

**Submission
No 35**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Sutherland Shire Council

Date Received: 12 September 2024



12 September 2024

The Hon. Alex Greenwich
6 Macquarie Street
Sydney, NSW, 2000

Dear Mr Greenwich

RE: Legislative Assembly Select Committee on Essential Worker Housing

Thank you for the opportunity for Sutherland Shire Council to provide a submission to the Legislative Assembly Select Committee on Essential Worker Housing. Essential worker housing is vital to the ongoing functioning and success of all communities. Our essential workers provide education, healthcare, emergency management and frontline services to the whole community. Council acknowledges that as the cost of living and house prices rise, there is increased stress placed on front line essential workers within our community.

In the Sutherland Shire 40.3% of employment is in the household services sector, including health care and social assistance, education and training, accommodation and food services, arts and recreation and other associated professions. Sutherland and Kareena hospitals are major employers and as a result, health care is the Sutherland Shire's largest employment sector accounting for 16.6% of employment. This exceeds the State average of 14.8%.

In considering these essential workers, only 42.1% of people who are employed in the healthcare and social assistance sector and 48.2% of the education and training sector, choose to live locally. This may indicate that there is a lack of appropriate and affordable housing for essential workers in the Sutherland Shire, with additional data indicating that 16.7% of households are in mortgage stress and 34.5% in rental stress.

Council strongly supports the terms of reference of the Committee, in particular the development of a consistent and broadly adopted definition of essential workers. The current lack of definition leads to inconsistent approaches to essential worker housing across local government areas. A clear planning mechanism, that provides housing in perpetuity for essential workers, is therefore considered critical to the ongoing functioning of all local government areas, on top of affordable rental housing for those with very low-income levels.

Sutherland Shire Council has paused its consideration of a local Affordable Housing Scheme in order to understand the impact of the recent State Government reforms. However, we understand the need to ensure a more diverse range of housing price points. Appropriate housing for those most in need and for essential workers is critical to our community and it is essential that any new planning mechanism for essential worker housing, compliments the existing affordable housing provisions and is not found to be in competition.

It is suggested that an additional planning mechanism work in conjunction with the existing affordable housing provisions of the State Environmental Planning Policy (Housing) 2021. This should include a mandatory percentage of the affordable housing, to be solely occupied by essential workers (as defined). Alternatively, the SEPP could require or provide density bonuses

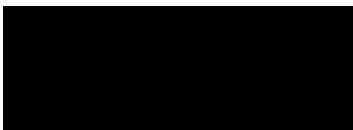
for an additional percentage of housing allocated for essential workers, subject to amenity considerations.

It is recommended that the Committee investigate the type and size of housing required by essential workers and how diverse housing types can be provided for essential workers within proximity to their workplaces. For example, studio or one-bedroom apartments are suitable and more affordable for lone-person households, but long-term housing for essential workers should also address the needs of families with a need for three or more-bedroom dwellings. When the market lacks a diversity of dwelling sizes, individuals and families are forced into less affordable housing types or are displaced to other localities where housing is less expensive. This is especially evident when most affordable housing is being delivered in the form of one-bedroom apartments.

International best practice shows that essential worker housing can be delivered without solely relying on the planning system as the mechanism for change. For example, under England's Key Worker Living Program, opportunities are provided for essential workers to access equity loans to purchase properties, shared ownership models whereby the essential worker owned a percentage of their residence, and a registered housing provider owns the remainder. There is also access to rental dwellings that are below market value, for those who work in essential jobs. In the United States, many states have implemented their own initiatives that address essential worker housing, including the NYDP Home Program, that gave access to home finance for key workers to purchase homes. San Francisco have also used low interest finance for developers of essential worker housing. The committee could also explore surplus government land for housing, tenure types, grants, fees, direct investment in housing (for example by Super funds) and other mechanisms to facilitate community access to housing to meet their needs.

Council is supportive of the intent and acknowledges the work of this Committee. Council therefore awaits the outcomes of the Committee and recommendations that it may make in relation to planning mechanisms, financing innovations, and equity arrangements to deliver a much-needed supply of housing for essential workers.

Yours sincerely,

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Beth Morris
A/Manager Strategic Planning