

**Submission  
No 32**

## **OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES**

**Organisation:** Ballina Shire Council

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**24/60646**



11 September 2024

Mr. Alex Greenwich MP  
Chair  
Legislative Assembly Select Committee on Essential Worker Housing  
Email: [EssentialWorkerHousing@parliament.nsw.gov.au](mailto:EssentialWorkerHousing@parliament.nsw.gov.au)

Dear Chair

**Re: Submission – Legislative Assembly Select Committee on Essential Worker Housing**

The following submission is provided in response to the Terms of Reference for the Legislative Assembly Select Committee on Essential Worker Housing.

This submission is from the operational arm of Council and does not constitute a submission from the elected Council. It reflects the realities of recruiting essential workers in one of the least affordable regions in Australia, being the Far North Coast of NSW.

The Local Government areas of Ballina, Byron and Tweed Shires are finding it increasingly difficult to attract essential workers, as unit and house prices are well above regional and rural averages and are comparable, if not higher, than the capital cities of Sydney, Melbourne, and Brisbane. When this is balanced against regional salaries, which are on average lower than capital cities, it places many people at risk of housing stress.

All three councils are regularly finding instances of offering a person employment and then having that person not accept the offer due to a lack of affordable housing.

The situation has now arisen where the only people in a position to accept more junior roles are young people who still live at home and have grown up in the region. This is a positive, however there is a limitation to the numbers available and with essential workers unable to afford to move to this region, there are shortfalls in many key roles.

Ballina Shire Council has a long-standing history of approving significant greenfield development areas, resulting in many houses being built in our shire (i.e. almost twice as many as Tweed Shire, which has twice the population, in recent years). However supply does not result in more affordable housing, with prices matching the market price.

Therefore, other methods need to be implemented to deliver more essential worker housing, with our feedback as follows.

**Planning Tools and Reforms**

There are numerous options available to the State Government including:

- Mandating a percentage target (i.e. 10%) for social and affordable housing for developments above a certain threshold – this housing needs to be retained as social and affordable in perpetuity.

- Implement an Affordable Housing Contributions Scheme that identifies locations where contributions are required. This should be areas of high housing stress.
- Investigate financial incentives, such as discounted fees and charges, for social and affordable housing projects (the cost of incentives though should not be fully borne by local government, which is already under financial pressure).
- Provide opportunities for increased density where social and affordable housing is delivered above required thresholds, including better enabling Homes NSW to successfully implement redevelopment of older housing stock at higher densities based on quality design.
- Introduce incentives to reduce land banking. One option is back zoning the land, however a more positive approach is to provide incentives, such as discounted fees or reduced contribution charges, for developers who release land at an orderly rate (rate to be determined).

The other major reform should be the removal of Stamp Duty, as highlighted in numerous independent reports to State and Federal Governments.

Unfortunately, there has been a lack of will, at State and Federal Government level, to undertake this reform.

### **Incentives for Developments on Privately Owned Land**

As per the previous point, financial and planning incentives need to generate a return of such a scale to change the focus and nature of the proposed commercial development.

Current incentives are typically too small to make a major difference, which means it is important that the benefits are substantial to refocus the nature of a development.

### **Opportunities for Developments on Government Owned Land**

This is one of the most frustrating items for Council, in that there are numerous vacant crown land sites, as well as underutilised properties owned by NSW State Government housing agencies, that could be developed or re-developed to deliver essential worker, affordable or social housing.

The opportunities may be larger in metropolitan areas; however the State Government does need to look at some sort of regional, or local government area, approach to deliver improved outcomes from underperforming sites.

Recently Council has experienced proactive engagement from Homes NSW, which has been very positive and professional in relation to local social housing opportunities.

Also, if councils were provided with some form of equity investment, or return on the development, this may assist in progressing these projects, as the councils could potentially be in a better position to advance the projects through the local planning framework.

Our Council does undertake a reasonable amount of property development (residential and industrial land and commercial properties), and an equity share in projects, to cover our costs and possibly generate a small financial return, would provide financial sustainability benefits to Council and deliver social outcomes through essential worker, social and affordable housing.

### **Reforms that Promote Fiscal Sustainability**

With councils and the State Government exempt from taxes, such as stamp duty and income tax, it is actually reasonably easy for government to undertake commercial developments and provide essential housing.

The exemption from taxes means it is possible to charge lower rents and set lower sale prices and still make developments financially sustainable.

As has been the case at Ballina Shire since the 1960s, Council (or the State Government) can compete in the marketplace for land development and ensure that a full diversity of land and housing is delivered to the community.

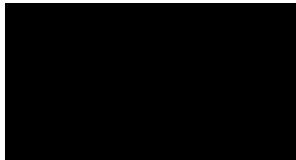
It just requires a commitment from State and Federal Governments to make that difference.

The other major issue that needs to be addressed, more at a Federal level, is a change in the ideology of the financialisation of housing, to treating housing as an essential commodity, or more fundamentally as a basic human need, that is critical to an orderly and successful society in the long run.

This means a review of capital gains tax, negative gearing, GST revenue and interest rates, which hopefully will occur at some point in the future, as there is an entire generation of people now being locked out of housing, which is creating a substantial wealth inequity in the community.

I hope this submission is of assistance.

Yours faithfully



Paul Hickey  
**General Manager**