

Submission to the Select Committee on Cost of Living

Acknowledgment of Country

Youth Law Australia acknowledges the Traditional Owners and Elders of the Bedegal People of the Eora Nation and the palawa and pakana people of lutruwita as the custodians of the lands on which we work. We pay our respects to their Elders past and present, and commit ourselves to the ongoing journey of Reconciliation.

Introduction

1. We welcome the establishment of a Select Committee on the Cost of Living to inquire into and report on the cost of living pressures facing Australians. We thank the Select Committee for the opportunity to make a submission to inform solutions that address cost of living pressures affecting young people and students.
2. In this submission, we have focused on the intersections between cost of living pressures and the types of legal challenges young people and students experience. We have made 18 recommendations, drawing in many cases on recommendations made by other inquiries, which we consider will ease the pressures of the cost of living crisis on young people.

About Youth Law Australia

3. Youth Law Australia (YLA) is an accredited national community legal service that is dedicated to helping young people understand their legal rights, and find solutions to their legal problems. Any child or young person (or an adult representing them) can ask us about any legal problem at any time, and receive free and confidential legal advice and help. YLA seeks to be as accessible as possible to children and young people, in particular through facilitating help-seeking through online means.
4. In addition, YLA operates a Student Legal Service based in Hobart in conjunction with the Tasmanian University Student Association (TUSA) and the University of Tasmania (UTAS) Law School. The Student Legal Service provides free, generalist legal services to all UTAS students and supports the clinical legal education of law students.

About the Tasmanian University Student Association

5. The TUSA, business entity name Tasmania University Union, is a student-led not-for-profit organisation that advocates for the welfare, support and empowerment of University of Tasmania students. TUSA's purpose is to be the independent voice of students at UTAS, representing over 30,000 enrolled students. TUSA delivers a range of services to students,



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including the Student Advocacy Service, a professional development program, student representation, over 100 Clubs and Societies, a food security program, financial support, and academic support. TUSA engages YLA to deliver the Student Legal Service as an integral part of our student support framework.

Young people and students are particularly impacted by the cost of living

6. While many Australians have been impacted by the increasing cost of living, we submit that there are a number of structures in place that mean these pressures are particularly acute for young people and students. These structures include:
 - a. reduced pay for the same work;
 - b. caps on the numbers of hours international students can work;
 - c. inadequate Centrelink payments for young people;
 - d. a general limit on young people accessing independent Centrelink payments before they are 22 years old;
 - e. rising costs of higher education, and increased time required to pay off educational debts; and
 - f. unpaid work placements in tertiary education settings.
7. This is not an exhaustive list. In many cases, these structural practices are based on ‘maintaining young people’s dependence on their families, and/or implying that young people have lower living costs, as well as being supported by assumptions about young people’s skill levels and experience regardless of the actual value of their labour output’.¹ They appear to be a form of systemic age discrimination.
8. Other reasons why young people may be particularly disadvantaged in the cost of living crisis include:
 - a. a reduced capacity to earn in many cases due to age and relative inexperience;
 - b. relatively poor awareness of law in everyday life, and low practical legal literacy and legal knowledge;²
 - c. less familiarity with workplace entitlements, and less capability to advocate for their rights, one consequence of which is widespread underpayments;³
 - d. young people are more likely to be in casual work;
 - e. a need to balance education and work in many cases;
 - f. they bear the same costs for food and housing as others.
9. In 2023, polling by the NSW Advocate for Children and Young People found, for the first time, that the cost of living was the number one issue for children and young people aged 10-24 in

¹ Jenny Kaighin, ‘What About Young People? Why a Basic Income for Young People Matters’ in Elise Klein et al, *Implementing a Basic Income in Australia* (Springer, 2019) 179.

² Victorian Law Foundation, Public Understanding of Law Survey, Volume 2, Understanding and Capability.

³ Victorian Law Foundation, Public Understanding of Law Survey, Volume 2, Understanding and Capability.

NSW.⁴ The NSW Advocate found 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)’.⁵

10. Some of the ways in which young people and students are having to make difficult choices and, in some cases, forego important rights, include:
 - a. needing to work to such an extent that their ability to focus on their education is impacted;
 - b. experiencing food insecurity, which impacts on their health and wellbeing, and ability to engage in education;
 - c. living in insecure, inadequate or unsafe housing and facing greater rates of homelessness;
 - d. feeling unable to advocate for their rental rights or workplace rights;
 - e. feeling like they have no choice other than to stay in family households or relationships where they have experienced domestic and family violence or other forms of abuse; and
 - f. being unable to access timely, preventative and/or adequate health care.
11. Rights to education, housing, health, and safety are all important rights protected under international conventions to which Australia is a signatory.⁶
12. The impact of these issues is exacerbated amongst young people and students from certain equity groups. For example, the Universities Accord Final Report found that First Nations students, students from low socio-economic status backgrounds and regional, rural and remote students are most likely to report financial barriers to studying.⁷ It cautioned, ‘This is exactly the sort of thing Australia must avoid.’⁸ There has also been data suggesting that students from these groups are significantly more likely to have regularly gone without food or other necessities because of a lack of finances.⁹
13. Many of the structures that disproportionately impact young people and students can be reformed through changes to existing laws and policy, and we have made various recommendations to this end. We submit that the experiences of young people and students in the context of the cost of living crisis deserve particular consideration by the Committee.

⁴ NSW Advocate for Children and Young People, *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).

⁵ NSW Advocate for Children and Young People, *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) 4.

⁶ See, for example, the Convention on the Rights of the Child (1989), International Covenant on Civil and Political Rights (1966).

⁷ *Australian Universities Accord Final Report* (Final Report, February 2024).

⁸ *Australian Universities Accord Final Report* (Final Report, February 2024) 5.

⁹ Universities Australia, ‘2017 Universities Australia Student Finances Survey’ (August 2018). Available at: <https://universitiesaustralia.edu.au/wp-content/uploads/2019/06/180713-2017-UA-Student-Finance-Survey-Report.pdf>.

Systemic issues that disproportionately disadvantage children, young people and students

14. In this section we highlight particular structural issues which exacerbate the cost of living pressures for young people and students, and which we submit require reform. It is important to highlight that the list of issues covered in this submission is not exhaustive, and that holistic consideration of the systems, laws and policies that disproportionately impact young people and students is warranted.

A. Junior pay rates mean young people earn less for the same work

Recommendation: Abolish junior wages

15. Young people below the age of 21 are especially vulnerable members of the workforce in the context of a cost of living crisis due to the operation of junior pay rates. Under most modern awards, young workers can legally be paid significantly less than their 'adult' (over 21) counterparts despite working identical jobs. In 2020, the McKell Institute estimated that at least 60% of people aged 20 and under were earning less than the national minimum wage and 92% of people aged 17 and under were being paid on junior pay rates.¹⁰ While there is no cap on junior wages, it is evident that employers extensively apply the junior minimum for young workers.
16. The proportion of income young people are entitled to under junior pay rates remains well below the adult national minimum. For example, under the General Retail Industry Award, a 16-year-old employee can be paid as little as 50% of what an adult worker under the same Award classification would receive. Similar junior rates of pay have been applied across a broad range of modern Awards in other industries where young workers are also commonly engaged.
17. While proponents of junior pay rates may argue that younger workers may require additional supervision, employers of young workers on junior pay rates are nonetheless entitled to expect those workers to execute the same duties as their adult counterparts, and meet the same performance indicators in the workplace. Indeed, young workers are only entitled to the same level of workplace protections as their adult counterparts.
18. Given young workers can be expected to perform at the same level as adult workers, it follows that young workers strongly contribute to employer enterprises and are critical to the success of both small and big business. Despite this, Australia's current employment framework effectively allows for a legal form of age discrimination in relation to pay rates. The impact of that disparity is especially likely to impact young workers disproportionately during this cost of living crisis.
19. It is well established that inflation in the costs of goods and services and sharp spikes in rent have caused significant stress on the incomes of many Australians. However, young Australians must contend with these increases in the cost of living while being paid a fraction of what Australian adults receive.

¹⁰ 'The problem with junior pay rates, explained', *The McKell Institute* (Web Page, 28 February 2024) <<https://mckellinstitute.org.au/research/articles/the-problem-with-junior-pay-rates-explained/#:~:text=Phasing%20out%20junior%20rates%20would,employers%20might%20undertake%20recruitment%20freezes>>.

20. Proponents of junior pay rates may argue that the abolition of junior pay rates would result in a significant reduction in employment opportunities for young people. However, there appears to be little to no objective data which supports this theory. A McKell Institute study demonstrated that countries which had removed junior pay rate provisions such as South Korea, New Zealand and Belgium nonetheless experienced virtually the same levels of youth unemployment as Australia.¹¹

B. Working restrictions limit how much international students can earn

Recommendation: Remove working restrictions on student visa holders

21. During the pandemic, student visa work restrictions were removed to allow student visa holders to work unlimited hours in response to workforce shortages. Since 1 July 2023, the Australian Government has re-introduced working restrictions on student visa holders which are currently capped at 48 hours per fortnight during semester.¹²
22. Given that the average number of hours worked by commencing students in 2023 at the University of Tasmania was 27.6 hours per week,¹³ this cap does not reflect the number of working hours actually required by students on average to financially support themselves while studying. Moreover, international students are unable to commence work before their course starts.
23. While the purpose of these restrictions is to allow international students to focus on their education, international students, just like other people living in Australia, are not immune from rising cost of living pressures.
24. In some ways, international students are more at risk due to the fact they are more likely to be employed in precarious, low-wage and low-skilled jobs.¹⁴ Because of working restrictions, international students are also more prone to workplace exploitation as some businesses may take advantage of visa-holders needing to work more hours than they are legally allowed.¹⁵
25. Working restrictions combined with rising costs of living in Australia place international students in a difficult position, and some will inevitably have to consider their livelihood, including their ability to pay for basic goods and services, and balance this with complying with their visa conditions. Research conducted by Monash University in 2022 estimated that 40% of students at Australian universities may be going without food, with the problem 'worst among international students'.¹⁶

¹¹ 'The problem with junior pay rates, explained', *The McKell Institute* (Web Page, 28 February 2024) <<https://mckellinstitute.org.au/research/articles/the-problem-with-junior-pay-rates-explained/#:~:text=Phasing%20out%20junior%20rates%20would,employers%20might%20undertake%20recruitment%20freezes>>.

¹² *Migration Regulations 1994* (Cth), Schedule 8, rr 8104(3A), 8105(2A).

¹³ University of Tasmania, *Commencing and Lost Student Survey, 2023*, available at [Power BI](#).

¹⁴ Iain Campbell et al, 'Inhospitable workplaces? International students and paid work in food services', *Australian Journal of Social Issues* (2016) 51(3) 281-294.

¹⁵ Nicole Precel and Clay Lucas, 'Employers still exploiting international students, say advocates and lawyers', *The Age* (online, 21 June 2023) <<https://www.theage.com.au/national/victoria/employers-still-exploiting-international-students-say-advocates-and-lawyers-20230322-p5cuar.html>>.

¹⁶ Lucas Walsh and Beatriz Gallo Cordoba, 'Food insecurity hits international students as the cost of living bites hard', *Monash University Lens* (online, 9 June 2023)

26. In light of this, we recommend that the Australian Government remove work restrictions for student visa-holders due to the cost of living crisis, as it did during the COVID-19 pandemic.

C. Centrelink payments for young people and students are inadequate

Recommendation: Increase Centrelink payments for young people and students with reference to the poverty line and other comparable measures, to ensure they cover the basic costs of living

27. Youth Allowance, ABSTUDY and Austudy payments are critical to ensuring that Australians who don't have significant financial means can access an education, and obtain the maximum benefit from that education. Various reports have advocated for an increase in Youth Allowance payments on the basis that they don't currently allow young people to cover basic costs, and result in young people living well below the poverty line.¹⁷
28. The inadequacy of Youth Allowance and other Centrelink payments has also been recognised by the Interim Economic Inclusion Advisory Committee, which found that 'People on these payments face the highest level of financial stress in Australia'.¹⁸ The Productivity Commission's 2023 report identified that since COVID-19 payments ceased, almost 80% of Youth Allowance recipients were in housing stress.¹⁹ Similarly, a 2022 report by Anglicare found that across Australia, out of more than 45,000 rental listings, only one – or zero percent – was affordable for a person on Youth Allowance.²⁰
29. While the rate of Youth Allowance was increased in September 2023 to \$43 a day, according to a coalition of youth peak bodies:
- ...this is nowhere near sufficient to cover basic costs. People on Youth Allowance are living well below the poverty line, receiving just half of the \$87.32 per day required as measured under the Henderson poverty line.²¹*
30. These peak bodies recommended that Youth Allowance be raised to at least \$88 a day.²²
31. A 2022 report from the National Union of Students has also identified that Youth Allowance payments are indexed at lower rates and less frequently than other social security payments, and characterised the difference in how Youth Allowance and Age Pension payments are indexed as 'an example of age based discrimination'.²³

<<https://lens.monash.edu/@education/2023/06/09/1385862/as-the-cost-of-living-bites-international-students-experience-food-insecurity>>.

¹⁷ National Union of Students, *Locked out of youth allowance: student poverty + Centrelink in Australia* (Report, October 2022).

¹⁸ Interim Economic Inclusion Advisory Committee, *2023-24 Report to the Australian Government* (Report, June 2023).

¹⁹ Productivity Commission, *Report on Government Services* (Report, January 2023).

²⁰ Anglicare Australia, *Rental Affordability Snapshot: National Report* (Report, April 2022).

²¹ Pre-Budget Submission to Treasury, 25 January 2024, 'Youth Peak Bodies Australia-wide call on the Government to Raise the Rate'. Available at: [Youth Affairs Council Victoria | Youth Peak Bodies Australia-wide call on the Government to Raise the Rate \(yacvic.org.au\)](https://yacvic.org.au)

²² Ibid.

²³ National Union of Students, *Locked out of youth allowance: student poverty + Centrelink in Australia* (Report, October 2022) 17.

32. Similarly, the Australian Universities Accord – Final Report (Universities Accord Final Report) found that ‘A student in receipt of Austudy and the maximum rate of Commonwealth Rent Assistance currently receives 62.0% of the Aged Pension.’²⁴ It considered that the Australian Government should ‘examine student payments, with particular regard to the adequacy of income support payment rates in supporting successful participation and completion outcomes’.²⁵

D. The age of independence for Youth Allowance payments is too high

Recommendation: Increase access to Youth Allowance for young people under 22 years old

Recommendation: Implement recommendation 15 of the Universities Accord Final Report on student income support

33. The ‘age of independence’ for Youth Allowance is 22 despite young people having the same rights and responsibilities as adults from when they turn 18. This means that:

- a. most young people aged between 18 and 21 can’t access Youth Allowance; and
- b. most young people aged between 18 and 21 who do access Youth Allowance are paid less than \$28 a day.²⁶

34. Students under 22 who are not considered independent from their parents or caregivers have their eligibility assessed against both a personal income and assets test, and a parental means tests. If their parents’ means are below the relevant thresholds, the student will be able to access the dependent rate which is a maximum of \$28 per day. If a student’s parents’ means are above the relevant thresholds, they will not be eligible for Youth Allowance – even if they live out of home and/or receive no support from their parents.

35. The Universities Accord Final Report recommended that these thresholds, or the ‘Parental Income Free Area’, is set too low and should be raised. It also found that the independence testing arrangements ‘are disadvantaging school leavers who need to move away from home to study’.²⁷

²⁴ *Australian Universities Accord Final Report* (Final Report, February 2024) 145.

²⁵ *Ibid.*

²⁶ National Union of Students, *Locked out of youth allowance: student poverty + Centrelink in Australia* (Report, October 2022) 6.

²⁷ *Australian Universities Accord Final Report* (Final Report, February 2024) 145.

E. The costs of higher education fees have been increasing

Recommendation: Implement Recommendation 16 of the Universities Accord Final Report on fairer student contributions for the costs of higher education

Recommendation: Cap indexation to limit the growth of HELP debts

36. In 2022, data analytics firm Studymove found that two thirds of universities had increased their fees over the past two years.²⁸ Of these universities, five had increased fees by more than 4% in 2022, while 15 had increased fees between 2 and 4%.²⁹
37. For most students who have a Commonwealth supported place at university, the costs of delivery are shared between the students and taxpayers, with students able to defer payment under a HELP loan.
38. Despite this, the Universities Accord Final Report found that ‘Various cost pressures on students as a result of higher fees are impeding students access to, and participation in, higher education...’.³⁰ Where students choose to study despite the higher fees, they may incur disproportionately large debts relative to their future potential earnings.³¹
39. By way of example, the Jobs-ready Graduates Package introduced in 2021 increased student contributions for those studying humanities, human movement, society and culture, and communications by 113%.³² Although the scheme aimed to influence subject choices to match labour market demand, it has been found to be ineffective and has left some students facing extremely large HELP debts that do not reflect their future earning potential.³³
40. In addition, the indexation of HELP debts is increasingly a concern. On 1 June 2023, HELP debts rose 7.1% once adjusted for inflation. The Universities Accord Final Report noted that escalating indexation may discourage some future students from enrolling in university.³⁴ It also means that HELP loans will take longer and longer for students to repay, which has flow on effects for future financial stability. When compared with education costs paid by previous generations of Australians, the costs of education that students now have to pay seem particularly unfair.
41. To address this, we support recommendation 16 of the Universities Accord Final Report which called for student contributions that are fairer and which better reflect the lifetime benefits that students will gain from studying, and HELP loans with fairer indexation and repayment arrangements.³⁵

²⁸ Julie Hare, ‘International student fees are on the rise but not at all universities’, *Australian Financial Review* (online, 9 September 2022) < <https://www.afr.com/work-and-careers/education/fee-increases-moderated-as-students-struggle-with-cost-of-living-20220909-p5bgs1>>.

²⁹ Ibid.

³⁰ *Australian Universities Accord Final Report* (Final Report, February 2024) 152.

³¹ Ibid.

³² *Australian Universities Accord Final Report* (Final Report, February 2024) 5; Ibid 14; Ibid 155.

³³ Ibid.

³⁴ *Australian Universities Accord Final Report* (Final Report, February 2024) 161.

³⁵ *Australian Universities Accord Summary Report* (Summary Report, February 2024) 30.

F. Many students have to complete unpaid work placements in higher education settings

Recommendation: Implement Recommendation 14 of the Universities Accord Final Report on unpaid work placements in higher education settings

42. The Universities Accord Final Report highlighted strong feedback from students about the financial burdens imposed by mandatory unpaid work placements and found that there was a need to pay students for mandatory placement work.³⁶
43. Given this, the Report recommended that the Australian Government introduce payments for unpaid placements, including in the areas of nursing, care and teaching.³⁷
44. The lack of pay for students undertaking mandatory unpaid work placements is also inconsistent with the fact that Australia's employment law framework expects employers to pay employees even for trial shifts (with minor exceptions). Typically, an unpaid trial shift cannot exceed more than a few hours or at most one shift whereas unpaid work placements/internships can extend over several weeks or longer.
45. We fully support and endorse the Universities Accord Final Report's recommendation as a measure to ease cost of living pressures of students.

Additional contributors to financial disadvantage and distress experienced by young people and students

46. In addition to the structural issues raised above, there are other factors that can result in young people and students being disproportionately impacted by the cost of living crisis. These include:
 - a. a reduced capacity to earn in many cases due to age and relative inexperience;
 - b. a need to balance education and work in many cases;
 - c. a much lower likelihood of owning a home, and the rising costs of rents;
 - d. the need to pay the same basic living costs as others, despite earning less;
 - e. relatively poor awareness of law in everyday life, low practical legal literacy and legal knowledge;³⁸
 - f. less familiarity with workplace entitlements, and less capability to advocate for their rights, one consequence of which is widespread underpayments;³⁹
 - g. young people are more likely to be in casual work.
47. We have selected some of these issues to discuss in more detail in the following sections.

A. Students are having to take on significant work to support themselves during their studies

48. Students are increasingly having to take on significant work to support themselves during their studies, and this can detrimentally impact their ability to focus on and maximise their studies.

³⁶ *Australian Universities Accord Summary Report* (Summary Report, February 2024) 19.

³⁷ *Australian Universities Accord Summary Report* (Summary Report, February 2024) 29.

³⁸ Victorian Law Foundation, *Public Understanding of Law Survey, Volume 2, Understanding and Capability*.

³⁹ Victorian Law Foundation, *Public Understanding of Law Survey, Volume 2, Understanding and Capability*.

Financial pressures exacerbated by the cost of living crisis can mean students decide to take on part-time study, causing them to defer their careers and in many cases the prospects of earning a higher wage. They can also impact a student's decision about whether to pursue an educational goal at all, or contribute to students deciding to defer studies.

49. Of the 58% of commencing students at the University of Tasmania who said they did paid work to support their study, we understand that the average hours worked were just under 30 hours per week.
50. The Bradley review in 2008 also highlighted that the eligibility criteria relating to the amount of income support available to students may be contributing to students still needing to work significant hours in order to survive financially. They noted that this leads to poorer learning outcomes and student experience.⁴⁰

B. Young people tend to have relatively poor awareness of law in everyday life, low practical legal literacy and legal knowledge

51. The Victorian Law Foundation has recently released its Public Understanding of Law Survey (PULSE), volume 2 of which examined 'Understanding and capability'. A key finding of that report was that young people have, comparative to other age groups, a 'relatively poor awareness of law in everyday life, low practical legal literacy and legal knowledge'.⁴¹
52. This can be compounded in situations where young people may be fearful of advocating for their rights in employment or tenancy situations, for example, in case they lose their job or place to live. It underscores the importance that young people can access free legal assistance, which we discuss later in this submission.

Case study: High prevalence of underpayments at work for young people and students

53. Underpayment of workers continues to be an ongoing problem for Australians across industries, and compound issues for those Australians already struggling with increased cost of living pressures. In 2022-23, the Fair Work Ombudsman ('FWO') recovered \$509 million in underpayments for 251,745 workers.⁴² While it is therefore clear that underpayment is a significant problem, these figures also only account for cases of underpayment that are known, reported and pursued. It is highly likely that the true total of underpayments in Australia is significantly higher than that which has been recovered by FWO.
54. Young people are especially vulnerable to workplace exploitation in relation to underpayment. Young people are less likely to be aware of their workplace entitlements and therefore underpayment matters are more likely to be underreported.⁴³ Factors YLA has observed which can increase youth vulnerability to underpayment include:

- a. unawareness of legal entitlements;

⁴⁰ Department of Education, Employment and Workplace Relations *Review of Australian Higher Education: Final Report* (Final Report, December 2008).

⁴¹ See Victorian Law Foundation, Public Understanding of Law Survey, Volume 2, Understanding and Capability, p 11.

⁴² Fair Work Ombudsman, 'Australian workers back-paid another half a billion' (Media Release, 23 October 2023).

⁴³ Christine Coumarelos et al, 'Legal needs of younger people in Australia' (2017) *Law and Justice Foundation of NSW* 1.

- b. unawareness, unwillingness or fear of commencing legal action;
 - c. fear of future employment prospects or retaliation for exercising workplace rights;
 - d. imbalance in power dynamics employers and young employees.
55. In 2023 alone, Youth Law Australia received 311 inquiries about underpayment – 17.3% of total employment-related inquiries in that year. Given the relatively small proportion of young people with legal issues who actively seek help,⁴⁴ underpayment of young workers is likely to be an even larger problem than reported figures already suggest.
56. Further compounding this has been YLA’s Young Workers’ Rights Service (YWRS) observation of numerous clients seeking legal advice on a separate issue (such as dismissal or workplace bullying) and remaining completely unaware that they have been underpaid. YLA has only coincidentally been able to advise on underpayment after having reviewed the payslips of these clients. A case study that YWRS has advised and represented a client on is provided below.

Case Study - Rajid

Rajid was a 20-year-old university student who worked a few nights a week as a bartender at a restaurant. He was paid as a part-time employee even though his working hours and days varied week-to-week. Rajid was dismissed after he questioned his employer's offer of a new casual contract which offered rates that were below the relevant award.

YLA assisted Rajid to draft an application to the Fair Work Commission for a dismissal in contravention of the general protections and represented him at conciliation. YLA also assisted Rajid to make a Request for Assistance to the Fair Work Ombudsman for underpayment of wages.

Ultimately at the Fair Work Commission conciliation conference, both Rajid's general protections and underpayment matters were settled in full for \$5,000.

57. With research indicating that young people are less likely to take legal action, it is vital that bodies such as the FWO are adequately funded to increase their capacity to investigate and resolve underpayment matters. It is also critical that young workers can easily access legal help.
58. The widespread nature of underpayment also indicates that current penalties and enforcement frameworks which seek to disincentivise underpayments are inadequate. It may also suggest that employers and business owners are not sufficiently aware of their obligations.

Recommendation: Improve resourcing support for the Fair Work Ombudsman to increase the amount of underpayment investigations it can undertake

Recommendation: Increase civil penalties to disincentivise underpayment

Recommendation: Increase education and awareness programs for employees on pay rates, legal entitlements and exercising workplace rights

Recommendation: Increase education and awareness programs for business owners regarding pay rates and legal consequences of underpayment

⁴⁴ See for example, Victorian Law Foundation, Public Understanding of Law Survey, Vol 1, Everyday Problems and Legal Need, Table 4.4.

Impacts of cost of living pressures on young people and students

59. In this section, we highlight some of the key impacts cost of living pressures and financial disadvantage have on young people and students.

A. Young people and students are disproportionately impacted by unaffordable housing

Recommendation: Commitment to greater funding for public and social housing

Recommendation: Increase the maximum Commonwealth Rent Assistance rate and review eligibility requirements

60. While unaffordable housing impacts all levels of society, it is an issue that disproportionately impacts young people and students who have fewer economic resources to pay high rents or to enter the property market.⁴⁵
61. Between August 2022 and August 2023, 70 students at the University of Tasmania reported to the TUSA Student Advocacy Service with significant housing stability issues (10% of all matters). During the same period, the Student Legal Service received 40 new housing-related matters (14% of all matters), which was a 74% increase on the previous year.
62. In 2023 alone, median house rents have increased by 12.7% in Australia, and median unit rents have increased by 18%.⁴⁶ Our analysis indicates that the cost of UTAS student accommodation has risen by 6.68% on average between 2023 and 2024, well above the rate of CPI for that period. Rent increases have a disproportionate impact on young people given that of the 31% of Australians who rent, 60% have a household reference member aged under 35 years old.⁴⁷
63. Young people seeking independence or escaping broken homes who are unable to meet the rising costs of housing are even more susceptible to poverty and homelessness. In 2021, nearly a quarter (23%) of the homeless population were young people aged 12-24 years, the highest rate of homelessness for any age group.⁴⁸ Research shows that young people are more vulnerable to becoming homeless if they have difficult home lives and challenging family relationships.⁴⁹ These challenges can be exacerbated by other factors, such as shortages of affordable housing or poverty.⁵⁰
64. At the same time, waitlists for public housing are increasing, with 174,600 households waiting to be allocated public housing as at June 2022 (compared to 154,600 households in June

⁴⁵ Australian Housing and Urban Research Institute, 'What are the real costs of the housing crisis for Australia's young people', (Web Page, 18 April 2023) <<https://www.ahuri.edu.au/analysis/brief/what-are-real-costs-housing-crisis-australias-young-people>>.

⁴⁶ Evlin DuBose, 'What is the average rent in Australia', (Web Page, 2 February 2024) <<https://mozo.com.au/home-loans/articles/what-is-the-average-rent-in-australia>>.

⁴⁷ Ada Lester, 'So many young Australians like me will rent forever – it needs to be made livable and affordable', *The Guardian* (online, 12 May 2023) <<https://www.theguardian.com/commentisfree/2023/may/12/so-many-young-australians-like-me-will-rent-forever-it-needs-to-be-made-livable-and-affordable>> citing Australian Bureau of Statistics data from 2022.

⁴⁸ Ibid.

⁴⁹ Australian Institute of Health and Welfare, *Specialist homelessness services annual report 2022-23* (Annual Report, February 2024).

⁵⁰ Ibid.

2014).⁵¹ It is apparent that a greater commitment to funding of public and social housing is needed to address current and projected affordable housing needs.

65. As young people are required to spend more and more income on housing, they have less disposal income to spend on other essentials, like food or medicine, and home ownership is becoming an increasing unattainable goal. It is well-established that young people are far less likely to achieve home ownership than previous generations. That inequity and vulnerability is exacerbated by the fact that young people typically have less job security and entitlement to paid leave benefits, with at least 53.7% of all casual employees aged between 15 to 24 years old.⁵²
66. While the Australian Government announced in 2023 that it would increase the maximum rate for those on the Commonwealth Rent Assistance program by 15%, many young people and students who do not receive government benefits will not benefit from this scheme.⁵³
67. For those who are eligible for the program, we note that the maximum rate of Commonwealth Rent Assistance will be raised up to \$31 per fortnight. This increase is not commensurate with rents which are rapidly rising at a much higher rate. Consistent with other submissions made on this issue, we would support a lift in the maximum rate of Commonwealth Rent Assistance to address this gap.⁵⁴

C. Young people and students are more susceptible to living in insecure, inadequate or unsafe housing

Recommendation: Strengthen and harmonise residential tenancy legislation across Australia to better protect younger tenants' rights to secure, adequate, and safe housing

68. We have had the benefit of reading the Tenants' Union of Tasmania's submission to this inquiry, and we endorse its recommendations relating to the strengthening of residential tenancy legislation across Australia.
69. The high proportion of young people and students who are renting and experiencing financial pressures means young people are more susceptible to living in insecure, inadequate, unsafe or illegal housing arrangements. As cost of living pressures increase, young people and students are likely to become more prone to exploitation by landlords, head-tenants and others.
70. While some jurisdictions have sought to modernise their residential tenancy legislation,⁵⁵ we consider that a national approach is required to standardise the rental legislative framework

⁵¹ Australian Institute of Health and Welfare, *Housing assistance in Australia* (Annual Report, July 2023).

⁵² Department of Parliamentary Services, *Recent and long-term trends in the use of casual employment* (Report, November 2021) 20.

⁵³ Ada Lester, 'So many young Australians like me will rent forever – it needs to be made livable and affordable', *The Guardian* (online, 12 May 2023) <<https://www.theguardian.com/commentisfree/2023/may/12/so-many-young-australians-like-me-will-rent-forever-it-needs-to-be-made-livable-and-affordable>> citing Australian Bureau of Statistics data from 2022.

⁵⁴ Coates, B and Moloney, J, 'How to tackle Australia's housing challenge', 20 October 2023, Grattan Institute, available at: [How to tackle Australia's housing challenge - Grattan Institute](#)

⁵⁵ See, e.g. *Residential Tenancies Amendment Act 2018* (Vic) and *Residential Tenancies Legislation Amendment Act 2023* (ACT).

across Australia to implement greater protections for renters. In particular, we have identified the following as key areas for reform:

- a. reduce no cause evictions;
- b. repeal educational exemptions from rental laws;
- c. increase protections for sub-tenants;
- d. limit rent increases;
- e. introduce the right to keep pets;
- f. introduce co-renting laws;
- g. introduce fixed-lease break costs; and
- h. provide for dispute resolution through a residential tenancies tribunal.

71. While we have not sought to outline each of these issues in-depth, we refer to and endorse the submission of the University of Melbourne Student Union Inc to the 'Inquiry into the worsening rental crisis in Australia' in this regard.⁵⁶

Case study - Sam

Sam⁵⁷ entered into a 12-month fixed term lease with student accommodation at UTAS. After living in student accommodation for 10 months, Sam wanted to break his lease early for medical reasons and because he had found a cheaper private rental.

After putting in a notice to vacate, Sam was told by student accommodation that he would be responsible for rent until the end of his lease period. Sam contacted the Student Legal Service because he could not afford to pay double rent for that period and he wanted to know his options.

Sam had heard that his lease agreement was likely exempt from Tasmanian rental laws because he lived in student accommodation. However, the Student Legal Service advised Sam that Tasmania rental laws did in fact apply to his arrangement. The Student Legal Service outlined some practical options for Sam to discuss with the accommodation provider to reduce losses on both sides if he decided to terminate his lease early.

Fortunately for Sam, the accommodation provider subsequently agreed to terminate his lease agreement early without financial penalty. However, Sam's matter could have been resolved quicker and with less stress if Tasmania's rental laws had provided greater clarity and protection for renters, particularly students, in university accommodation.

⁵⁶ UMSU Legal Service, 'Inquiry into the worsening rental crisis in Australia UMSU submission', 1 September 2023, available at: [20230901-UMSU-Inc-submission-to-Inquiry-into-the-rental-crisis-in-Australia.pdf](https://unimelb.edu.au/20230901-UMSU-Inc-submission-to-Inquiry-into-the-rental-crisis-in-Australia.pdf) (unimelb.edu.au)

⁵⁷ Case studies have been de-identified.

D. There is a high prevalence of young people and students experiencing food insecurity

Recommendation: Implement the recommendations made in the House Standing Committee on Agriculture’s report on food security in Australia, particularly those relating to children and young people

Recommendation: Commit to implementing recommendations made as part the Australian Competition & Consumer Commission’s ‘Supermarket inquiry 2024-25’

72. Food security is a fundamental human right. However, Australian children, young people and students are increasingly at risk of food insecurity due to cost of living pressures. Food insecurity, in turn, leads to poorer health and education outcomes.⁵⁸
73. A 2022 study conducted at the University of Tasmania found that 42% of students reported experiencing food insecurity.⁵⁹ A 2021 Foodbank report also found that 1.2 million Australian children were experiencing severe food insecurity.⁶⁰
74. In light of these concerns about food insecurity, the TUSA implemented a Food Hub in July 2023. Within the first six months of operation, 3,085 students accessed the Food Hub, with 93% of students indicating that it had a positive impact on their level of food security. Unfortunately, due to funding and resourcing constraints, the Food Hub has had to limit registrations to only 70 students each week. This has resulted in numerous students on the waitlist being unable to access much-needed food supplies.
75. There is clearly a need for initiatives like the TUSA Food Hub on a much broader scale, and for increased funding to ensure the sustainability of such initiatives. However, without coordinated action on a national level, measures to address food insecurity are likely to remain piecemeal and inadequate in addressing the immense levels of food insecurity noted above.
76. Given the current lack of national strategy or plan to holistically address food insecurity, we support the implementation of the recommendations made in the House Standing Committee on Agriculture’s report on food security in Australia and call on the Australian Government to implement the recommendations in full, or at the very least, recommendations 30, 31 and 33 which relate to children and young people.

E. Young people cannot access essential medical care

77. Various reports have identified that young people face particular barriers to accessing health care, that these barriers include financial barriers, and that equity groups are particularly affected.
78. For example, a 2022 ACT Government paper identified that the cost of services is a significant barrier to young people accessing healthcare, particularly for young people with disability who

⁵⁸ Sandra Murry et al, 'Prevalence of food insecurity and satisfaction with on-campus food choices among Australian university students', (Research Paper, International Journal of Sustainability in Higher Education, May 2023).

⁵⁹ Katherine Kent et al, 'Severity of Food Insecurity among Australian University Students, Professional and Academic Staff' (2022) 14(19) *Nutrients* 3956.

⁶⁰ Foodbank, *Foodbank Hunger Report* (Report, 2021).

are not NDIS participants and homeless young people.⁶¹ Another ACT Study found that barriers to accessing GPs by young women include high cost, waiting times and inability to find a GP who bulk bills.⁶²

79. A 2023 survey by the NSW Advocate for Children and Young People found that:

...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%). 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.⁶³

80. The Advocate found: '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.'⁶⁴

81. These findings are in a context where NSW has one of the highest rates of bulk-billing in Australia. In comparison, research has indicated that Tasmania has the lowest bulk-billing rates in Australia. A January 2024 study, for example, found that bulk-billing rates in Tasmania were 0.9% compared with a national average of 24.2%, and a NSW rate of 37.2%.⁶⁵

82. The NSW Advocate made a series of recommendations aimed at addressing the healthcare and medical costs experienced by young people, including in the areas of bulk-billing, access to mental health services, and access to contraceptives. These recommendations deserve serious consideration.

Cost of living pressures drive increased demand for legal services

Recommendation: Ensure legal services for young people and students are adequately and sustainably funded

83. The information collated in this submission underscores the importance that young people and students can access legal and legal advocacy services to help them understand and enforce

⁶¹ ACT Health, Commissioning Primary Health Services for Young People, Discussion Paper (July 2022), pp 13, 15.

⁶² Women's Centre for Health Matters Inc, *It goes with the territory! ACT women's views about health and wellbeing information* (Report, 2011).

⁶³ NSW Advocate for Children and Young People, *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) 26.

⁶⁴ Ibid.

⁶⁵ Aleisha Orr, 'Where you're most (and least) likely to find a bulk-billing GP', *SBS News* (online, 8 January 2024) <<https://www.sbs.com.au/news/article/where-youre-most-and-least-likely-to-find-a-bulk-billing-gp/pw1etkjjq>>

their rights in areas such as education, employment, housing, goods and services, and social security.

84. Recent surveys by the Victorian Law Foundation indicate that around 41% of young people aged between 18 and 24 were likely to have a legal problem, and these were most likely to relate to: goods and services, housing, employment, fines and government payments.⁶⁶ It is notable how many of these have financial intersections. Yet only 20% of young people accessed help from a legal service, and around 44% experienced unmet legal need.⁶⁷ Young people were also most likely to face ‘large problem clusters’, ‘suggesting that when young people face problems they have a significantly elevated tendency to experience many problems’.⁶⁸
85. This and other data underscores the importance that free and accessible legal assistance is available to young people and students, wherever they live in Australia.
86. From 1 July 2022 to 30 June 2023, YLA provided over 6,000 legal services to young people aged under 25 and their advocates from all around Australia. However, due to funding constraints, we have had to take steps to reduce our intake from time to time. We estimate that in the last financial year, over 1,000 clients were unable to access our services because of this.
87. We estimate that around one third of universities in Australia have some form of Student Legal Service. Our understanding is that either most or all of these services do not receive NLAP funding, but instead are reliant on university-distributed SAFF funding. In a 2023 submission to the NLAP review, the University of Melbourne Student Legal Service highlighted the importance of free and accessible legal services for students, noting that in their work they have observed:
 - a. students facing significant power imbalances when dealing with institutions or other individuals (such as landlords and employers);
 - b. students living in rental properties provided by universities and affiliated entities, which are exempt from the protections of rental laws;
 - c. students being victims of a casualised workforce and general lack of secure work;
 - d. students being underpaid and facing discrimination and sexual harassment in their employment;
 - e. students relying on foodbanks or other free food initiatives to survive;
 - f. students living in illegal and/or inappropriate housing conditions;
 - g. a lack of financial support for international students from governments (such as not being eligible for JobKeeper payments during the COVID-19 pandemic, or not being able to travel on concession fares on public transport); and

⁶⁶ Victoria Law Foundation, Public Understanding of Law Survey, Vol 1, Everyday Problems and Legal Need, 2023, Table A3.12.

⁶⁷ Victoria Law Foundation, Public Understanding of Law Survey, Vol 1, Everyday Problems and Legal Need, 2023, Table A3.16 and Table 6.3.

⁶⁸ Victoria Law Foundation, Public Understanding of Law Survey, Vol 1, Everyday Problems and Legal Need, 2023, p 77.

- h. students experiencing significant mental health issues which are caused and contributed to by many of the above issues.⁶⁹

88. This mirrors our experience in operating a Student Legal Service at the University of Tasmania. Since the Student Legal Service commenced in 2021, we have seen an increase in service delivery each year. The last 2022-2023 financial year saw a 173% increase in services delivered, compared to the previous year. And, based on current projections, it is likely that there will be a further increase in services delivered in the 2023-2024 financial year.

Summary of recommendations

89. In summary, we have made recommendations to address the disproportionate impact of cost of living pressures on young people and students in the following areas:

On employment

1. Abolish junior wages
2. Remove working restrictions on student visa holders
3. Implement Recommendation 14 of the Universities Accord Final Report in relation to unpaid work placements in higher education settings
4. Improve resourcing support for the Fair Work Ombudsman to increase the amount of underpayment investigations it can undertake
5. Increase civil penalties to disincentivise underpayment
6. Increase education and awareness programs for employees on pay rates, legal entitlements and exercising workplace rights
7. Increase education and awareness programs for business owners regarding pay rates and legal consequences of underpayment.

On housing

8. Commit to greater funding for public and social housing
9. Increase the maximum Commonwealth Rent Assistance rate and review eligibility requirements
10. Strengthen and harmonise residential tenancy legislation across Australia to better protect younger tenants' rights to secure, adequate, and safe housing

On food security

11. Implement the recommendations made in the House Standing Committee on Agriculture's report on food security in Australia, particularly those relating to children and young people

⁶⁹ Submission from the University of Melbourne Student Union Legal Service to The Independent Review of the National Legal Assistance Partnership 2020-2025, 27 October 2023. Available at: <https://umsu.unimelb.edu.au/pageassets/support/legal/policies/20231027-UMSU-Legal-Service-submission-to-NLAP-review.pdf>.

12. Commit to implementing recommendations made as part the Australian Competition & Consumer Commission's 'Supermarket inquiry 2024-25'

On social security payments

13. Increase payments for young people and students with reference to the poverty line and other comparable measures, to ensure they cover the basic costs of living
14. Increase access to Youth Allowance for young people under 22 years old
15. Implement Recommendation 15 of the Universities Accord Final Report on student income support

On the costs of education

16. Implement Recommendation 16 of the Universities Accord Final Report on fairer student contributions for the costs of higher education
17. Cap indexation to limit the growth of HELP debts

On legal help

18. Ensure legal services for young people and students are adequately and sustainably funded.

28 March 2023