



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY  
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## **Submission Cover sheet**

**Inquiry into Housing and Rental Affordability**

Submission number: 17

Date authorised for publication: 8 September 2022

# YOUTH ADVISORY COUNCIL

## [Inquiry into Housing and Rental Affordability Submission](#)

The Australian Capital Territory (ACT) Youth Advisory Council (YAC) welcome and are thankful for the opportunity to provide a submission to the ACT Government's inquiry into Housing and Rental Affordability.

YAC provides young people aged between 12 and 25 years with an opportunity to take a leading role in participation and consultation activities on issues that affect their lives, raising awareness of the aspirations, needs and concerns of young people within government and the community and facilitating interaction between young people, the ACT Government and the wider community.

YAC provides advice on youth issues to the Minister for Education and Youth Affairs, Yvette Berry MLA giving young people a voice in the ACT Government. YAC is made up of 15 members who are all young people aged between 12 and 25 years (inclusive) at the time of their appointment. YAC membership reflects the diversity of young people residing in the ACT, including a gender balance; representation from young people who identify as an Aboriginal and Torres Strait Islander person; a person from a culturally linguistically and diverse background; a person with disability; and young people who identify as a member of the LGBTIQA+ community.

Members conduct several consultation processes including think tanks, open meetings, face-to-face consultations, and youth surveys. YAC members also participate and contribute to other committees, working parties, and task forces across ACT Government agencies. YAC represents the views, concerns, and needs of approximately 80,000 young Canberrans from diverse walks of life, many represented on our council.

## Introduction

As a result of advocating for youth and engaging with them directly through various events, YAC has formed a detailed understanding of housing and rental affordability issues, barriers and concerns.

YAC represents a very diverse range of young people, with equally diverse lives, housing situations, needs and challenges. In this submission, YAC has discussed 20 key issues young people living in the ACT face regarding housing and rental affordability. They are:

1. Tenancy Types
2. Living Arrangements
3. House Sharing
4. Housing Stress
5. Saving for a Bond/Deposit
6. Rental Vacancy Rates
7. Youth Homelessness
8. Out of Home Care
9. Relocation Costs
10. Trade-offs between Housing Costs and other Staples
11. Property Maintenance and Quality
12. Accessible Housing and Affordability of Accessible Housing
13. Discrimination and Ageism
14. Lack of Experience in Applying for Housing
15. References, Rental History, Guarantors
16. Transport, Accessibility and Associated Costs
17. Time and Effort Required to Find and Apply for Accommodation
18. Lack of Awareness for Programs to Assist Young People into Housing
19. Access to Identification and ID Documents
20. Financial Literacy, Budgeting, and Life Skills

## Key Issues

### 1. Tenancy Type

In the ACT, most young people who live independently are renters. Very few young people under 25 are homeowners, and the rates of home ownership continue to trend downward. Nationally, approximately 84% of young people who live independently are renters, and little more than 10% are homeowners. [1] For many young people high rental costs, low incomes, the growth of insecure shared housing, and lack of available social, affordable and shared housing exacerbate the barriers to owning a home. [2]

The YAC welcomes the ACT Government's commitment to providing 600 affordable rental dwellings, through its build-to-rent program in the 2022-23 ACT Budget. [11]

### 2. Living Arrangements

According to Statista [3], the most common types of living arrangement for young people (Aged 18-29) in Australia in 2019 were *living with parents* (42%), *living in a share house* (23%), *renting with a partner* (16%), *owning or buying their own property* (10%), *renting alone* (5%) and other types (4%). Additionally, data from Canstar [4] shows the average age of young people moving out of their family home is gradually increasing, with young women leaving the family home at an average age of 23 years and young men at 24. This is largely attributed to increasing housing costs.

For many young people, the ability to remain living in the family home for as long as they need, can be advantageous. For those without this option, or who are required to be financially and residentially independent before this age, disadvantage can be further exacerbated.

YAC are proud to have consulted on the *Next Steps for Our Kids 2022-2030 Strategy* [5], where the council successfully advocated for changes to 'level the playing field' for young people in out of home care, particularly for access to out of home care to be extended from 18 years of age to 21 years of age. We believe this will significantly improve the prospects for young people in the ACT's out of home care system to be supported to gain financial and residential independence on a more level playing field to their peers.

### 3. House Sharing

Young people have expressed to YAC that shared houses can present unique and often very complex issues for young people. Some key issues commonly experienced for young people in share houses include conflict and disputes arising between cohabitants, the legal status, legitimacy, and entitlements of co-tenants, head-tenants, sub-tenants, boarders, and lodgers being complex and unclear, constantly changing occupants, payment disputes between occupants, issues regarding bond returns, and fairly dividing bills and expenses. Share house arrangements are becoming particularly common for young people in Canberra, and as this trend increases, it is reasonable to expect the prevalence of such issues will also increase.

### 4. Housing Stress

For most young people in the ACT, housing costs are the single largest recurring expense. Housing stress is defined as when a lower income household is spending 30% or more of its income on housing costs. [6] Whilst the cost of housing continues to climb higher, many young people's incomes are not increasing. This can mean the proportion of young people's incomes spent on housing is growing larger, leaving less to be spent on other expenses. The Australian Institute of Health and Welfare [7] demonstrates that this trend is most evident for renters, which as previously highlighted, most young people living independently are.

## 5. Saving for a Bond or Deposit

With rising costs of living, particularly housing, young people often have very minimal free cash flow available to be saved. This can create difficulties when saving for a bond for a rental, or a deposit to purchase a home. The ACT Government currently offers a program to take out a loan to cover the costs of a bond for a private rental.[8] Regular payments are then made to repay the balance over a period. This scheme can act as a great enabler for young people looking to enter into a rental agreement, who do not necessarily have enough savings upfront to cover a rental bond. However, a lack of awareness for the availability of this scheme may create barriers to young people accessing the benefits of this scheme.

## 6. Rental Vacancy Rates

With a record low rental vacancy rate (as low 0.5%) in the ACT over the past year, the market for renters has been more competitive than ever before. For young people this presents several issues. Young people are often less attractive as prospective tenants because of non-existent or minimal rental history, lower incomes, lack of experience in applying for rentals and many other issues. Low vacancy rates mean the number of applicants young people must compete with to secure a rental can be very high, often more than 50 or 60, sometimes even significantly more.

YAC welcomes the ACT Government's commitment to increase the number of dwellings in the ACT over the next five years and an additional 600 affordable rentals in the 2022-2023 Budget [11] and believe this will increase the availability of rental properties and rental vacancies, presenting more opportunities for young people to secure rental properties.

## 7. Youth Homelessness

The 2016 Census found 42% of all people experiencing homelessness in Australia were young people between 0 and 24 years of age. [9] We know the types of homelessness experienced by young people can be different to those experienced by other age groups. The most common types of homelessness for young people in 2016 were living in overcrowded dwellings (59%), living in supported accommodation for homelessness (18%), couch surfing (18%), boarding houses (9%), and rough sleeping (3%).

The most common causes of homelessness for young people were housing crisis (37%), domestic and family violence (25%), inadequate or inappropriate dwelling conditions (15%), relationship and family breakdown (13%), and financial difficulties (11%). [10]

YAC recognises these statistics were current and reflective of the situation in the 2016 Census, and statistics from the 2021 Census will be different. We have heard during the COVID-19 pandemic many young people have experienced homelessness, often for the very first time. We await the release of the 2021 Census results to determine the effect the COVID-19 pandemic has had on youth homelessness.

In the coming months and years, particularly when the 2021 Census data for homelessness is released, the impacts of the COVID-19 Pandemic on youth homelessness will become clear. Some sources are suggesting the pandemic has caused a significant number of young people to face homelessness, with a survey from Mission Australia reporting 5% of young people became homeless for the first time during the pandemic. [12]

YAC welcomes the ACT Government's commitment to providing additional funding towards homelessness in the 2022-23 Budget [11], but acknowledges the causes, effects, and services required to address youth homelessness can be complex, often requiring specialist youth-specific services and interventions.

## 8. Out of Home Care

YAC recognises young people living in out of home care can experience many additional barriers to transition into independent housing or their own private home. Through our consultations and advocacy, YAC have identified 'ageing out', maintaining access to education, having basic human needs met, accessing support people and support services, and housing as some primary barriers to independent living.

Ageing out is the age at which young people in out of home care become no longer eligible to receive out of home care support and services. Until recently, this was 18 years of age. As previously stated, YAC successfully advocated for this age to be increased from 18 to 21 years of age in our consultations on the *Next Steps for Our Kids* Strategy [5]. Until now, generally young people who have aged out from out of home care would have been required to find their own independent accommodation after their 18th birthday. YAC identified that in today's difficult property market, this was unreasonable, and would leave young people leaving out of home care highly unlikely to secure independent accommodation, placing them at heightened risk of youth homelessness among other issues.

YAC appreciated working with the ACT Government to make this vital change but acknowledge there may still be further work required to ensure young people in out of home care have equitable access to rentals and housing.

YAC welcomes the ACT Government's commitment in the 2022-23 Budget [11] to provide funding of \$68.7 million towards implementing the recommendations in the *Next Steps for Our Kids 2022-2030* Strategy.

## 9. Relocation Costs

We have heard from young people the costs of moving between properties, both from interstate and within the ACT can be high. For young people moving into a property in Canberra, either from within the ACT or interstate the most common costs required before they can move in include packing supplies, removalist fees, cleaning fees and of course the bond deposit of four weeks. When added together these can combine to create a high cost associated with relocating and can create a barrier to rental and housing affordability for young people.

One cost often not considered is the significant time cost associated with relocating to a new rental or home. For many young people time can be scarce. For many young people, especially those in casual employment, time spent relocating can prevent them from earning income, creating another smaller but still noteworthy financial barrier.

For many young people living in rental properties the choice between extending a lease or finding another can be difficult and complex. They may only be in a lease for 12 months or even less usually. Whilst it can be cheaper to extend the lease on a property after 12 months (for example), the additional expenditure saved by not requiring relocation can be offset by an increase in the rent. For example, many young people will have to choose between living in the same property and paying higher rent, but not having to pay to relocate, or having to pay to relocate but moving to a rental of equal or lesser cost. This issue can be especially prevalent in share houses, where terms of lease are not so rigid and can often be shorter. YAC would welcome any government initiatives to ease the burden of relocation on young people in the ACT.

## 10. Trade-offs between housing costs and other staples

Young people have told YAC increased costs of living including housing sometimes mean young people are forced to prioritise staples or essential costs over other staples or essential costs, such as electricity and heating, food, clothing, menstrual products, bills, and others. The rising cost of housing can often mean a greater proportion of young people's incomes is spent on housing leaving a lower proportion of their income available for all other essential items.

## 11. Property Maintenance and Quality

Young people often find the quality of property they live in, particularly in rental properties, can be poor and/or require maintenance or repairs. Young people commonly live in properties in disrepair and many feel uncomfortable asking for repairs to be carried out, primarily fearing they may be evicted. This highlights a situation where young people are often not empowered to protect or exercise their rights as tenants.

YAC welcomes the ACT Government's additional investment committed to repair and maintenance of the territory's public housing stock in the 2022-23 Budget [11] but would welcome further measures to ensure young people's homes are well maintained and their rights as tenants are protected, especially in the private rental market.

## 12. Accessible Housing and Affordability of Accessible Housing

Young people have told YAC the affordability of accessible housing can present barriers for young people who live with disabilities in being able to access affordable housing. Young people have told us finding a rental for most young people is difficult, but for young people with disabilities, this can be even more difficult. We know people with disabilities usually earn less income than their peers, but additional accessibility requirements can further exacerbate the unaffordability of housing and rental properties for young people who live with disabilities. The cost is a barrier, but low levels of housing available which are suitable for young people with disabilities is another barrier to accessing housing.

Young person between 12 and 25 years of age shared, *"It is very scary as a person with a disability to think I may never be able to live in my own home."*

Furthermore, young people who live with disabilities may need to modify their home to suit their needs, but this is not always possible.

Young person between 12 and 25 years of age shared, *"It is hard to make your home accessible when you are a renter and may not be able to modify the property."*

## 13. Discrimination and Ageism

Young people have told YAC they can face discrimination when applying for housing and rental properties. YAC have heard that often families and couples are given priority over singles, and with generally more young people not having their own families or being in a relationship than older cohorts this makes it harder for young people in these situations to be competitive when applying for a rental.

Young people have also expressed that sometimes they feel they have experienced discrimination when accessing services to help people get into housing. Young people can experience discrimination based on their disability status, race, gender, sexuality, marital status, and many more, but the primary form of discrimination for young people when applying for housing is ageism.

#### 14. Lack of Experience in Applying for Housing

Young people have told YAC applying for housing can require a high level of knowledge, and experience. For many young people applying for housing, particularly for the first time can be a steep learning curve and can be very overwhelming. Young people often have to compete with applicants with far greater knowledge and experience in applying for housing, creating barriers for young people to secure housing.

#### 15. References, Rental History, Guarantors

Young people have told YAC there can be real barriers to accessing a rental, especially for the first time with limited or no previous rental history, rental references, and guarantors. This can be especially true for young people who come from disadvantaged or underprivileged backgrounds, who are disassociated from their families or have experienced family breakdown. It is impossible to build a rental history without securing a rental and difficult to secure a rental without any rental history. Young people who are not able to be supported by another person who is financially stable enough to be their 'guarantor' are disadvantaged over other applicants who are able to, which can further disadvantage young people already facing disadvantage.

#### 16. Transport, Accessibility and Associated Costs

There is often a trade-off between housing affordability and proximity to shopping, utilities, services and transport. Generally, more affordable housing is less connected to these and less affordable housing, typically in more affluent areas is more connected. For young people who require or prefer the use of public transport, this can be less accessible in more affordable housing. This can often leave young people with a choice between less affordable housing with good access to transport or more affordable housing with less access to transport.

Young people have told YAC transport costs can be one of the primary expenses for them. Often public transport is not available, accessible, usable, or practical for the needs of young people. Whilst it can be more affordable, it is often not reasonable, particularly in more affordable outer suburban areas of the ACT.

#### 17. Time and Effort Required to Find and Apply for Accommodation

As noted above, the process of applying for and attending inspections for rentals and housing can take a significant amount of time for young people. We know young people in the ACT have busy schedules, working, studying, volunteering and participating in other essential activities. The increasing competitiveness of the housing market means young people are needing to apply for a large number of properties in the hope of being a successful applicant. For young people, this can take time away from their ability to participate in their regular commitments, and for young people working in casual employment can negatively affect their ability to earn income.

#### 18. Lack of Awareness for Programs to Assist Young People into Housing

YAC is aware there are numerous programs, including the ACT Bond Loan Scheme mentioned previously, but the effectiveness of these is often limited to the awareness young people have of their existence. For programs and initiatives to assist young people into rental properties and housing to be effective, it is essential they are communicated and accessible to young people.

Young person between 12 and 25 years of age shared, *"There are lots of programs available to help young people get into housing, but they are not always known about."*



## 19. Access to Identification and ID Documents

YAC have identified a lack of access to identification and ID documents as a barrier for young people to secure housing and rental properties. A lack of formal photo identification for young people has been identified as an issue in consultations with young people and community organisations. We believe being unable to access photo identification can present a significant barrier for many young people, especially when applying for housing and rental properties.

Whilst formal identification cards are commonly available to most young people, they are as readily available to all young people. This can greatly disadvantage those who are left without. School or educational institution identification cards are available to those engaged in education in an educational institution, but not available to those who are not. Drivers' licenses provide photo identification for those who are able to and wish to acquire a driver's license. Young people whose circumstances do not permit them to acquire a driver's license due to disability, homelessness, socio-economic or other factors are left further disadvantaged without this.

YAC also noted the requirement of providing multiple forms of identification to access some services including applying for housing and rentals. For some young people, they may already have identification documentation available, but this could be insufficient. Often multiple types of documentation are required to be produced, amounting to a sum of points required. It can be very difficult for some young people to produce any photo identification at all, and what they can produce may be insufficient on its own. YAC concluded that in today's society having multiple forms of identification available was often necessary, particularly when applying for housing or rental properties.

Young people between 12 and 25 years of age shared, *"Having ID, having enough ID, or having the right ID available can be a real barrier to young people trying to secure housing."*

## 20. Financial Literacy, Budgeting, Life Skills

Young people have told YAC, they often feel unprepared or underprepared to live independently, budget or apply for rental property and/or housing. This can create difficulties in having the financial means to secure housing and rental properties, the skills needed to apply for housing and rental properties and manage their finances effectively once they secure housing and rental properties.

Young person between 12 and 25 years of age, shared, *"More financial education is definitely needed for young people."*

## Recommendations

YAC recommends the ACT Government promote and improve the accessibility of government assistance programs such as the Rental Bond Loan Scheme, investigate ways to reduce the financial burden on young people moving between homes, and continue to invest in providing greater coverage of the ACT's public transport network in the short term.

YAC recommends focusing on addressing youth homelessness holistically, investigating ways to reduce discrimination young people face when applying for housing, exploring alternative methods to confirm a young person's trustworthiness without access to referees, rental history, or guarantors, and investigating photo ID options for young people unable to attain a driver's license.

YAC also recommends embedding financial literacy within the ACT school curriculum, investigating rent-to-buy programs to make buying a home more accessible for young people, and implementing minimum property condition standards and conditions of tenancy in share houses in the long term.

## Conclusion

YAC has identified 20 key barriers young people can face in accessing affordable rentals and housing. Whilst the key focus of the inquiry is affordability, young people face a number of other barriers. From these barriers young people can face any combination of these. It is important to remember the needs of every young person are different and the barriers they face will also be.

YAC have identified many financial barriers, and barriers relating to knowledge and awareness, discrimination, social factors, accessibility and others able to prevent young people from accessing affordable housing. Whilst young people can experience a wide range of issues preventing them from accessing affordable housing, young people also have arguably the most to gain from measures to improve housing affordability in the ACT. YAC welcomes the opportunity to provide input into this inquiry and appreciate the government's efforts to improve housing and rental affordability.

The ACT Government should continue to consult with young people on the issues they face, particularly regarding rental and housing affordability. Only by listening to young people can the Government understand the needs of young people and implement policy and initiatives to improve outcomes for young people.

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