased and will continue to do so unless something is done. I worry for my future as I know I might not be able to afford basic necessities let alone buying a house in the future. With my HECS debt being significantly indexed at the end of this financial year, I'm even more stressed about my debt and the fact that I will forever be paying off my HECS debt.



“Lower the cost of living... I should be enjoying my life as a young adult, except I'm stressing every week on how I'll make ends meet daily.”



“Reduce the cost of living and focus more on mental health and wellbeing.”



“Please make the cost of living lower. I want to be able to start a family and buy a home.”

acyp.



**Office of the Advocate for
Children and Young People**

Report:

*How children and young people are
impacted by and responding to
the rising cost of living in NSW*
(Final Consultation Report)

Date:

December 2023

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