

**Submission  
No 72**

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

**Organisation:** Bridge Housing

**Date Received:** 13 September 2024



## **NSW Legislative Select Committee on Essential Worker Housing**

NSW Parliament  
Sydney NSW 2000

Dear Committee

Bridge welcomes the opportunity to provide input into the Legislative Select Committee on Essential Work Housing. We are a registered charity and community housing provider (CHP) and have been providing safe, secure and affordable rental homes to people on low to moderate incomes in Sydney since 1984. We manage 3,600 properties across metropolitan Sydney, which provide a safe, secure, and affordable home to over 5,300 people.

We managed one of the first council-owned affordable housing programs, set up by Waverley Council to provide housing options to low income workers with a connection to the area. We have also managed Canada Bay Council's affordable housing program, targeting Concord Hospital employees.

Working at the coalface of Sydney's housing crisis, we understand the impact a safe, secure, affordable home has at both a household and community level. All low income workers play an essential role in our community and access to affordable housing is critical for an equitable, productive and vibrant society.

### **1 (a) Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas.**

Operationally, the NSW Affordable Housing Guidelines set out the parameters in which CHPs manage affordable housing programs, targeted to households earning below median income as the guiding eligibility criteria. Rents are set at 80% of the market rate and generally do not exceed 30% of household income. This ensures that households have sufficient income to meet their costs of living, in turn unlocking the individual and broader economic benefits of affordable housing. Recently, significant increases in market rents mean many households require a much deeper discount to meet the 30% rule.

There is scope within the NSW Affordable Housing guidelines to target specific projects to groups of workers as part of a local allocation strategy. Introducing a new class of essential worker housing will create an additional layer of administrative complexity that will take the focus away from delivering much needed new affordable housing.

## **1 (b) Identify options to increase housing supply for essential workers**

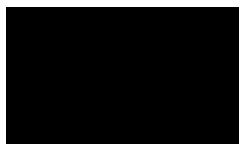
Affordable housing or any housing that offers a discount to market rent is by definition a subsidised housing class and requires a subsidy to be delivered. There are numerous levers available to support the delivery of affordable housing, all of which require some level of subsidy from government. This includes grants, land contributions and planning concessions.

The Housing SEPP includes measures to facilitate the delivery of affordable housing for lower income workers. We support actions that enable and expand the delivery of affordable housing through the planning system. This includes setting clear targets for affordable housing for residential developments delivering an uplift in yield. Targets should be implemented incrementally up to 30% for high amenity, well-connected sites to provide the level of certainty required to build affordable housing into project feasibility models.

Government agencies have a role to play in ensuring that their workforce can access housing they can afford close to work where their employees cannot work from home due to the nature of their role. Historically, agencies have provided onsite accommodation for workers, particularly for shift workers and those with on-call responsibilities. Today, there are opportunities for agencies with land to partner with CHPs, unlocking Commonwealth investment through the Housing Australia Future Fund to deliver affordable housing for key workers. For example, a hospital with surrounding vacant land could partner with a CHP to develop and then manage affordable housing directly targeted to early career or low income staff. The hospital would retain ownership of the land under a long term lease and enjoy the workforce recruitment and retention benefits of nearby affordable housing.

If you require further information, please contact me on [REDACTED] or [REDACTED]

Kind Regards



Laurie Leigh

**Chief Executive Officer**