

## Essential Worker Hearing Responses

1. Using Coomea St Bomaderry as a case study, can Southern Cross Housing (SCH) supply a timeline of the development application (DA) assessment process including but not limited to:

- a. when the DA was submitted to council;
- b. when council responded with request for further information;
- c. when did SCH respond to council requests and did SCH believe that there was information already submitted adequately addressed the issues raised by council;
- d. any potential improvements in the DA process. For example, better clarity on information council required for the DA, access to senior council officers, and/or a council concierge service.

I need to make a correction regarding our Coomea St project to point out that delays were not specifically linked to the DA application process alone, but also the Pre DA negotiations and consultations and the compliance complexities of the (then new) Class 2 Construction Certificate (CC). While there were several moving parts and approval agencies, the navigation for this project was challenging and not straight forward.

The Coomea St Bomaderry project, was proposed in 2016 pending funding and finance. Once funding and finance were in place Architects were engaged in Nov 2020 to commence the DA documents with submission of the DA in March 2022 (after much consultation and feedback from all stakeholders including Council). DA determination was in July 2022, resulting in approximately a 2-year process to prepare DA docs and obtain approval. The primary reason the DA process itself was quite speedy is that Council removed themselves from the assessment process and referred it to the Regional Planning Panel as well as Southern Cross undertaking extensive community consultation prior to DA submission. Council submitted several requests for further information during the process to which SCH responded to within a maximum timeframe of 5 business days (most responses were provided within 1 business day). This compares to another 26 units proposal in Ulladulla which has taken well over 2 years through the Council DA assessment process.

Once consent was received, SCH engaged architects to prepare Class 2 Construction Certificate documents for approval (which commenced in late October 2022). Workloads in the industry post Covid were high at the time, resulting in major delays in consultants preparing and finalising CC documents. Adding to these delays were the introduction of complex class 2 compliance requirements. It was decided to stage the issue of the construction certificates into Stage 1 and Stage 2.

The Stage 1 construction Certificate was approved in late December 2023 and construction commenced on 8 January 2024, with completion scheduled for May 2025. Southern Cross has no criticism of Shoalhaven Council although processes and pre-DA expectations can take some time to work through. Projects can become overwhelmed by the expectation of consultant reports and studies. These are costly and add substantial length to projects.

This project was more about the application process required and not limited to the DA approval process. The introduction of the new Class 2 compliance requirements posed the greatest challenges and delays around the construction certificate (CC). The class 2 compliances revealed a lack of knowledge and experience among planners and architects alike.

Shoalhaven Council have provided access to senior Council staff, this however does not remove the burden of the process. What has assisted is regional planning panels and the State Significant Development Pathways, although these have specific eligibility criteria. As mentioned at the hearing, using Homes NSW self-approval pathway would assist with delivering projects in a more expedient way.

**2. At the public hearing, you noted that there needs to be a review of the affordable housing guidelines (Transcript, p 16). What amendments to the guidelines would ensure that NSW's essential workers have access to affordable housing?**

Income eligibility is the main area of concern. CHP's need to make Affordable Housing available to people who would be considered essential workers. Affordable Housing remains an affordable and secure option for people on moderate incomes discounting their rent by between 20 and 25%, while not paying more than 30% of their income in rent. Using the Social Housing register as a guide appx. 55% of people on the register are single person households. Using this guide for the demand for Affordable Housing, according to the NSW Affordable Housing Ministerial Guidelines the (max limit) income eligibility for areas outside of Sydney would be \$70,100 for a single person and \$91,100 for a couple or parent with one child (On going eligibility is increased by 25%).

**The following examples provide some context around full time essential workers income;**

Probationary Police Officer base rate	\$70,277 p.a	(with loading \$78,359)
First year Registered Nurse base rate	\$69,810 p.a	(this is without penalty/shift rates)
First year Teacher base rate	\$87,550 p.a	
SCH Community Housing Officer	\$75,000 p.a	

Under the current guidelines A/H income limits for the "Rest of NSW" (Table 4 appendix 1 in the A/H guidelines) it is likely that none of the essential workers mentioned would be eligible under the current limits. It should also be noted that for a couple, there is only a \$35,100 increase in the limit.

It is our opinion that there are two challenges that need to be addressed here, one is affordability and the second availability. There are many essential worker households that may earn the income needed to afford the private rental market, but that supply that is limited in most regional centers. A more flexible Affordable Housing approach could address both concerns, while building financial sustainability for the A/H provider. Allowing CHP's to use a percentage of their A/H portfolio to address demand for essential workers outside of the income limits may be a solution. However, at a minimum, a substantial increase of the income eligibility limits for moderate income applicants would certainly assist as would a review of household size and proportion of income. Alternatively, if there is a clear definition of 'Essential Workers' or 'Key Workers' then providing tenants meet that definition then the income limits could be removed completely.

Another area we feel strongly against is capping rent at 30% of household income. There has been recent discussions about capping rent, however partnering developers and financiers see this as too risky and shy away from partnering with CHP's. Rightly so, as you can imagine if you have a downturn in the economy and half the tenants have their incomes drop, continuing to service debt would be extremely difficult and hard to control.

**3. What support and/or policy changes would assist Southern Cross Housing in renewing its existing housing stock? How might this renewal increase the supply of affordable housing for essential workers?**

Southern Cross Housing would like to see a more collaborative approach with Homes NSW and a strategic long-term plan toward estate renewal and divestment of extremely old stock. The current practice sees Homes NSW identify possible redevelopment sites and inform the CHP as to their intention. This could mean that a CHP can spend \$50,000 upgrading a property for it to be demolished for redevelopment after 2 years.

Often there is little consultation at initial stages and lack of collaborative planning. When the CHP identifies a possible development site, we are at the behest of the Homes NSW process. On occasion we have had to go to auction and bid on property so we could develop further housing including A/H. Even in Social Housing Management Transfer (SHMT) areas, if a new development occurs from existing managed stock under lease, there is no guarantee that once developed any new property would come back to the SHMT Community Housing Provider for management.

While most CHP's are contracted to manage Homes NSW properties over long term leases (20 years), we believe there could be better cooperation and collaboration around redevelopment, estate renewal and new development.