

Supplementary questions for witnesses – Options for Essential Worker Housing in NSW – 25 October public hearing

Link Wentworth

1. How do community housing providers ensure that tenants don't have undisclosed assets or income sources when assessing their eligibility for affordable housing?
 - As part of our eligibility assessing requirements, the affordable team at Link Wentworth has added a mandatory question to our applications where the applicant must disclose if they own any investment properties.
 - Another mandatory requirement is that the applicant must disclose if they own the property that they currently live in. We also ask for the latest bank statement; this allows us to keep an eye out for any asset income received, such as share investment.
 - These checks are conducted for every applicant prior to being approved for affordable housing
2. At the hearing, you referred to issues Link Wentworth had experienced developing the Queenscliff site (uncorrected transcript, p 12).
 - a. What were these issues, and how did they impact completion of the project?
 - The planning process commenced with initial consultation with Council in 2019 and approval was received in 2023. This was an adaptive reuse of an existing building, not a rezoning or complex development application. This type of application should take around 9 months to approve.
 - The delay in approval coincided with the increase in building costs and Covid which made the proposed use increasingly more expensive to deliver.
 - There was some community opposition to the project.
 - b. Are there policy or planning changes that could have prevented these issues?
 - Consideration could be given to fast tracking planning applications for social and affordable housing, where the applicant is government or a CHP.
 - There is often fear and concern by the community in terms of who might live in a social or affordable housing development. Often this results in more objections to a proposed development. This consequently slows the assessment process down, and often results in further work and costs that don't add any value to the project.
3. What changes would be required to the rent setting in the [NSW Affordable Housing Ministerial Guidelines](#) to ensure that community housing providers can provide housing to essential workers in the Northern Beaches? (Uncorrected transcript, p 12)
 - The guidelines require a property to be let for at least 20% below market. This would still render properties unaffordable in high-cost markets or at best skew towards the upper end of moderate incomes. Additionally, for households on low to very low incomes we are required to ensure affordable outcomes, i.e. that they pay no more than 25 to 30% of gross income on rent. The 20% reduction from market in high-cost markets is still very unaffordable for low or very low-income earners in high-cost markets, defeating the purpose of affordable housing. The government could consider setting the rents at 30% of gross income of eligible groups rather than tie them to the market to ensure affordability.

- Some essential workers' wages exceed the income eligibility limits for affordable housing, especially, if the minimum wage level is increased with over-time or shift work. The income limits are based on household types. The maximum a single person can earn is \$80,700 pa to qualify for affordable housing. Only entry level Registered Nurses and entry level Registered Midwives, enrolled nurses (residential care and student) qualify. No single police constables or single teachers qualify. Very few essential worker couples on 2 incomes qualify. In general, more sole parent families and couples on one income with children qualify. Income eligibility limits should be reviewed to accommodate a wider range of essential workers.
 - If the guidelines are broadened to be more inclusive of a greater category of essential workers, they should be broad enough to meet the needs of local communities and local housing needs. For example, in high-cost areas, lower-paid workers such as retail staff, cleaners, aged care, child-care, and disability support workers etc are crucial for the local economy and ensuring community diversity. In regional areas, higher-earning professionals like health professionals and police may be critical essential workers that may need to be prioritised
 - Affordable housing is intended to ensure affordable housing supply for lower-income earners, which includes some essential workers categories. The issue to address the housing needs of some essential workers in some communities is simply insufficient housing supply rather than affordability. Consider addressing these issues by incorporating the ability to address supply and meet affordability into the guidelines or consider separating the policies with an essential worker housing supply policy, as needed.
 - If eligibility limits are broadened to accommodate a wider range of essential workers, the guidelines should maintain a balance with fixed quotas of affordable and essential worker categories. This would prevent the market from skewing towards higher-income earners, which could price out lower-income earners.
 - The NSW Affordable Housing Ministerial Guidelines primarily establishes rent against market value. For the reasons outlined above, the disconnect is between market rent values increasing whilst proportionally, incomes have not kept pace.
 - A further complication is the definition of affordable housing under the Environmental Planning and Assessment Act, 1979 which states:
 - Affordable housing means housing for very low-income households, low-income households or moderate income households, being such households as are prescribed by the regulations or as are provided for an environmental planning instrument.
 - Whilst the link to income is welcome and appropriate, there remains inconsistency and misunderstanding of how these definitions are applied to planning and development. Our legal advice confirms the definition of Affordable Housing in the Environmental Planning and Assessment Act 1979 prevails over the Ministerial Guidelines.
 - A closer alignment and use of definitions, their purpose, and the tools that enable the financial and sustainable outcome of more affordable housing could be considered.
4. At the hearing, you noted that 'red tape and complexity' had complicated a meanwhile use project (uncorrected transcript, p 11). What were the issues in this instance, and how could they be simplified?
- a. From a planning perspective, the ability to secure meanwhile use is difficult because it must be permissible with the planning regime and compliant with the Building Code of Australia. Ensuring this can be expensive and time consuming.
 - b. A specific and efficient meanwhile use planning pathway would be beneficial to enable properties to be made available. Council could assist in providing quick planning approval where necessary to facilitate the use.
 - c. Councils might consider a Meanwhile Use register where developers could place their project with the view to CHPs providing short term accommodation whilst a project is being rezoned or there is a lengthy development application. The CHP could be responsible for the asset and tenancy management.