

Essential Worker Housing Inquiry Speech Notes

7 February 2025

Chair, Deputy Chair and Honourable Members.

I, too, acknowledge that we meet today on Gadigal land and pay my respects to elders past, present and emerging.

Thank you for the invitation to give evidence today. The North Sydney LGA is 10.49km² and one of the three most densely populated LGAs in NSW. 89% of dwellings are medium and high density.

North Sydney is part of the Eastern Economic Corridor. It is the most dense education precinct in the country with 21 primary and secondary schools and two universities within 10.5km². There is a large private hospital, the Mater, within our LGA and Royal North Shore Hospital is metres over the LGA boundary - many of these education and health services workers cannot afford to live in or near North Sydney.

According to the 2021 Census, the North Sydney LGA has a population of 80,564 workers. 87.6% of those workers live outside the LGA, including the vast majority of North Sydney Council staff.

You may not know that North Sydney Council was, and continues to be, a pioneer of affordable housing in local government in this State. In 1984, Council started the affordable housing program with the aim of protecting existing affordable housing and replacing affordable housing stock that has been lost. Yet since the program began, at least 2,400 affordable bed spaces have been lost. Over the course of the last four decades, through contribution of land, collection of affordable housing levies and partnerships with the State Government and community housing providers, Council owns or partly owns 131 affordable housing dwellings.

In addition, Council is currently preparing an Affordable Housing Contributions Scheme and will at the meeting to be held on Monday night consider a draft Housing Strategy Supplement with an objective to provide 140 additional affordable housing dwellings by 2035.

Our Council has prioritised affordable housing including a resolution to undertake an audit of Council properties, provision of funding models to provide for new affordable housing. We are also seeking to enter a Memorandum of Understanding with Homes NSW to investigate mutual opportunities.

Yet even with the best will in the world, no single council can make a dent in the overwhelming need for affordable housing more generally and for key workers, in particular.

More than 80% of workers in construction, manufacturing, utility services, retail, accommodation & food services, transport, postal and warehousing, public administration, education and training, health care and social assistance live outside the LGA and come from as far as Blacktown, Parramatta and the Central Coast to work in North Sydney.

The median house price in North Sydney is over \$3M and the median unit price is \$1.3M. Both are about double the Sydney average.

The fact is that the vast number people in NSW are automatically priced out of the North Sydney market and are therefore not represented in LGA housing statistics. The most recent statistics tell a grim tale.

As at June 2024, 48.6% of people who live in the LGA rent in the private market (compared to 30.4% in Greater Sydney), 1.6% rent social housing (compared to 4.1% in Greater Sydney).

14.5% of all rentals were affordable to low income households, of which 0.2%, were affordable to very low income households and only 2.8% of all sales in the LGA, were affordable to low income households.

In our submission it is vital that the following be urgently addressed:

- Adopt a broad and inclusive definition for essential worker housing that provides a core list of key worker occupations to articulate eligibility and prioritisation. For example, the approach in the London Plan and Housing Policy Practice note includes occupations that are essential to the functioning of London during normal times, with employees anchored to a physical workplace to carry out their role (education, childcare, food and necessary goods, health and social care, key public services, national and local government, public safety and national security, transport and utilities). Give consideration to include creative industry workers – they are vital to a vibrant city and innovation economy.
- Ensure that any policy approach considers the need to create sustainable and well-connected communities to ensure that growth is well designed and supported from a physical and social infrastructure perspective and that it respects or enhances the character of the locality. You can have both at the same time: well designed affordable housing with the social infrastructure to meet community needs.
- Mandate the provision of affordable housing, **in perpetuity**, consistently across the State into all new residential developments.
- If development incentives/bonuses are provided approvals must be strictly time limited to minimise land banking.
- Insist that the State Government lead by example with a minimum of 30% affordable housing on all State Government owned sites.

On that last point, it is laudable that the State Government has committed to 30% in State Government projects, yet in our experience that is not happening in practice. For example, a current Planning Proposal to permit 24 storeys and 8 storeys on the Victoria Cross Metro site at 52 McLaren Street only includes an offer of 5% affordable housing units for 10 years. That is a lost opportunity to provide key worker accommodation above a metro in a health and education precinct on the doorstep of the North Sydney CBD.

Similarly, it is exceptionally disappointing that the recently gazetted Crows Nest TOD Precinct, which gave another huge windfall uplift to a handful of private property owners, provides for variously 3-16% affordable housing. That was a lost opportunity and does not even meet the key worker housing provision of 30% being offered by a private developer in a State Significant Development Application for the Crows Nest Metro

Overstation Development – they have partnered with a community housing provider, after negotiating with the Health Services Union, to provide key worker housing, in perpetuity for RNSH workers. If the private sector can deliver it, the State should be able to better it.

Start with building accommodation for teachers on new school builds, for health workers on hospital lands. If a small Council can do an audit of council owned land and look to partner with community housing providers to deliver new key worker accommodation, surely State and Commonwealth governments can.

Finally, we know that a diverse socio-economic mix ensures vibrant, inclusive, productive and innovative cities. The erosion of socio-economic diversity because of the housing affordability crisis will devastate this city and State. We have to get this right now with practical action, not just rezonings, or we will lose more than one generation from Sydney and NSW.

Thank you.