

**Submission
No 74**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Randwick City Council

Date Received: 13 September 2024



Alex Greenwich MP, Chair
Parliament of New South Wales
Parliament House, Macquarie Street,
Sydney, NSW 2000

12 September 2024

Ref No: F2024/00348

Submission via Committee webpage

Dear Hon. Alex Greenwich, MP,

Subject: Inquiry into options for essential worker housing in NSW - Randwick City Council submission

Randwick City Council submits this response to the Inquiry into options for essential worker housing in NSW by the Legislative Assembly Select Committee on Essential Worker Housing. This submission is structured to address each of the Inquiry's terms of reference.

Essential workers are key to the functioning, safety, and wellbeing of all organisations. In the Randwick LGA essential workers play a vital role in local productivity and economic growth. They contribute to the success of local not-for-profits and small businesses through to the achievements of internationally acclaimed tertiary and quaternary health facilities and education institutions. Immediate actions are needed to tackle essential worker housing initiatives to bring about comprehensive structural transformation. Outcomes such as enabling reduced household expenditure on housing costs, shorter and less costs commuting and higher wellbeing leading to greater contributions to vibrant, dynamic, resilient and diverse communities.

Council's own experience as an employer of many essential workers is that our own employees while well remunerated when compared to industry averages, are impacted by high housing costs, particularly if they live within our LGA. For example, within the Randwick LGA the median house rental is \$1,350 per week, while the medial unit rental is \$783 per week, 97% and 30% higher respectively than already high Greater Sydney averages¹. Further to the potential outcomes outlined above, council staff afforded higher wellbeing through more affordable housing will be better placed to serve our community.

Randwick Council supports initiatives to increase housing availability for the essential worker group, particularly through innovative approaches implemented at federal, state, and local government levels. However, it is raised that while focusing on addressing essential worker housing, is important to recognise that this is essentially a subset of a broader planning focus to increase housing affordability for all groups within our community. Any actions and recommendation should therefore consider the priority under the Greater Sydney Region Plan - *A Metropolis of Three Cities* to create a 30-minute city that integrates housing, employment and infrastructure.

¹ Housing iD, Randwick City Council housing monitor, December 2023

The purpose of this submission is to inform the Select Committee on Randwick's current definition of essential worker housing as stated in the Randwick Housing Strategy, including possible criteria for establishing worker cohorts and geographical areas that might be prioritised in future planning initiatives. In addition, this submission shares ideas on identifying options to increase housing delivery for essential workers. Each of the sections below align with the Inquiry's Terms of Reference.

Strategic planning context

Randwick City Local Strategic Planning Strategy (LSPS) provides the framework for land use planning and decision making over the next 20 years. It outlines our community's vision for the desired future of our LGA, underpinned by clear planning priorities about where housing, jobs, infrastructure, and open space should be located.

Accordingly, planning priorities of the Randwick LSPS includes provision of diverse housing options close to employment, services and facilities and increase the supply of affordable rental housing stock to retain and strengthen our local community.

Vision 2040, Randwick's Housing Strategy, outlines housing priorities such as ensuring the balanced approach to growth across the city, planning for diverse housing to meet the needs of our community and focussing growth in and around town and strategic centres close to transport, jobs and services.

The Randwick Strategic Centre is defined in the NSW Government's regional plan *A Metropolis of Three Cities* plan as a health and education precinct and as a collaboration area. The Randwick collaboration area contains the cluster of the University of NSW, Randwick Hospitals Campus, and the surrounding town centres of Kensington to Kingsford, Randwick Junction and the Spot and the Royal Randwick Racecourse.

Significant employment growth in health, education and research is predicted to continue for the Centre along with the demand for additional jobs and health related services and associated increased demand in housing for essential (key) workers.

Existing definition of essential worker housing

Council's Housing Strategy defines essential worker (key worker) housing as affordable, accessible, and strategically located housing specifically designated for workers in critical sectors such as healthcare, police, education, emergency services, and public transport. It can also include low-paid private sector workers in the tourism and hospitality industries such as wait staff, cleaners, shop assistants, nannies, and cooks.

The Strategy specifies that such housing should be located within reasonable commuting distances to employment centres to ensure essential workers can perform their duties effectively and without unnecessary interruptions.

New and upgraded housing should also meet quality standards that ensure the safety, well-being, and long-term stability of its occupants. The incomes of essential workers typically fall within the low to moderate income range and are therefore vulnerable to higher housing costs, particularly in the inner and eastern areas of Sydney.

Criteria for establishing worker cohorts

Given that essential worker housing is broadly understood to be a subset of affordable housing, income level must remain as the key primary consideration in determining eligibility. Priority must be given to very low to moderate incomes groups who face greater challenges in securing affordable and accessible housing.

The following secondary criteria are highlighted for consideration by the Inquiry:

- *Sector contribution* - Employees in sectors/organisations critical to public health and wellbeing, safety, should be considered as essential workers. Typically, these are stated to include health and education, emergency services though to early education and disability support.
- *Employment arrangements* – Job roles of essential workers need to be considered, particularly during emergency situations such as pandemics, natural disasters and recovery after shocks and stresses. Employees who are required to respond at short notice or shift workers (including early starts and late finishing times) should be considered as higher priority. During natural disasters or critical incidents local temporary/short term housing for essential workers is a key consideration.
- *Local Community impact and servicing* - Priority for those workers whose roles have a significant positive social impact and critical support for community well-being and resilience. Most roles of local government workers fall into this category.
- *Level of representation* – Priority for essential workers who also may fall within certain demographic/cultural groups who are underrepresented within the current community or are at a social disadvantage for accessing secure housing.

Existing relationship between income and profession

Currently council does not prioritise access to its affordable rental housing stock based on occupation / employment sector. Beyond considerations relating to income and previous interaction / use of Council's Affordable Housing program, the sole consideration of eligibility for Randwick affordable housing relates to connection with the LGA (e.g. family living in the area and/or is an employee in the Randwick LGA).

Given the correlation between income and occupation, it is noted that essential workers will likely already be eligible for affordable housing under existing criteria. While the above listed secondary criteria are provided to the Inquiry for consideration, it is raised that such criteria may give rise to inequitable access to affordable housing dwellings. To address this potential concern, outlined below, is an alternative approach that could instead focusing essential worker housing to geographical areas of highest need.

Geographical areas to be prioritised

As outlined in Council's Housing Strategy, essential worker housing should be strategically located in areas where the need for essential services is most critical. These may include urban centres with large populations and significant essential service requirements, such as hospitals, schools, and public transportation hubs.

For example, the Randwick Education and Health Strategic Centre is Randwick LGA's largest employment centre. A significant employment growth in health, education and research is forecast for the centre which is projected to increase 40% - 55% by 2036². It therefore follows those areas with high levels of essential worker employment (both current and emerging through known future development), should be primarily targeted for the delivery of essential work housing.

² Vision 2040, Randwick Housing Strategy, Randwick City Council 2021

Anecdotally, from engagement with health and education partners it has been communicated to Council officers that organisations have had difficulty attracting and retaining essential workers due to localised unaffordability of housing. This leads to extended commutes and increased competition against other health facilities with lower housing costs.

While Randwick City generally has a relatively high employment self-containment in the health and education sectors compared to other parts of Sydney, 60.5% of workers travel from outside the LGA. The Children's Hospital and the Royal Hospital for Women have noted the difficulty in filling job vacancies for specialist nurses (such as paediatric and neonatology nurses). The low availability of affordable housing with convenient access to the workplace will have implications for the performance and competitiveness of the Strategic Centre.

Options to increase housing supply

Planning Tools and Reforms

Planning tools and reforms can play a crucial role in increasing the supply of essential worker housing by shaping the regulatory environment, to encourage development to ensure that housing is aligned with community needs and local factors.

Randwick Council completed a detailed planning process culminating in Amendment 9, the Comprehensive review of the Randwick Local Environment Plan (RLEP) to meet housing targets, to provide greater levels of dwelling diversity, as well as expanded areas of medium density housing. Importantly, the expansion of medium density housing areas included affordable housing contributions up to 5% of total floor area.

It is acknowledged that such approaches could be furthered by considering incentives on developments such as Co-Living (student housing) in key locations such as hospital/university precincts to provide a certain percentage of affordable housing for essential workers. However, it is critical that any planning review incorporates carefully modelled place-based considerations with strong design analysis to ensure a balance is found between achieving greater affordable housing while preserving existing amenity and local character.

Incentives for developments on privately owned land

Consideration should be given to exploring incentives for an essential worker housing project to promote timely commencement and completion. As demonstrated by the Greater Sydney Urban Development Program Dashboard³, there is a widening shortfall between approvals and completions in the Randwick LGA. Therefore, while approvals are a component of the development process, to truly achieve an increased delivery of housing, that approval must be constructed in a timely manner.

Opportunities within developments on government owned land

With extensive areas of government owned land within the Randwick LGA, there are several approaches to exploring the inclusion of essential worker housing on these landholdings. A historical precedent in the Randwick LGA is the former essential worker housing provision in the form of on-site nurses' accommodation on the Prince of Wales Hospital Campus. Since its demolition due to structural concerns over 15 years ago such accommodation has not been replaced. Future opportunities may include:

³ Greater Sydney Urban Development Program Dashboard, NSW Government, Accessed 15 AUG 2024
<https://app.powerbi.com/view?r=eyJrIjoiaWJk5N2NiMmYtYTlhZC00N2EyLTgyNWYtOTU4YzIzYTA5OTY1IiwidCI6IjYk2ZWY4ODIxLTJhMzktNDcxYy1iODIhLTU3YjA4MzNkZDNIOSJ9>

- Exploring the temporary use of public land (or suitable waterways) for essential workers utilising relocatable dwelling typologies –an operational land example is the Harris Transportable Housing Project that temporarily places relocatable dwellings on unused road reserves owned by state government for affordable housing⁴. A waterway-based example is the Urban Rigger project that developed floating co-living dwellings currently moored on an unused waterway which can be floated to a new located as required.⁵
- Allocating public lands specifically for essential worker housing, either on a long-term lease or sale at or below market rates on the condition that the development contains a minimum number of essential worker housing in perpetuity.
- Linking large scale redevelopment of Health Infrastructure and Tertiary Education on government owned land that increases the demand for essential works with the corresponding on-site delivery of housing for essential workers.
- Facilitating effective and publicly beneficial collaborations between councils and developers structured as a Public-Private Partnerships (PPP) to develop essential worker housing, enabling shared risks and rewards while ensuring essential worker housing needs are met.

Reforms to promote fiscal sustainability, innovation, and essential worker housing in-perpetuity

To drive change it is necessary for all levels of government to consider affordable (and essential worker housing) housing as critical infrastructure, similar to other capital works which are needed to support for well-functioning, liveable communities. The following reforms are suggested for further investigation to deliver innovation in essential and affordable worker housing:

- *Utilise superfund capital* - Encourage localised and targeted investment in affordable housing by industry superfunds, particularly default funds of essential workers. This could further the recent announcement by HESTA and Australian Super in their acquisition of a majority stake in Assemble developments⁶.
- *State funding* – establish a government investment fund to increase the financial capacity and corresponding delivery of new housing by Landcom (or similar state backed organisation with appropriate experience in housing delivery) to be provided at below market rates utilising reduced borrowing costs and government land.
- *Expand or change State Infrastructure developer* mechanisms - Consider the introduction of value capture mechanisms to all uplift areas within the state that can then be applied to the construction of housing by a government authority.
- *Build to rent models* – Investigate additional support mechanisms to facilitate increased delivery of build to rent housing, particularly to provide locational and / or dwelling typology flexibility for essential workers.
- *Tax reform* - to address rising construction costs, labour shortages and increasing interest rates/loans, consider tax incentives for developers that deliver affordable/essential housing subject to strict conditions on timeframes for delivery and public benefits.

⁴ Harris Transportable Housing Project, Architecture AU, Accessed 28 AUG 2024

<https://architectureau.com/articles/tenants-move-in-to-schored-projects-relocatable-units-for-the-homeless/>

⁵ Urban Rigger, Bjarke Ingels Group, Accessed 27 AUG 2024 <https://urbanrigger.com/>

⁶ HESTA Media Release dated 23 July 2024, Accessed 21 August 2024 <https://www.hesta.com.au/about-us/media-centre/assemble-super-housing-partnerships-merge>

Conclusion

Randwick City Council continues to recognise the importance of providing appropriate and affordable housing for essential workers in our community. The housing challenges they face, particularly in areas like the Randwick LGA, require strategic efforts across all levels of government.

The Council remains committed to working with stakeholders, and our community to implement effective housing solutions that address housing needs of essential workers.

It is important that the Select Committee on Essential Worker Housing considers these recommendations to create a strong framework that supports essential worker housing needs.

Your faithfully,



Meryl Bishop
Director City Planning

<p>English</p> <p>If you need help to understand this letter, please come to Council's Customer Service Centre and ask for assistance in your language or you can contact the Telephone Interpreter Service (TIS) on 131 450 and ask them to contact Council on 1300 722 542.</p>	<p>Greek</p> <p>Αν χρειάζεστε βοήθεια για να καταλάβετε αυτή την επιστολή, παρακαλείστε να έρθετε στο Κέντρο Εξυπηρέτησης Πελατών της Δημαρχίας (Council Customer Service Centre) και να ζητήσετε βοήθεια στη γλώσσα σας ή τηλεφωνήστε στην Τηλεφωνική Υπηρεσία Διερμηνέων (Telephone Interpreter Service — TIS) τηλ. 131 450 και να ζητήσετε να επικοινωνήσουν με τη Δημαρχία τηλ. 1300 722 542.</p>	<p>Italian</p> <p>Se avete bisogno di aiuto per capire il contenuto di questa lettera, recatevi presso il Customer Service Centre del Municipio dove potrete chiedere di essere assistiti nella vostra lingua; oppure mettetevi in contatto con il Servizio Telefonico Interpreti (TIS) al 131 450 e chiedete loro di mettersi in contatto col Municipio al 1300 722 542.</p>
<p>Croatian</p> <p>Ako vam je potrebna pomoć da biste razumjeli ovo pismo, molimo dodite u Općinski uslužni centar za klijente (Council's Customer Service Centre) i zatražite pomoć na svom jeziku, ili možete nazvati Telefonsku službu tumača (TIS) na 131 450 i zamoliti njih da nazovu Općinu na 1300 722 542.</p>	<p>Spanish</p> <p>A la persona que necesite ayuda para entender esta carta se le ruega venir al Centro de Servicios para Clientes [Customer Service Centre] de la Municipalidad y pedir asistencia en su propio idioma, o bien ponerse en contacto con el Servicio Telefónico de Intérpretes ["TIS"], número 131 450, para pedir que le comuniquen con la Municipalidad, cuyo teléfono es 1300 722 542.</p>	<p>Vietnamese</p> <p>Nếu quý vị không hiểu lá thư này và cần sự giúp đỡ, mời quý vị đến Trung Tâm Dịch Vụ Hướng Dẫn Khách Hàng của Hội Đồng Thành Phố (Council's Customer Service Centre) để có người nói ngôn ngữ của quý vị giúp hay quý vị có thể liên lạc Dịch Vụ Thông Dịch qua Điện Thoại (TIS) ở số 131 450 và yêu cầu họ liên lạc với Hội Đồng Thành Phố (Council) ở số 1300 722 542.</p>
<p>Polish</p> <p>Jeśli potrzebujesz pomocy w zrozumieniu treści tego pisma, przyjdź do punktu obsługi klientów (Customer Service Centre) przy Radzie Miejskiej i poproś o pomoc w języku polskim, albo zadzwoń do Telefonicznego Biura Tłumaczy (Telephone Interpreter Service — TIS) pod numer 131 450 i poproś o skontaktowanie się z Radą Miejską (Council) pod numerem 1300 722 542.</p>	<p>Indonesian</p> <p>Jika Anda memerlukan bantuan untuk memahami surat ini, silakan datang ke Pusat Pelayanan Pelanggan (Customer Service Centre) Pemerintah Kotamadya (Council) dan mintalah untuk bantuan dalam bahasa Anda, atau Anda dapat menghubungi Jasa Juru Bahasa Telepon (Telephone Interpreter Service - TIS) pada nomor 131 450 dan meminta supaya mereka menghubungi Pemerintah Kotamadya pada nomor 1300 722 542.</p>	<p>Turkish</p> <p>Bu mektubu anlamak için yardima ihtiyaciniz varsa, lütfen Belediye'nin Müşteri Hizmetleri Merkezi'ne gelip kendi dilinizde yardım isteyiniz veya 131 450'den Telefonla Tercüme Servisi'ni (TIS) arayarak onlardan 1300 722 542 numaradan Belediye ile ilişkiye geçmelerini isteyiniz.</p>
<p>Hungarian</p> <p>Amennyiben a levél tartalmát nem érti és segítségre van szüksége, kérjük látogassa meg a Tanácsház Ügyfél Szolgálatát (Customer Service Centre), ahol magyar nyelven kaphat felvilágosítást, vagy hívja a Telefon Tölmács Szolgálatot (TIS) a 131 450 telefonszámon és kérje, hogy kapcsolják a Tanácsházat a 1300 722 542 telefonszámon.</p>	<p>Czech</p> <p>Jestliže potřebujete pomoc při porozumění tohoto dopisu, navštivte prosím naše Středisko služeb pro veřejnost (Council's Customer Service Centre) a požádejte o poskytnutí pomoci ve vaší řeči anebo zavolejte Telefonní tlumočnickou službu (TIS) na tel. číslo 131 450 a požádejte je, aby oni zavolali Městský úřad Randwick na tel. číslo 1300 722 542.</p>	<p>Arabic</p> <p>إذا أردت مُساعدة لفهم هذه الرسالة، نرجوك الحضور إلى مركز خدمة عملاء المجلس وأطلب المُساعدة في لغتك، أو يُمكنك الاتصال بخدمة الترجمة الهاتفية (TIS) على هاتف رقم 131 450 وأطلب منهم الاتصال بالمجلس على رقم 1300 722 542.</p>
<p>Chinese</p> <p>如果你需要人幫助你了解這封信的內容，請來市政會顧客服務中心要求翻譯服務，或者與電話傳譯服務 (TIS) 聯係，號碼是 131 450。請他們幫助你打電話給市政會，號碼是 1300 722 542。</p>	<p>Russian</p> <p>Если Вам требуется помощь, чтобы разобраться в этом письме, то, пожалуйста, обратитесь в Муниципальный Центр Обслуживания Клиентов и попросите оказать Вам помощь на Вашем языке или же Вы можете позвонить в Телефонную Службу Переводчиков (TIS) по номеру 131 450 и попросить их связаться с Муниципалитетом по номеру 1300 722 542.</p>	<p>Serbian</p> <p>Ako vam treba pomoć da razumete ovo pismo, molimo vas da dođete do Centra za usluge mušterijama pri Opštini (Customer Service Centre) i zamolite ih da vam pomognu na vašem jeziku, ili možete nazvati Telefonsku prevodilačku službu (TIS) na 131 450 i zamolite ih da vas povežu sa Opštinom na 1300 722 542.</p>