

**Submission
No 98**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: The Salvation Army

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Legislative Assembly Select Committee on Essential Worker Housing in NSW

October 2024



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Our commitment to inclusion

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children. Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

The Salvation Army is a worldwide movement known for its acceptance and unconditional love for all people. We love unconditionally, because God first loved us. The Bible says, “God so loves the world” (John 3:16, RGT). As both a church and charity, we believe all people are loved by God and are worthy of having their needs met. Everyone is welcome to find love, hope, and acceptance at The Salvation Army.

The Salvation Army Australia Territory wishes to acknowledge that members of the LGBTIQA+ community have experienced hurt and exclusion because of mixed comments and responses made in the past. The Salvation Army is committed to inclusive practice that recognises and values diversity. We are ensuring our services affirm the right to equality, fairness, and decency for all LGBTIQA+ people, rectifying all forms of discriminatory practice throughout the organisation.

We seek to partner with LGBTIQA+ people and allies to work with us to build an inclusive, accessible, and culturally safe environment in every aspect of Salvation Army organisation and services. Everyone has a right to feel safe and respected.

Learn more about our commitment to inclusion: <salvationarmy.org.au/about-us>

More information about The Salvation Army is at **Appendix A**.





Executive summary

The Salvation Army thanks the Legislative Assembly Select Committee on Essential Worker Housing (the Committee) for the invitation to provide a submission in relation to the Inquiry into Essential Worker Housing (the Inquiry). We acknowledge the importance of the roles essential workers play in our community. We share the view that access to appropriate, affordable housing is vital to allow for essential workers to live with dignity, and to allow them to continue to enrich the lives of others in the community through their work.

The first step in addressing essential worker housing needs is to address the broader community's housing needs. This requires reform across the entire housing system continuum.

Access to adequate housing is a basic human need and a fundamental human right. It is about more than just having a roof over one's head; housing must be habitable, accessible and affordable. When this need is not met, it becomes difficult and untenable for community members to pursue and realise other needs, goals, and aspirations.

This includes the ability of essential workers to find suitable accommodation and meaningful employment within local proximity, such that their desired lifestyle or family is not affected negatively.

In this submission, The Salvation Army focuses on:

- The necessity to ensure a broad definition of essential worker housing, which caters for the wholistic needs of essential workers,
- The need to increase the overall housing supply across Australia as a necessary response to Australia's ongoing housing crisis, which is being felt by most Australians, and
- The benefit of increasing access to appropriate, affordable housing for essential workers on vital frontline services and the greater community.

The Salvation Army has made **6** recommendations for the Committee to consider. A summary of these recommendations follows on the next page.



Summary of recommendations

Recommendation 1

1.8 The Salvation Army recommends that the NSW Government work with the Commonwealth Government to address the national housing crisis by prioritising the expansion of affordable, social and community housing.

Recommendation 2

1.10 The Salvation Army recommends that the NSW Government develop long-sighted and well-considered initiatives to increase housing supply for essential workers, ensuring these efforts accommodate expanding demand and future workforce needs.

Recommendation 3

2.7 The Salvation Army recommends that the NSW Government adopt a holistic approach to defining essential worker housing, ensuring it meets the needs of workers as individuals and family members. This should include considering factors which allow workers to lead fulfilling lives while continuing to provide critical services to the community.

Recommendation 4

3.5 The Salvation Army recommends that the NSW Government revise planning laws to allow for flexibility, encouraging the development of affordable housing solutions that meet the needs of essential workers and the broader community. This should include streamlined application and approval processes for essential worker housing options.

Recommendation 5

3.8 The Salvation Army recommends that policies for essential worker housing should provide security of tenure to essential workers.

Recommendation 6

4.6 The Salvation Army recommends that the NSW Government consider the significant social and economic benefits that affordable housing availability for essential workers can offer individuals and the community, and prioritise the development and delivery of initiatives and reforms.



1 Contextualising Australia's housing crisis

- 1.1 The greatest impact in tackling essential worker housing needs, is to address Australia's housing crisis. This will be achieved by targeting the structural drivers of housing unaffordability, homelessness and poverty. Under this umbrella, increasing the supply of housing across the board to address the pressing national housing crisis is necessary.
- 1.2 We acknowledge that whilst focusing on essential worker housing is vital, it is equally important to recognise the broader impacts of the housing crisis across the entire housing continuum being felt throughout the community as a whole.
- 1.3 Many individuals and families are struggling to find affordable housing and inadequate supply only exacerbates this issue, leading to increased homelessness and social instability. Governments at all levels must prioritise comprehensive housing strategies which encompass a variety of housing types and price points to allow access to housing that meets the diverse needs of their populations.
- 1.4 The effects of the housing crisis are felt across all demographics. Many young people are leaving Sydney to live in more affordable areas where they can live and work in the same community.¹ Australians are increasingly being pushed into homelessness and housing instability, or are being forced to the outskirts of urban areas resulting in isolation from services, community supports and reduced access to employment opportunities.
- 1.5 The Salvation Army observe that it is not only the availability of housing that is impacting the wellbeing of essential workers amongst other Australians, but also the quality of housing. In our experience, accommodation that is available is often unaffordable and of poor quality which does not match the price tag.
- 1.6 Our staff observe that many properties require significant payments on top of their rental cost. For example, many older properties which are not well insulated have difficulty in regulating temperature and therefore become expensive to heat or cool. These same properties may require renovation or upgrade, however high interest rates and living costs prevent this.
- 1.7 In our experience, this places additional strain on renters, including essential workers, who might have to navigate difficult interactions with landlords to request property upgrades, and additional financial stress to live comfortably.

¹ The Premier, Treasurer, Minister for Planning and Public Spaces(2024, June 16). *New homes, closer to jobs and services for essential workers in Sydney*[media release]. [https://www.nsw.gov.au/media-releases/new-homes-closer-to-jobs-and-services-for-essential-workers-sydney#:~:text=The%20Minns%20Labor%20Government%20is%20investing%20\\$450%20million%20to.](https://www.nsw.gov.au/media-releases/new-homes-closer-to-jobs-and-services-for-essential-workers-sydney#:~:text=The%20Minns%20Labor%20Government%20is%20investing%20$450%20million%20to.)



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“Rent is increasing but the quality [of housing] hasn’t improved by even 1 per cent.”

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- A Salvos Housing State Manager

Recommendation 1

1.8 The Salvation Army recommends that the NSW Government work with the Commonwealth Government to address the national housing crisis by prioritising the expansion of affordable, social and community housing.

1.9 We identify that there is an urgent need to address the already discussed housing issues and to plan for an anticipated growth in housing demand across NSW, particularly in metropolitan Sydney.² NSW Department of Planning and Environment estimates that approximately 900,000 additional dwellings will be required to meet demand across NSW by 2041.³

Recommendation 2

1.10 The Salvation Army recommends that the NSW Government develop long-sighted and well-considered initiatives to increase housing supply for essential workers, ensuring these efforts accommodate expanding demand and future workforce needs.

² NSW Productivity Commission. (2023, May). *Building more homes where people want to live*. https://www.productivity.nsw.gov.au/sites/default/files/2023-06/202305_01-building-more-homes-where-people-want-to-live.pdf#:~:text=outlining%20a%20way%20forward%20for%20increasing%20housing%20supply%20and.

³ Ibid.



2 Defining essential worker housing

- 2.1 New South Wales (NSW), and the rest of Australia, is experiencing a significant housing crisis. The rising living costs and property prices are making it increasingly difficult for essential workers to afford suitable housing near their workplaces. Addressing the need for essential worker housing is a fundamental element for ensuring that those who provide critical services to our communities have access to suitable, affordable, and well-located accommodation, and that this is not a barrier to gain meaningful employment.
- 2.2 Essential workers are individuals who deliver indispensable services to society and generally cannot perform their duties from home. These workers must physically attend their workplaces to perform their work, often on the frontlines in settings which uphold public health, safety, education, and infrastructure⁴. Without their continued efforts many fundamental aspects of daily life in the community would be negatively affected.
- 2.3 Essential workers span a broad range of professions that are fundamental to the functioning of society. These roles include, but are not limited to, police officers, ambulance officers, firefighters, and paramedics. They also encompass medical staff, teachers, allied health workers, social workers, and frontline workers such as those supporting victim-survivors of family, domestic and sexual violence (FDSV).
- 2.4 In 2021, it was highlighted that across Greater Sydney and its adjacent localities, only two local government areas had a median house price that was affordable to key workers on moderate incomes. Both of these suburbs are over 150 kilometres from Sydney CBD.⁵
- 2.5 Due to the need for their central presence within the community, it is crucial that essential workers have access to housing that is not only affordable but also readily available and located in reasonable proximity to their places of work.

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“This is not a quick fix issue; it needs to be future focused. We need to define what affordable housing is, consistently across the board. It needs to be a broad enough definition to take into account a multitude of things.”

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- A Salvos Housing State Manager

⁴ Gilbert, C., Nasreen, Z., & Gurran, N. (2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*. Melbourne: AHURI.

⁵ Gilbert, C., Nasreen, Z., & Gurran, N. (2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*. Melbourne: AHURI.

2.6 The Salvation Army suggests that several key factors be considered in establishing a definition for the NSW government to adopt.

- **Ensuring that the definition considers not only the suitability of the physical dwelling**, but also its geographical location in relation to their place of work. Access to housing must be timely and adaptable, accommodating the urgent and often unpredictable needs of workers. As many essential services must respond rapidly to crises, proximity to their essential workplaces must be a central consideration in developing housing solutions.
- **Essential worker housing must not be viewed simply as a place to sleep between shifts.** Housing must enable essential workers to be embedded within the local communities they serve. A deeper understanding of essential worker housing acknowledges that housing is not only a place of shelter, but also creates a foundation for workers to fully participate in their communities. We know that local solutions lead to better outcomes. Workers embedded in their communities possess unique local knowledge which can foster stronger connections and enhance service delivery for both the service and the people they serve. It is essential therefore that suitable housing is accessible within the worker's local community.
- **Essential worker housing must go beyond supporting employees in fulfilling their work roles;** it must also allow them to live full, well-rounded lives. Housing must be designed to accommodate not just the individual worker but also their families, recognising the broader needs of the person beyond their professional responsibilities. Whether it is access to education, healthcare, recreational facilities, or social networks, housing for essential workers must consider the "whole person" and their "whole life". An essential worker's ability to maintain a healthy work-life balance is vital for long-term job satisfaction, retention, and ultimately benefits the broader community.

Recommendation 3

2.7 The Salvation Army recommends that the NSW Government adopt a holistic approach to defining essential worker housing, ensuring it meets the needs of workers as individuals and family members. This should include considering factors which allow workers to lead fulfilling lives while continuing to provide critical services to the community.



Long commutes for regional staff

In recent recruitment efforts across New South Wales (NSW), The Salvation Army has encountered a growing number of applicants for metropolitan roles, living in regional areas. Our services note that these individuals are eager to live and work locally, but face significant challenges due to housing affordability and accessibility.

Many successful applicants who are based in regional locations must therefore commute long distances to their workplaces in urban centres, sometimes up to several hours one way. As frontline workers, their roles necessitate physical presence in the office or community, making remote work unfeasible. However, relocating closer to their workplaces is also not an option for most, as affordable housing near their jobs is scarce or non-existent.

Sudden rental spikes

A Salvation Army frontline staff member in Sydney recently faced an unexpected rent increase of \$200 per week. This sudden surge in rent made it nearly impossible for the worker to afford remaining in their home whilst also maintaining financial stability. As a crucial frontline worker, they were required to be physically present at work, leaving no option to relocate further away from work to a more affordable area without jeopardising their employment.

Fortunately, at the time The Salvation Army had temporary accommodation available and was able to provide the staff member with immediate housing support. This assistance prevented the frontline staff member from having to move out of Sydney, ensuring that they could continue their essential work without the added stress of housing insecurity.

3 Housing reform options for essential workers

- 3.1 The housing affordability situation in NSW requires the Government to strategically prioritise land use for essential worker housing. The Salvation Army encourages the government to act upon the Premier's suggestion to explore unused land for developing affordable housing opportunities, with a preference for surplus government land identified as being suitable, for housing.⁶
- 3.2 Identifying government-owned land and vacant properties in strategic locations, particularly near employment hubs, can ensure housing developments align with workforce needs.
- 3.3 The effort to increase essential worker housing supply in NSW requires collaboration between the Government, private developers, and other organisations. Incentivising partnerships between these stakeholders can unlock innovative solutions, such as mixed-use developments that integrate affordable housing units for essential workers with commercial and community spaces. These collaborations can leverage existing resources and expertise to address the housing shortage more effectively.
- 3.4 To alleviate the housing affordability pressures faced by essential workers, we suggest the NSW Government could introduce targeted rental subsidies. These subsidies would help reduce rental rates for essential workers, ensuring they can afford to live closer to their workplaces. By lowering their housing costs, this initiative would provide immediate relief, and enable essential workers to continue delivering critical services with reduced stress of housing insecurity.

Recommendation 4

- 3.5 The Salvation Army recommends that the NSW Government revise planning laws to allow for flexibility, encouraging the development of affordable housing solutions that meet the needs of essential workers and the broader community. This should include streamlined application and approval processes for essential worker housing options.**

- 3.6 Processes to access housing should be made efficient and accessible, ensuring that frontline workers can quickly and easily secure the housing they need. By reducing bureaucratic barriers and delays, the Government can better support essential workers, allowing them to focus on delivering vital services to the community without the added burden of housing stress.

⁶ The Premier, Treasurer, Minister for Planning and Public Spaces(2024, June 16). *New homes, closer to jobs and services for essential workers in Sydney*[media release]. [https://www.nsw.gov.au/media-releases/new-homes-closer-to-jobs-and-services-for-essential-workers-sydney#:~:text=The%20Minns%20Labor%20Government%20is%20investing%20\\$450%20million%20to](https://www.nsw.gov.au/media-releases/new-homes-closer-to-jobs-and-services-for-essential-workers-sydney#:~:text=The%20Minns%20Labor%20Government%20is%20investing%20$450%20million%20to).



- 3.7 The Salvation Army also holds the view that access to housing must also include options around security of tenure. We caution that this security should not extend to be overly restrictive such that, for example, a nurse transferring from one hospital to work in another nearby impacts the security of their accommodation. Housing security is critical to foster stability, allowing essential workers to fully engage in their communities, and ensuring they can consistently deliver the essential services that the public relies on.

Recommendation 5

- 3.8 The Salvation Army recommends that policies for essential worker housing should provide security of tenure to essential workers.**

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“We are not just responding to today’s crisis; we must look at how planning systems can evolve for the future.”

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- A Salvos Housing State Manager



4 Identifying the benefits of suitable housing for essential workers

Exploring the social and economic benefits of essential worker housing

- 4.1 The Salvation Army believes that delivering high quality, social and affordable housing for the essential services sector, carries significant benefit. When essential workers, such as healthcare providers, teachers, and emergency responders, have stable housing near their workplaces, they are better able to consistently deliver vital services without the additional stress of long commutes, housing insecurity and additional financial burdens.

Generating personal and wider economic benefits

- 4.2 Where essential workers are able to access affordable and local housing options, the individual and the economy benefits. High-cost housing can force individuals, including essential workers, to cut down spending in other areas. The Salvation Army's experience is that individuals often must compromise on essentials such as food, medication or healthcare, or choose to compromise on accommodation costs. By decreasing the financial burden of housing, workers can avoid having to compromise on their essential needs.⁷ Research demonstrates that affordable housing options can generate up to \$45,000 per tenant in broader economic benefits, annually.⁸

Recruiting and retaining quality essential workers

- 4.3 Our frontline services see that local, affordable housing options are a barrier in the recruitment and retention of quality staff across the frontline. We identify that this is an issue in both metropolitan and regional and remote areas. In our experience, it is common for employees to live outside of metropolitan centres where housing prices are unaffordable and many staff eventually choose to move employment locations, to minimise associated time and commute costs. Our services also identify that attracting and retaining skilled staff in regional areas can be challenging where relocation costs are high, and housing availability is limited.
- 4.4 In our experience, there is a risk that essential workers choose to leave the frontline workforce due to competing pressures. As already discussed, frontline workers are generally not able to work from home and being forced to commute long distances due to housing unaffordability, has a negative impact on lifestyle outside of work. Our frontline reports that there have been instances where staff choose to leave the frontline service sector as a result of these competing pressures.

⁷ Australian Government, The Treasury. (2024). *Impact Analysis: Supporting Social and Affordable Housing under the Housing Australia Future fund and the National Housing Accord*.

<https://oia.pmc.gov.au/sites/default/files/posts/2024/07/HAFF%20%26%20Accord%20Impact%20Analysis.pdf>

⁸ Australian Financial Review. (2023). *Affordable Housing Generates \$5,000 Benefit for Each Tenant: Study*.

<https://www.afr.com/policy/tax-and-super/affordable-housing-generates-45-000-benefit-for-each-tenant-study-20231006-p5eab3#:~:text=Affordable%20housing%20schemes%20for%20essential%20workers%20generate%20%2445%2C500.for%20investors%20in%20the%20accommodation%2C%20new%20research%20shows.>



- 4.5 The Salvation Army's experience is that increasing access to social and affordable housing options for essential workers which are appropriate and consider the whole person, will reduce barriers to attracting, recruiting, retaining skilled essential workers to the workforce.

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“It is tough to get qualified people to deliver frontline services in regional and remote locations, where it’s needed. It is rough when a successful applicant calls back and says they cannot afford to move/or find a place to live within cooee of the service or that there just isn’t anywhere for them to live.”

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- A Salvation Army Doorways Regional Manager

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“We have lost some very good people [staff] due to housing affordability. [She] tried to do the commute, and it just got too much.”

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- A Salvation Army Youth State Manager

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“The biggest concern for me is that there’s a lot of people that don’t have a choice...they have to live far away because that’s all they can afford, or that’s the only place they can access rental.”

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- A Salvos Housing State Manager

Recommendation 6

- 4.6 The Salvation Army recommends that the NSW Government consider the significant social and economic benefits that affordable housing availability for essential workers can offer individuals and the community, and prioritise the development and delivery of initiatives and reforms.**

5 Conclusion

- 5.1 The Salvation Army thanks the Legislative Assembly Select Committee on Essential Worker Housing for inviting us to provide a written submission.
- 5.2 The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance. Further information can be sought from government.relations@salvationarmy.org.au.

The Salvation Army Australia Territory

October 2024





Appendix A About The Salvation Army

The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further information about The Salvation Army can be accessed at: <
<https://www.salvationarmy.org.au/>>

