



Media release

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1-in-4 low income renters will be living on \$23/day if \$4.40 Newstart energy supplement is cut

Cutting the \$4.40 energy supplement from Newstart will ‘crush the already broken backs’ of thousands of vulnerable people, says the peak body for homelessness, and leave 76,000 people with less than \$24/day to live on after they’ve paid housing.

[Senate Estimates papers](#) show that 1-in-4 Newstart recipients (76,951 Australians) are in severe rental stress (defined as paying more than 50% of income on rent), and that the number is rising every year.

The Council to Homeless Persons argues that cutting the energy supplement from Newstart recipients will push people already on a knife edge of homelessness over the edge.

The number of Newstart recipients paying more than 50% of their income on rent has more than doubled in the last 15 years from 32,500 to 76,900.

“Today 1-in-4 Newstart recipients are paying more than 50% of their income on rent, compared to 1-in-7 in 2001,” said Acting CEO, Kate Colvin.

“For the 1-in-4 Australians who are forced to spend half their Newstart allowance on rent, a \$4.40 cut will mean that they are left with less than \$24/day after paying for housing.”

“It is patently unfair to try to repair the budget by breaking the backs of people who are already doing it tough. With Australia in the grips of an affordable housing crisis we should be increasing Centrelink wages, not trimming them.”

“Slicing into Newstart payments punishes those who are already on the brink of homelessness, making it even harder to keep up with rent and have money left for food, bills, utilities, medical costs,” said Ms Colvin.

Median rents in Melbourne recently hit \$400/week, with DHS rent data showing that just 6% of all Melbourne rentals would be affordable to someone on a low income.

“When you’re looking for work, you need money to travel to job appointments, for clothing for interviews, to access the internet to search for jobs. How can you do that on less than \$24/day?”

Table: Impact of axing the \$4.40 energy supplement from Newstart allowance

Newstart	Commonwealth Rent Assistance	Energy Supplement	TOTAL Weekly income	Weekly rent paid by 76,951 Newstart recipients*	Amount that 76,951 Newstart recipients* will be left to live on each day if energy supplement removed
\$263.80	\$65.20	\$4.40	\$333.40	\$166.70 (minimum – many are paying more)	\$23.80

**76,951 Newstart Recipients are in severe rental stress, paying more than 50% of their income on rent*
[\(Senate Community Affairs Committee, Answers to Questions on Notice, Social Services Portfolio, 2015-16 Supplementary Estimates Hearings, SQ15-00084, Attachment A\)](#)