

New analysis shows youth incomes too low to afford surging rents

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Young renters on youth allowance sharing a typical two bedroom flat have only \$13 a day to cover food transport, medicine, utilities, and other costs, according to an alarming new analysis by Homelessness Australia.

To coincide with Youth Homelessness Matters Day, the peak body conducted a two year longitudinal analysis, cross-referencing the cost of 50 per cent rent of a two bedroom apartment against the maximum income support payment available to a young person living away from home.

While overall incomes support payments increased 10 per cent in two years (due to CPI indexing), rents surged 24%. A young person who paid 64% of their income two years ago to share a two bedroom unit will now have to pay 73% of their income.

Date	Total weekly income young sharer (youth allowance + CRA)	Share of rent 2-bedroom unit (national)	Percentage income paid in rent	Weekly income left after paying rent
April, 2021	\$307.6	\$198	64%	\$109.6
September 2021	\$308.3	\$205	66%	\$103.3
January, 2022	\$317.2	\$208	66%	\$109.2
September, 2022	\$320.2	\$226.5	71%	\$93.7
January, 2023	\$336.4	\$236.5	70%	\$99.9
March, 2023	\$338.2	\$245.5	73%	\$92.7
Increase in 2 years	10%	24%		

“After paying rent a young person on income support in Australia has only \$13 a day to cover food, transport, medicine, power, and other costs. Unless there’s some magic pudding we’re not aware of, this is a ridiculous expectation,” said Kate Colvin, CEO of Homelessness Australia.



“The reality is landlords will not rent to a young person whose budget is stretched this thinly, making it almost impossible for young people who can’t live safely at home to find somewhere to live.

“We urgently need to lift Youth Allowance and Commonwealth Rent Assistance so young people have the income they need to avoid homelessness. By failing to act, we are condemning growing numbers of young people to homelessness and poverty. It’s impossible to develop skills and experience or attain an education when you’re hungry or unsure of where you will sleep.”

The latest figures from the Australian Institute of Health and Welfare show that each year 39,300 children and young people aged 15-24 come to homelessness services alone. Many cannot be safely reunited with family and need long term housing and support.

“It is harder and harder for homelessness services to find young people a rental home and when they do, the rent is eye-wateringly expensive. If we want to give the next generation a genuine shot in life, the least we can do is give them the income they need to survive.”

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