

Media Release



23 May, 2018

Extremely unaffordable rents forcing job-seekers into Victorian era poverty

“The first Rental Affordability Index (RAI) for 2018 reveals the stark Dickensian life of single people looking for work in Sydney – their Newstart allowance doesn’t even cover the rent of a one – bedroom unit”, Shelter NSW CEO, Karen Walsh said.

The RAI shows the rent on a one-bedroom unit in Greater Sydney is 144 per cent of the Newstart allowance.

“How do we expect people receiving Newstart to find a job when they can’t afford basic shelter?” Ms Walsh said.

“Renting just a room in a boarding house, 29 kilometres from Sydney costs at least \$170 a week. The maximum Newstart allowance is \$545 per fortnight, which leaves \$15 a day for food, transport and all other essential costs”.

“The system is forcing single people looking for work into Victorian era poverty”, Ms Walsh said.

Greater Sydney region remains extremely unaffordable for people receiving a pension

The first Rental Affordability Index for 2018 shows no relief for all low income households;

- a single person would pay 94 per cent of their pension to rent a one-bedroom unit
- a couple receiving the pension would pay 54 per cent of their combined pension to rent a two-bedroom dwelling.

Hospitality workers and minimum wage earners also crippled by unaffordable rents

The RAI also found that workers earning low to moderate incomes face severe rental stress in Greater Sydney;

- Rent for a two-bedroom dwelling is 70 per cent of the income of a single parent working part time and receiving an annual wage of \$38,700
- Rent for a two-bedroom dwelling is 37 per cent of the earnings of a couple, both working, receiving minimum wages and on a combined income of \$72,300 per annum

- Rent for a one-bedroom dwelling is 44 per cent of the annual income of a hospitality worker earning \$54,500 a year.

Sydney is Australia's second most unaffordable city but no relief for low income households

“While Sydney has been replaced by Hobart as Australia’s most unaffordable city, this brings no relief for low income households, including working families who struggle every week to make ends meet”, Ms Walsh said.

“Sydney is still the most unaffordable city for people receiving Government payments and workers on low to moderate incomes”.

“Yet again we see the record levels of construction and increasing supply in Sydney have done nothing to improve rental affordability. We had hoped for capital investment into affordable housing in the Federal budget, but there was absolutely nothing for low cost housing”.

“The housing affordability crisis is forcing people to live in poverty and is nothing short of a disgrace. We know the solutions that are needed to end this crisis but political will and investment remains absent”, Ms Walsh said.

Contact: Karen Walsh, Chief Executive Officer

Mob: (+61) 413 432718 | karen@sheltersnsw.org.au

www.sheltersnsw.org.au | Facebook | Twitter

Shelter NSW

Suite 1, Level 2, 10 Mallett Street, Camperdown NSW 2050 – www.sheltersnsw.org.au – ABN 95 942 688 134

Tel: (02) 9267 5733 – Fax: (02) 9267 5000

About the Rental Affordability Index

National Shelter, Community Sector Banking and SGS Planning & Economics have released the Rental Affordability Index (RAI) biannually since 2015. The RAI is an easy to understand indicator of rental affordability relative to household incomes, and is intended to complement the Housing Affordability Index (HAI) which is a price index for the purchase of houses.

*It is generally accepted that if housing costs exceed 30 per cent of a low income household's (lowest 40 per cent of households across all income bands) gross income, the household is experiencing housing stress.

About Shelter NSW

[Shelter NSW](#) is a non-government, non-profit social change agency committed to working for a fair and just housing system. We are the state's peak advocate for housing justice, uniting the voices of low-income households and non-profit organisations working on their behalf.

Shelter NSW

Suite 1, Level 2, 10 Mallett Street, Camperdown NSW 2050 – www.shelternsw.org.au – ABN 95 942 688 134
Tel: (02) 9267 5733 – Fax: (02) 9267 5000