

**Submission
No 101**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: New South Wales Teachers Federation (NSWTF)

Date Received: 11 October 2024



AUSTRALIAN EDUCATION UNION
NEW SOUTH WALES TEACHERS FEDERATION BRANCH

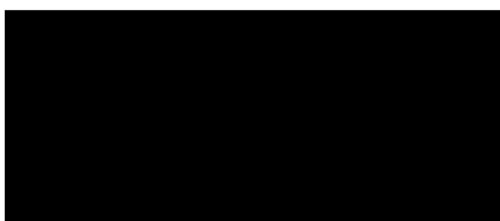
SUBMISSION TO

Legislative Assembly Select Committee

ON

Essential Worker Housing

Authorised by



Maxine Sharkey
General Secretary
AEU NSW Teachers Federation

11 October 2024

The Australian Education Union NSW Teachers Federation Branch (Federation) represents teachers in all public education workplaces in NSW. Current financial membership totals over 63,000 teachers in NSW public schools (primary, secondary, schools for specific purposes/SSPs and juvenile justice centres), TAFE Colleges, adult correctional centres and students studying initial teacher education courses.

Opening remarks

Federation welcomes the opportunity to make a submission to the Legislative Assembly's Select Committee on *Essential Worker Housing* (the inquiry).

Federation's policy on Essential Worker Housing is articulated in its State Council decision of Annual Conference 2017 "*Position Statement on Affordable Housing for Teachers*". That decision is, in part, as follows:

"The NSW Teachers Federation adopts the position that:

- *Teachers should be able to rent or purchase housing that is suitable for their needs, that is secure and priced so they can meet other living expenses.*
- *Public policy and planning must address the need for affordable housing for all essential workers including teachers.*
- *Industry superannuation funds should be encouraged to invest in suitable housing schemes that use the collective power of workers' capital whilst providing reasonable financial returns for industry fund contributors. This may be participating in the issuing of housing bonds underwritten by governments and/or other financial institutions.*
- *Access to affordable housing within reasonable proximity to schools and colleges should be considered by the Department of Education as an important factor in recruitment and retention of the teaching workforce, particularly early career teachers including temporary and casual teachers."*

(New South Wales Teachers Federation, 2017).

Federation notes the terms of reference for the inquiry and wishes to make submissions on each of the following terms.

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

Qualified, accredited teachers in public education as essential workers

Teachers, on account of their work, are essential workers in NSW.

In NSW, the education of children is mandatory according to law. Under section 21B of the *Education Act, 1990* (NSW), “a child is of compulsory school-age if the child is of or above the age of 6 years and below the minimum school leaving age”.

Further, the Parliament of NSW has recognised, in Section 4(d) of the *Education Act, 1990* (NSW), that “the principal responsibility of the State in the education of children is the provision of public education”. This is a statutory obligation of the State.

The statutory obligation of the State recognizes that public education is a structure and process for the attainment of academic outcomes for all children and young people without exclusion. It also recognizes that public education is an agent for social cohesion and democracy. These are outlined in the *Report of the ‘Vinson Inquiry’* into the provision of public education in NSW:

“At the general level, public education has long aspired to provide all children with an equal opportunity to cultivate their talents to the limits of their individual abilities. It has also aspired to be a force for social cohesion, for building mutual understanding between people of different ethnic, religious, vocational and socio-economic backgrounds. This disposition towards social cohesion has advantaged Australian society in the past, by contributing to peaceful co-existence of different groups and the maintenance of social arrangements and communal services that help to preserve the dignity of all Australians...the joint education of young people of diverse backgrounds provides a most helpful basis for fostering mutual understanding and tolerance” (Vinson, Esson, Johnston, 2002, page 118).

Public education in NSW is delivered directly by teachers, executives, principals and related employees (such as school counsellors) who work in NSW public schools.

A supply of qualified and professionally accredited teachers, executive, principals and related employees for employment by the State to deliver public education is therefore principally a NSW government responsibility. They need to live in proximity to their workplaces.

Where access to affordable housing for essential workers is hampered, whether by housing supply and/or by price (rent or deposit/mortgage repayment), governments must implement measures to enable the ongoing supply of staff for the provision of quality government services.

A definition of essential worker housing, if it were based only on income, risks not giving effect to the statutory role of the State in ensuring a supply of qualified, accredited teachers in all NSW public schools. Instead, a definition should be based on employment in essential work.

Recommendation 1

In recognition of the NSW government's principal statutory responsibility for the education of children being the provision of high quality public education, a definition of essential worker housing must be inclusive of housing for qualified, accredited teachers who are needed to work in NSW public schools.

Teachers and related employees employed by TAFE NSW as essential workers

In addition to service in the NSW Teaching Service, Federation members are also employed by the Technical and Further Education (TAFE) Commission of NSW. This service, too, is essential work.

In NSW, the objects of the *TAFE Commission Act, 1990* (NSW) include that the TAFE Commission:

- (a) *“ensure that it provides technical and further education services to meet the needs of individuals and the skill needs of the workforce and, in particular, ensure that it provides basic and pre-vocational education as well as vocational education and training,*
- (b) *provide adults and young persons with a range of technical and further education services that recognise the changing nature of the working environment and the need for new skills and re-training, and*
- (c) *provide, through formal arrangements and after consultation, technical and further education services that are relevant to the needs of industry, business, students and other client groups, ...*
- (e) *provide educationally or vocationally disadvantaged groups (such as women, Aborigines, persons of non-English speaking background, persons with disabilities and persons in rural areas) with access to technical and further education services, including a range of appropriate specialised services.”*

Teachers and other related employees (such as Education Support Officers, Head Teachers, Counsellors, etc) are employed by TAFE NSW under the *TAFE Commission Act, 1990*. Their collaborative work with each other, with students and with industry enable TAFE NSW to be “the largest vocational provider in the country and a strategic asset for both the government and the community” (Bruniges, Ardler, Firth, 2023, page 5).

The current NSW government's recognition of the pre-eminent role of TAFE NSW in addressing critical national skills and workforce shortages has been reflected in its *National Skills Agreement* with the Commonwealth Government, which commenced on 1 January 2024. The National Skills Agreement commits NSW to positioning TAFE NSW to lead the education and training of workers in key national priority areas of gender equality, Closing the Gap, supporting the net zero energy transformation, sustaining essential care services, delivery housing supply and other key national skills priorities (Department of Employment and Workplace Relations, 2024).

In these national and state skills contexts, the current NSW government's focus for TAFE NSW is, as outlined in a ministerial press release:

“a focus on how to rebuild TAFE as the heart of the vocational education system, how to improve access to vocational education and training as well as support for learners to succeed and how to address the skills shortages in NSW” (Crakanthorp, 23 June, 2023).

Recommendation 2

A definition of essential worker housing must target all public sector workers, including teachers and related employees of TAFE NSW.

Essential workers in support of teachers, executive and principals in NSW public schools

Public education in NSW is supported and enabled by workers other than the teachers, non-school based teachers, executives and principals who are employed in the NSW Teaching Service. Essential support and enablement of public education is provided by:

- education officers within the Department of Education, who provide expert knowledge on curriculum, welfare, technology;
- school learning support officers, who provide support to students with additional learning needs;
- general assistants, who maintain school buildings and equipment for use by teachers and students;
- corporate staff within Department of Education, who assist public schools in work health and safety, who enable school-based staffing, and who respond to student welfare issues;
- cleaners and other personnel, who maintain school environments so that they are fit-for-purpose;
- health, paramedical and police workers, who respond to crises in NSW public schools.

The support of these public sector workers is necessary for the provision of quality service by the public sector.

Recommendation 3

A definition of essential worker housing must target all public sector workers whose skills provide quality government services in NSW.

Priority geographical areas

The high cost of housing in metropolitan areas and the lack of housing availability in regional areas undermine the recruitment and retention of essential workers for the NSW government.

Essential workers are in mortgage or rental stress. Mortgage stress, for owners, and rental stress, for renters, is often described as paying more than 30 percent of household income on either mortgage repayments or rental payments (Australian Housing and Urban Research Institute, 2019; Australian Institute of Health and Welfare, 2024).

“As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income” (Department of Communities and Justice, 2024).

In metropolitan areas of NSW, the problem for essential worker housing is the affordability of housing.

Data produced by the McKell Institute (2024) in its submission to this inquiry illustrates the extreme difficulties faced by various essential workers in accessing affordable housing. This includes teachers working in NSW public schools who have attained the Proficient teacher accreditation status and the minimum of 2 years’ teaching experience required to qualify for Step 3 salary under the *Crown Employees (Teachers and Related Employees) Salaries and Conditions Award, 2022*.

The data in the tables below, as it relates to a Step 3 qualified Teacher, have been extracted from the McKell Institute’s submission to this inquiry:

Table 1*: Proportion of gross income for renters, selected professions, Greater Sydney					
	All houses	3 Bed Houses	Combined	2 Bed Units	All Units
Step 3 Qualified Teacher	56.1%	52.7%	45.4%	39.2%	38.0%

Table 2*: Proportion of gross income for purchasers, 20 per cent deposit at market lending rates, selected professions, Greater Sydney					
	All houses	3 Bed Houses	Combined	2 Bed Units	All Units
Step 3 Qualified Teacher	117.7%	102.8%	90.6%	54.5%	50.7%

Table 3*: Years to save for 20 per cent deposit at 20 per cent savings rate, selected professions, Greater Sydney					
	All houses	3 Bed Houses	Combined	2 Bed Units	All Units
Step 3 Qualified Teacher	25.7	22.4	19.8	11.9	11.1

*Source: Cavanough & Douglass (2024).

Together, Tables 1, 2 and 3 above indicate that a qualified Proficient teacher with 2 year's teaching experience is unable to afford either:

- to rent,
- to save a deposit within a reasonable period of time for or
- to repay a loan for

a house or unit in metropolitan Sydney.

For a median priced metropolitan home in Sydney (\$1.17 million) purchased with a 20% deposit, the Australian Broadcasting Commission (Steedman, 2024) has calculated that the annual income required to service a mortgage over 30 years at 6.57% interest per annum is \$238,800 (Steedman, E., 9 July, 2024). This would require the income of two teachers with at least 6 years' teaching experience each at Step 7 of the *Crown Employees (Teachers and Related Employees) Salaries and Conditions Award, 2022*.

The impact which mortgage and rent stress can have on the availability of essential workers cannot be ignored.

A principal of a Northern Beaches secondary school stated:

"The expense of housing/renting is having a negative effect on my ability to recruit and then retain teachers at my school.

"Purchasing a house/unit is beyond the reach of most of my teachers and renting is often done via shared arrangements which are often not sustainable for long periods of time.

"This year I have lost 6 teachers who are taking up positions closer to their homes or moving to new positions out of the area or moving back in with parents and/or are no longer willing to commute into the area."

In regional areas, the problem for essential worker housing is the lack of availability of housing.

A case in point is a mid-west regional local government area.

Teacher housing in mid-western regional NSW

The ability of public schools in mid-western regional NSW to be staffed is in crisis. Principals and teachers report that teacher vacancies cannot be filled by recruitment action because teachers who are offered employment in vacant positions cannot secure affordable housing in the local area to move and commence work in their positions. They report an increase in average weekly local rental prices by 19%, from \$619 to \$737

An example cited was of a teacher from Hunters Hill who recently declined an offer of employment at the regional secondary school on account of not being able to find a rental property that was more affordable than in their current location.

The high cost of renting in the region is owing partly to the conversion of housing to short-term rentals for tourists attracted to the local wineries and other attractions, and partly to the availability and cost of housing due to the commencement of state significant developments.

The challenge of housing new teachers in the area in the short to long term, based on current housing supply, must be addressed. Housing additional teachers in the area will be impacted by the planning of 25 state significant developments (SSDs) for the area by the NSW government's commitment to deliver clean, reliable and affordable energy for NSW through a net zero transition commitment. These SSDs are projected to create an influx of up to 7,010 additional workers by 2026, with up to 98% of those workers coming from outside the area due to existing low local unemployment. A rapid worker influx of SSD workers will have a positive impact on the local economy of the area.

However, the rapid influx of SSD workers and their families will also have an impact on the staffing needs of local public schools and on local housing. It is projected that the SSDs will generate a need to recruit even more teachers to an area that has difficulty housing new teachers. New teachers will be needed to cover up to 26 additional primary school classes by 2026 (with a long-term average to 2041 of 4 additional primary school classes) and up to 30 additional secondary school classes by 2026 (with a long-term average to 2041 of 4 additional secondary school classes).

The SSDs will place additional pressure on housing and infrastructure for teachers and other essential workers in the area (Mid-western Regional Council, 2024, pp.7-9). These housing and infrastructure pressures must be addressed urgently by the NSW government.

Recommendation 4

Prioritisation of essential worker housing, including housing for teachers in public education, by geographical areas should be based on the demand for essential workers who are necessary for the provision of quality government services.

(b) Identify options to increase housing supply for essential workers, including but not limited to:

(i) planning tools and reforms

Federation identifies a number of underlying principles to be considered for the planning of any tools and reforms to enable essential worker housing.

Investment in essential worker housing should not replicate mistakes of the past, including mistakes made overseas. Government should beware that public interest and corporate interest are not always harmonious.

In the United Kingdom in the late 1990s, public finance was applied for the public use of health and education infrastructure which was designed, financed, built, owned and operated by private consortia (with the intention that ownership would pass to government decades later). This resulted in perverse outcomes which were not in the public interest. These schemes:

- *“Cost the government more than if it had funded the public infrastructure by borrowing money itself*
- *Led to large windfall gains for the private companies involved, at public expense*
- *Enabled tax avoidance through offshore ownership*
- *Led to declining service standards and staffing levels*
- *Hollowed out state capacity to design, build, finance and operate infrastructure*
- *Eroded democratic accountability”* (Benjamin & Jones, 2017, page 2).

Recommendation 5

Government investment in essential worker housing should be regarded as investment in the provision of government services and have the same standards of public accountability.

A challenge for rural education is a potential for social, economic and cultural decline of local communities. Thriving local industries and service sectors in rural communities create a positive context for rural students in NSW. Conversely, the decline of local industry and service sectors in rural communities can thwart positive outcomes for rural students. This is because local decline impacts adversely on student optimism and career aspirations (University of NSW, 2023, page 37).

To guard against this, government should consider their investment in essential worker housing in remote, rural and regional areas of NSW as supporting local economies, stabilizing communities and enabling their growth.

Recommendation 6

Investment in essential worker housing should be valued by its impact on the social, economic and cultural growth of local communities.

The Teacher Housing Authority

Since its creation in 1975, the Teacher Housing Authority of New South Wales is a statutory body which has supported teachers to commence teaching positions in NSW.

Its principal objective, under section 6 of the *Teacher Housing Authority Act 1975*, “is to provide and maintain suitable and adequate housing accommodation for teachers”.

The annual reports of the Teacher Housing Authority state that:

- the Authority’s statutory objective is “focused on rural and remote locations” (Teacher Housing Authority, 2023, page 5).
- The Authority has 1,391 properties within 1,356 dwellings and 35 parcels of land across 204 NSW towns within 67 local government areas (Teacher Housing Authority, 2023, page 11).
- The Authority received 964 applications for housing in the 2022-23 financial year but placed 561 teachers into accommodation (Teacher Housing Authority, 2023, page 11).
- There was an 83.5% utilisation rate of its properties, and an average teacher utilization rate of 76% in 2022-23 (Teacher Housing Authority, 2023, page 11).
- The authority refurbished 12 uninhabitable homes and brought them back into use in 2022-23 (Teacher Housing Authority, 2023, page 13). This accounts for less than 25% of the Authority’s 50 major ageing and failing dwellings which had been identified for major refurbishment programs in 2022 (Teacher Housing Authority, 2022, page 12).

Customer Satisfaction Survey	2017	2018	2019	2020	2021	2022	2023
Satisfaction score (%)	Not reported	61	62	72	76	69	Not reported

In each of the above years (2018-22), the overall Customer Satisfaction Surveys results identified that:

- response times for maintenance requests need improvement,
- services from the local managing agent were rated as good to very good and
- the condition of dwellings was rated as average.

In 2024, a new “Teacher Housing Support” tool was added to the Department of Education’s employee portal for teachers to log requests for maintenance and repairs.

Teachers in Teacher Housing Authority properties in remote areas of NSW also report that the security of properties against vandalism needs to be increased. Federation members report that Teacher Housing Authority properties contribute to schools’ efforts to staff their schools. This contribution is at its best when properties are sufficient in number so that they are available to new staff, are in good condition and are well maintained by the Authority.

A principal of a remote north-western NSW public school

Most of the houses here are 7-10 years old. Most are units. There is not a range of bigger stand-alone houses.

When I first came to the school, there were 4-5 teaching vacancies. We were advertising regularly for teachers without success. Now we've been able to grab some teachers and house them.

An extra house is needed here for visits by Department of Education officers, such from the Child Wellbeing Unit. Instead, the school has to enter a short-term lease for private accommodation.

A deputy-principal of a remote north-western NSW public school

There is enough Teacher Housing here. There is enough to swap if needed by a teacher with a family.

This experience, however, is not universal. The Department of Education itself has acknowledged the importance of Teacher Housing Authority properties in the recruitment of teachers as essential workers:

“Quality teacher housing is critical to attract and retain staff in rural and remote schools. Currently, issues around the availability and maintenance of teacher housing, and associated processes, are negatively impacting the ability of our schools to attract and retain staff” (Department of Education, 2024, page 5).

Teachers in regional areas, even where health and retail services are available, report that when Teacher Housing Authority properties have been sold to fund purchases in other areas of NSW, there is a perverse consequence for schools. Such schools report that they have since been unable to fill teacher vacancies.

The Riverina

In a regional city in the Riverina, the Teacher Housing Authority sold 12 of its properties between 2012 and 2016 for \$2.5 million to fund the acquisition properties in other areas of NSW (Teacher Housing Authority, 2013 – 2016).

Federation members who were working at one of the local public schools report that the lack of Teacher Housing properties in the regional city immediately impacted on the school's ability to fill vacant teaching positions.

They report that when applicants for vacant teaching roles inquired if subsidized Teacher Housing was available and were informed that there was none, the applicants decided not to proceed with their applications for their school.

Federation members report that Teacher Housing Authority properties should be increased in number and be extended to locations in regional towns which currently have few or no such properties to meet teachers' housing needs. Further, energy-efficiency measures, such as insulation and renewable sources of electricity, should be enabled in properties.

Mid-western regional NSW

The state significant developments, which are planned for the mid-western region of NSW and which have been outlined earlier in this submission, will give rise to an urgent need to recruit and house additional teachers in local public schools. Given the high cost of local housing, this need warrants immediate consideration.

These are just a sample of regional areas of NSW with a growing need for essential worker housing to be considered.

Additional consideration needs to be given to decision-making processes for the Teacher Housing Authority to meet its principal statutory objective.

Federation notes the Department of Education's commitment, in its *Rural and remote education strategy: Implementation plan*, to "developing a departmental housing strategy that is evidence-informed and addresses projected supply and demand" (Department of Education, 2024, page 5). The plan will also include measures for expediting the refurbishment of houses and a tool for principals and teachers to log and track maintenance requests. This plan needs to be administered.

Current governance arrangements for the Teacher Housing Authority decision-making are prescribed by section 7 of the *Teacher Housing Authority Act 1975* as follows:

- four members appointed by the Governor as follows - one nominee of the Department of Education who is a staff member serving in western or north-western NSW; one

nominee of the TAFE Commission, one nominee of the NSW Teachers Federation, and one nominee of the Minister for Housing;

- one member who is the person employed in the Public Service to manage the Teacher Housing Authority's activities;
- one member who is a nominee of the Secretary of the Department of Education; and
- one member who is a nominee of the Secretary of the Department of Planning, Industry and Environment.

The Chairperson is the member who is nominated by the Department of Planning, Industry and Environment.

The Deputy Chairperson is the member who is nominated by the Minister for Housing.

Administration of the *Teacher Housing Authority Act, 1975* is currently by the Minister for Housing (*Administrative Arrangement (Minns Ministry - Administration of Acts) Order, 2023*).

A review of the Authority's governance arrangements under the Act and of ministerial arrangements for the administration of the Act is recommended.

The purpose of such a review should be to inquire into and to make recommendations for ensuring that the work of the Teacher Housing Authority is responsive to the housing needs of teachers as essential workers and to the teacher supply needs of the Department of Education in regional, rural and remote areas of NSW.

Recommendation 7

The Teacher Housing Authority's properties should be doubled in quantity, their energy-efficiency enabled and the Authority's refurbishment-for-habitation program completed to address the risk of not meeting the staffing needs of public schools in regional, rural and remote NSW.

Recommendation 8

A review should be held of the Teacher Housing Authority's capacity, including governance arrangements under and ministerial administration of the Teacher Housing Authority Act, for optimising the location, use and maintenance of the Authority's properties.

(ii) incentives for developments on privately owned land

Stamp duty waiver

A lever which the NSW government can use to make housing in NSW more affordable to essential workers is a waiver of stamp duty.

Transfer duty, otherwise known as stamp duty, in NSW is payable on the transfer of homes and holiday homes, investment properties, commercial properties, vacant land and businesses.

The average price of a Sydney home is \$1,170,000 (Steedman, 2024). Stamp duty currently payable on the transfer of such a home is \$47,179 (Revenue NSW Calculators). This is a considerable up-front cost for essential workers. If stamp duty were waived by the NSW government, it could provide substantial support for essential workers to access housing.

Recommendation 9

The NSW Government should waive stamp duty on essential workers' purchase of a principal place of residence in NSW.

(iii) opportunities within developments on government owned land

Public school land should not be sold wholly or in part for housing developments. Lessons should be drawn from recent history in the population-driven demand for additional public school infrastructure.

As the population of communities increases, so does the need for additional classrooms and facilities for public schools. This has been illustrated by the experience of communities in Sydney's north-west and inner west. Therefore, the sale or partitioning of public school land should be off-limits.

Recommendation 10

The provision of essential worker housing must not rely on the sale, in whole or in part, of public school land.

Build-to-rent programs for essential workers

Federation also notes a recent announcement by the Government for a build-to-rent program for essential workers. The sites are on "surplus government land" as well as other land to be

purchased under the program, with construction expected in early 2026 and essential workers expected to take up residence from late 2027 (Minns, Mookhey & Scully, 16 June 2024).

The capital investment announced is \$450 million in new apartments to be leased at discount to market rates to essential workers in areas close to the city, their work and services.

Federation supports an outcome that essential-worker tenants of build-to-rent schemes should have first option to buy their rented property. This would provide ongoing security of housing for essential workers.

However, there must be controls by regulation of the scheme to promote ethical behaviour by private investors and to attract industry superannuation funds to invest.

Recommendation 11

Build-to-rent or build-to-rent-and-buy schemes for essential worker housing through ethical private investors, including industry superannuation funds, should be incentivized by government.

(iv) investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity

Shared equity scheme

Federation notes the NSW government's Shared Equity scheme of 2022 (Revenue NSW, 2022). The scheme achieved housing affordability for participants at the time of scheme entry by prescribing the value of the scheme's interest in a key worker's purchased property – 40% interest in a new build and 30% interest in an existing property. Properties must not exceed the value of \$950,000 in NSW metropolitan areas, which unfortunately rules out the average Sydney property according to Steedman (2024), and \$600,000 in other areas of NSW.

For eligibility, the key worker must be a first home buyer. The key worker must remain eligible for the scheme after entry. To do this, their income must not be above \$90,000 for a single applicant (which would exclude a second year teacher) and \$120,000 for joint applicants (which would exclude a teaching couple) on entry. Also, in the years following scheme entry, if participants' income does not remain within the prescribed income level, they will be liable to recover all or part of the scheme's interest in their property if they are assessed as having the ability to do so.

Federation notes that changes in personal circumstances by participants pose risks for essential workers participating in the scheme. For example, an approved single applicant who subsequently enters a marriage or personal domestic relationship with a partner will be deemed to be a joint participant in the scheme. In that event, the new partner will be deemed to be a joint participant in the scheme and their combined income tested under the scheme's joint income

threshold. Thus, a change in personal relationships such as this may trigger an obligation for the key worker to pay for their recovery of the scheme's interest in their own property.

The protection of essential workers participating in such a scheme must be assured. This should include a notification that scheme participants obtain independent financial and legal advice prior to entry. Further, a mechanism for recovery of the scheme's share and the participant(s)' acquisition of full ownership must be by fair process. Additionally, the only teacher who would be eligible for the scheme would be a full time teacher in their first year of teaching.

Build-to-rent and build-to-rent-and-buy schemes

Federation also notes the objective of the NSW government's recently announced build-to-rent program. As well as providing affordable opportunities for essential workers to live and work in the same communities, the government's stipulation is that it "will retain ownership of the housing, with rental income available to help fund a potential future additional expansion of the government's key worker housing program." (Minns, Mookhey & Scully, 16 June 2024).

A risk to essential workers of build-to-rent schemes is that the essential worker's access to the scheme may be terminated. This may arise from a review of the worker's eligibility (owing to income increases above a cap or to loss of employment in essential work). These risks are among the conditions outlined under the *NSW Affordable Housing Ministerial Guidelines 2023/24* (NSW Department of Communities and Justice, 2023).

To guard against these risks, an income cap should not be a disqualifying criterion. The only criterion should be being an essential worker.

Federation cautions that consideration should be given to the protection of vulnerable tenants by governments in a build-to-rent scheme under community providers. Risks to essential workers as tenants include increases in the rent above the level which is affordable to the essential worker and time limits on tenancies without extensions being imposed on a specific property. Sharp practices of these kinds would be anathema to essential workers' financial and wellbeing interests and anathema to the public interest objectives of a scheme. Essential workers must be protected from such sharp practices by clear scheme regulation.

Recommendation 12

Build-to-rent or build-to-rent-and-buy schemes for essential worker housing should include appropriate controls to assure the ongoing objective of the schemes, including the protection of essential workers from sharp practices by community providers.

Conclusion

Public policy in NSW must embrace the need to invest in essential worker housing.

Essential worker housing must be defined as housing for workers who are essential to government provision of quality services. This includes teachers in public education (within public schools and TAFE colleges). It should include also workers who support teachers in public education and in other areas of government service provision.

Housing for essential workers should be wherever in NSW essential workers are in need to provide their services. This should include not only remote, rural and regional areas of NSW but also metropolitan areas.

Schemes should not be restricted by essential worker's income ranges but by the essential worker being in essential work.

Mechanisms and schemes which are made available for essential workers to access essential worker housing should be responsive to the housing needs of essential workers as well as the need for essential worker recruitment and retention. Schemes should be protective of essential workers from sharp practices of private investors and promote ethical behaviour of private investors. They should enable essential workers to live with dignity in secure housing that is affordable.

References

Administrative Arrangement (Minns Ministry - Administration of Acts) Order, 2023.

[Administrative Arrangements \(Minns Ministry—Administration of Acts\) Order 2023 - NSW Legislation](#)

Australian Housing and Urban Research Institute (2019). *Mortgage stress, rental stress,*

housing affordability stress: what's the difference?

<https://www.ahuri.edu.au/analysis/brief/mortgage-stress-rental-stress-housing-affordability-stress-whats-difference>

Australian Institute of Health and Welfare (2024). *Housing affordability.* Web article.

[Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

Benjamin, J. & Jones, T. (2017). *The UK's PPP disaster: Lessons on private finance for the rest of the world.* Jubilee Debt Campaign. [The-UKs-PPPs-disaster_Final-version_02.17.pdf \(jubileedebt.org.uk\)](#)

Bruniges, M., Arder, J., Firth, V. (2023). *NSW VET Review: Interim Report.*

Cavanough, E. & Douglass, M. (2024). *Submission to the NSW Legislative Assembly's Select Committee on Essential Worker Housing.* McKell Institute.

Crakanthorp, T. (23 June, 2023). *VET review to restore TAFE to the heart of skills training.*

Ministerial Press Release. <https://education.nsw.gov.au/news/latest-news/vet-review-to-restore-tafe-to-the-heart-of-skills-training>

Crown Employees (Teachers and Related Employees) Salaries and Conditions Award, 2022

Department of Communities and Justice (10 April 2024). *About affordable rental housing.*

[What is affordable housing? - About affordable rental housing | Family & Community Services \(nsw.gov.au\)](#)

Department of Education (2024). *Rural and remote education strategy: Implementation plan.*

[Rural-and-Remote-Education-Implementation-Plan-2024.pdf](#)

Department of Employment and Workplace Relations (2024). *Overview of the new National Skills Agreement: Reforming the national VET system.* Fact Sheet.

[National Skills Agreement Overview - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](#)

Education Act, 1990 (NSW).

Mid-western Regional Council (2024). *Managing the impacts of State Significant Development: Final report.* PricewaterhouseCoopers.

Minns, C., Mookhey, D. & Scully, P. (16 June, 2024). *New homes, closer to jobs and services for essential workers in Sydney.* Media release.

New South Wales Department of Communities and Justice (2023). *NSW affordable housing ministerial guidelines 2023/24.*

New South Wales Teachers Federation (2017). *Position statement on affordable housing.*
Annual Conference Decision.

Revenue NSW (2022). *NSW Shared equity scheme policy guidelines, 2022.*

[NSW-Shared-Equity-Scheme-Policy-Guidelines-2022.pdf](#)

Revenue NSW Calculators. [Transfer of land or business calculator \(nsw.gov.au\)](#)

Steedman, E. (9 July, 2024). *Here's how much you need to earn to afford a mid range home in your capital city.* Media report. Australian Broadcasting Commission.

[Here's how much you need to earn to afford a mid-range home in your capital city – ABC News](#)

Teacher Housing Authority (2013). *Annual Report 2012-13*. Department of Planning and Environment.

Teacher Housing Authority (2014). *Annual Report 2013-14*. Department of Planning and Environment.

Teacher Housing Authority (2015). *Annual Report 2014-15*. Department of Planning and Environment.

Teacher Housing Authority (2016). *Annual Report 2015-16*. Department of Planning and Environment.

Teacher Housing Authority (2022). *Annual Report 2021-22*. Department of Planning and Environment.

Teacher Housing Authority (2023). *Annual Report 2022-23*. Department of Planning and Environment.

Teacher Housing Authority Act, 1975 (NSW).

Technical and Further Education Commission Act, 1990 (NSW).

University of NSW (2023). *Rural and regional education project: Final report prepared for the NSW Department of Education*.

Vinson, T., Esson, K., & Johnston, K. (2002). *Inquiry into the provision of public education in NSW: Report of the 'Vinson Inquiry'*. Pluto Press Australia.