

A submission to the NSW Legislative Council
***Portfolio Committee No. 1 –
Premier and Finance inquire into and
report on the price
of fresh food in New South Wales***

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Introduction

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The National Union of Students (NUS) welcomes the opportunity to provide a submission to the NSW Parliamentary inquiry into fresh food.

Founded in 1987, NUS is the peak representative body for post-secondary students in Australia. NUS has affiliated student associations at campuses in every State and Territory.

Since the 2014 budget, the Federal Government has attempted multiple times to impose radical changes on Australia's Higher Education sector. It has done so with no coherent strategy for Australian higher education, other than to reduce public funding for what is an incredibly vital sector.

While these radical changes to higher education have been rejected by the Australian Senate, universities have been neglected and experiencing some of the deep-rooted problems of the demand driven system.

While the demand driven system has provided increased access for student from disadvantaged backgrounds to participate in higher education, the Federal Government has failed to extend student support and welfare services to match the increase in Australians studying.

The NUS Welfare Department has undertaken a variety of surveys and reports in recent years particularly the Student Wellbeing Survey and Student Housing report with Anglicare.

Scope

NUS see's it's role to present to this committee the issues with accessibility and affordability of young people and the access to fresh food

The last national review into student finances was conducted by Universities Australia in 2012. Their report outlined that two thirds of Australian students live below the Henderson poverty line, and that one in five regularly skip meals.

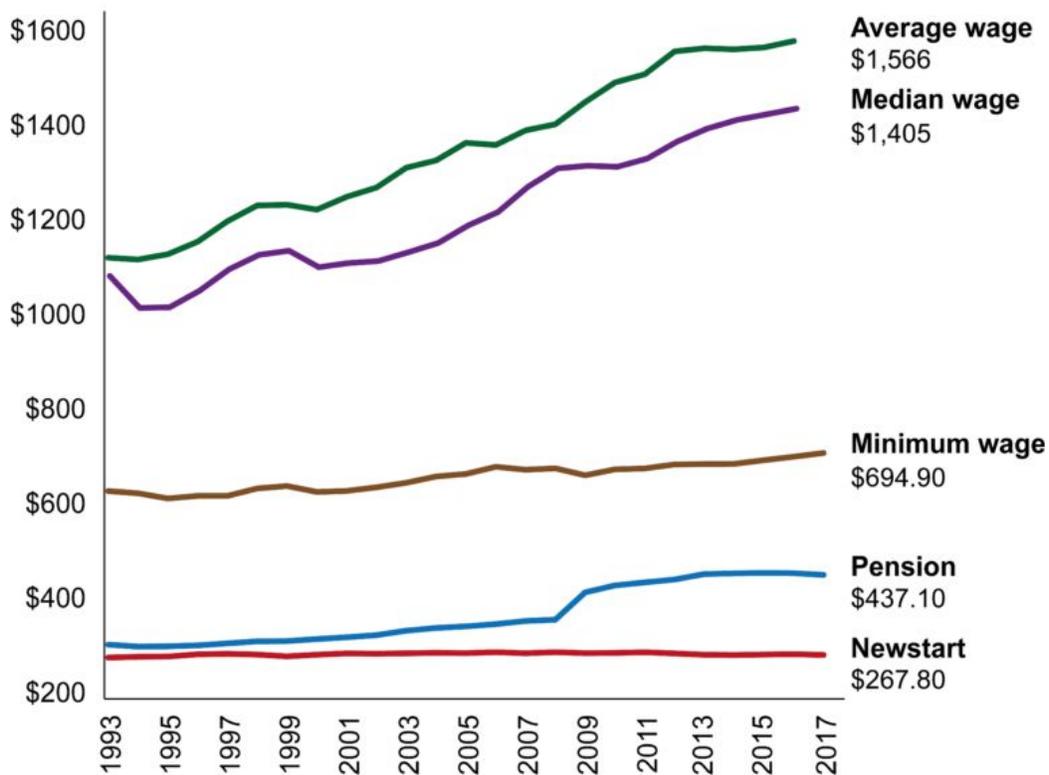
Student Poverty

Rental affordability for young people.

The real concern with Student poverty comes after the Anglicare Report released this year that showed that only 3 homes were available to individuals on newstart. The report runs under the nationally benchmarked figure that a low income earner should not spend more than 30% of their weekly household budget on rent. Less than 0.01% of houses listed for rent were affordable. These figures are worse if you survive on just youth allowance where only 2 homes were available. Young people in Sydney have the most concern when it comes to renting Anglicare's report revealed "in this year's data there were no affordable and suitable properties for any household type, with the exception of a couple where both are earning minimum wage, and for them, there was just 4% of properties available"¹.

Newstart payments in Australia have not seen a real means increase in 24 years. Graph 1 provided by the Australian Council of Social Services shows that since 1993 the average and median wage has increased while Newstart has failed to provide any relief to those struggling to make ends meet.

Newstart versus pensions and wages (\$2017)



Graph provided by Australian Council of Social Service

1

<http://www.anglicare.asn.au/docs/default-source/default-document-library/final---rental-affordability-snaps-hotb811d9309d6962baacc1ff0000899bca.pdf?sfvrsn=4>

NUS Recommends that the rate of newstart be increased by \$100 per week to better aid students in finding affordable housing without causing high financial stress.

NUS recommends that the NSW government commits to building cheaper more affordable housing for low-income earners.

Cost of living in Sydney

The cost of living in Sydney is also the highest in the country. According to website www.numbeo.com which compares the prices of different items. It rates grocery prices 3.65% higher in Sydney than Melbourne, rent prices 46% higher, consumer prices 7.49% higher. Monthly Transport prices are rated 31% higher in Sydney compared to its Melbourne based counterparts. The same site believes that: You would need around \$7,470.69 in Sydney to maintain the same standard of life that you can have with \$6,200.00 assuming you rent in both cities.

NUS recommends that the NSW government explore ways in which it can lower cost of living expenses such as food prices, public transport and consumer items.

Penalty rate cut and the conditions of young workers

Penalty Rates

The cuts to penalty rates by the Fair Work Commission in 2012 saw a decrease to the take home pay of many students and young people across the country. The report by the Mckell Institute noted that there's been no significant rise in employment across the retail and hospitality industries. In fact the hospitality and fast food industry actually showed a drop in employment figures.

The same report by McKell shows that While Q3 2017 saw penalty rates only marginally reduced the evidence suggests some correlation between the reduction in the take home pay for this significant portion of the labor market and a reduction in overall consumer spending.

NUS recommends reversing the cuts to penalty rates or have the cuts phased out with real wage rises as not to impact the take home pay of individuals.

Underpayment of workers in the Retail and Fast Food Industry.

Currently the General Retail Industry Award 2010, does not support paying 100% of the adult rate to those aged 18-20. This means that those students who work into the retail and fast food industry who are on the award do not receive the full rate of pay for their age. Some Enterprise bargaining agreements have been negotiated to lower the age requirements.

NUS recommends lowering the adult rate of pay within the national awards to the age of 18.

Recommendations:

- NUS Recommends that the rate of newstart be increased by \$100 per week to better aid students in finding affordable housing without causing high financial stress.
- NUS recommends that the NSW government explore ways in which it can lower cost of living expenses such as food prices, public transport and consumer items.
- NUS recommends that the NSW government commits to building cheaper more affordable housing for low-income earners.
- NUS recommends reversing the cuts to penalty rates or have the cuts phased out with real wage rises as not to impact the take home pay of individuals.
- NUS recommends lowering the adult rate of pay within the national awards to the age of 18.

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