

## Legislative Assembly Select Committee on Essential Worker Housing Inquiry

7 February 2025

### *SSROC Opening Statement*

The Southern Sydney Regional Organisation of Councils (SSROC) appreciates the opportunity to make a submission and participate in the NSW Legislative Assembly Select Committee's inquiry on essential worker housing in New South Wales.

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC acknowledges the traditional custodians of the land on which we work and live, the peoples of the Darug, Dharawal and Eora Nations.

Together, our member councils cover a population of about 1.8 million, one third of the population of Sydney, including Australia's most densely populated suburbs.

It is critical to have essential workers in our cities. There is a substantial body of local and international evidence for this and the negative impacts to the economy and communities when serious shortfalls in this workforce emerge and are sustained.

Both renters and homebuyer groups of essential workers are being squeezed out of Sydney. Sydney is one of the world's most unaffordable cities for housing. Arguably, there is a tipping point for the city's economy where the workforce shortage of essential workers significantly affects the general populations' cost of living, wellbeing and health. At some stage we are all dependent on some essential workers being available whether it be to clean our hospitals, deliver personal support or keep us safe.

SSROC has also been working with the 33 member councils of *Resilient Sydney* advocating for a greater affordable rental housing supply response across the metropolitan area, recognising that the housing unaffordability problem is growing and now city wide for many in the essential and key worker workforce.

The housing system is often envisaged as a housing continuum or spectrum. There is a need for an essential worker housing framework that works across the housing continuum, reflecting different occupations' wages and salaries.

Our housing system responses are usually targeted to specific needs groups and/or income cohorts with varying levels of subsidy to parts of the housing continuum. SSROC has focussed its submission on the affordable rental housing part of the housing continuum.

SSROC submission highlights that there is value in developing a common definition of essential workers given the vital role these workers play for local businesses and

communities and for successful placemaking. Critically it will enable councils, other decisionmakers and stakeholders to: count this workforce and their pattern of housing consumption; monitor trends; set local, regional and statewide targets; and develop strategies to meet the housing needs of essential workers.

The common definition of essential workers should be sufficiently flexible for councils to identify those occupations and sectors relevant to their area and housing markets.

SSROC recommends that income not occupation is used to determine eligibility for affordable rental housing. Eligibility for affordable rental housing should be restricted to households on very low, low and moderate incomes. This approach helps to deliver equitable outcomes to households with similar financial characteristics and who have an enduring need for affordable housing, but are not captured by the definition of essential workers.

This broad approach helps to provide the necessary flexibility that should function to sustain local and regional pools of essential workers. It also recognises holistically that: lower income workers earnings' will often rise overtime and occasionally decline; their households will form, grow and re-form; workers will change jobs and occupations; and, their level of workforce participation (and income) will fluctuate many times during their life course.

Provision of stable secure affordable accommodation for these cohorts will be important for retaining a pool of workforce households long-term, in what is an increasingly global and mobile market seeking to attract scarce key and essential workers. Provision of affordable housing at scale is important for stable, thriving and inclusive communities. Also crucial for successful workforce retention is addressing this workforce's aspirational housing needs. As part of this solution, innovative housing options (like shared ownership and land leasing) will need to be offered by both market and non-market housing developers in conjunction with affordable rental housing. That would enable some of these households to successfully transition towards homeownership and stay in their communities.

Councils should be able to decide the extent to which essential workers are prioritised for affordable rental housing projects they fund from planning system contributions with a more measurable, accountable and focussed framework.

The challenges and opportunities for retaining an essential workforce are different for different locations and councils. Statewide planning policies for affordable housing provision should give local councils the flexibility to establish precinct-specific affordable housing projects that prioritise allocations to income eligible cohorts of essential workers, where this is linked to local housing and/or employment strategies.

In closing, SSROC welcomes this Inquiry as a potential catalyst for further housing and policy reforms for essential workers and essential worker housing that will become a lasting benefit for local communities and businesses in our member councils.