

**Submission
No 105**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: City of Parramatta

Date Received: 11 October 2024



CITY OF PARRAMATTA

Parliament of NSW
<https://www.parliament.nsw.gov.au/>
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Our Reference	165672
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Dear Sir/Madam

RE: City of Parramatta Council Submission – Legislative Assembly Select Committee on Essential Worker Housing

Thank you for the opportunity to make a submission in relation to the Legislative Assembly Select Committee Inquiry on Essential Worker Housing. Council welcomes efforts to improve the supply for affordable housing, particularly for those who are employed in essential roles that support the functioning of a city.

The attached submission addresses the definition of 'essential workers', Council's actions and advocacy positions to increase the supply of affordable housing for essential workers, and the need to establish a centralised database for affordable housing.

The attached submission has been prepared by Council officers. Whilst it has not been formally endorsed by the City of Parramatta Council (Council), it is consistent with Council adopted policies.

If you have any enquires regarding this submission, please contact Mark Egan, City Strategy Manager, on 9806 5797 or megan@cityofparramatta.nsw.gov.au.

Yours sincerely,



Gail Connolly PSM
Chief Executive Officer

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CITY OF PARRAMATTA COUNCIL SUBMISSION – Legislative Assembly Select Committee Inquiry on Essential Worker Housing

BACKGROUND

On 22 July, Council received correspondence from Committee Chair Alex Greenwich MP inviting City of Parramatta Council to make a submission to the NSW Legislative Assembly Select Committee on essential worker housing. The terms of reference for the Committee and its inquiry into the matter of essential worker housing are as follows:

- 1) That the Committee inquire into and report on options for essential worker housing in New South Wales, specifically:
 - a) Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas.
 - b) Identify options to increase housing supply for essential workers, including but not limited to:
 - i) planning tools and reforms
 - ii) incentives for developments on privately owned land
 - iii) opportunities within developments on government owned land
 - iv) investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity
 - v) other related matters.

SUBMISSION

City of Parramatta Council (Council) has an endorsed [Affordable Rental Housing Policy 2024](#) and an [Affordable Housing Action Plan 2023-2025](#). These documents set out Council's position in relation to affordable rental housing. These policies have specific provisions to address housing for key workers/essential workers. They also identify work to be undertaken to increase affordable rental housing supply and advocacy positions on matters relating to housing affordability more broadly.

1. Defining 'essential workers'

Council views the term 'essential workers' as generally having the same meaning as 'key workers.' Key workers roles often receive lower incomes, and the nature of the work means that it typically cannot be undertaken remotely. This makes access to affordable housing close to their place of employment very important for financial security and quality of life as well as the operation of the service they provide.

Council's Affordable Rental Housing Policy 2024 targets key workers in very low, low, and moderate income households who have a connection to the Parramatta local government area (LGA). The Policy's tenant eligibility criteria define key worker roles as being inclusive of, but not limited to:

- a) aged and disability carers;
- b) ambulance officers and paramedics;
- c) child carers;
- d) commercial cleaners;

- e) Cultural Workers;¹
- f) educational aides;
- g) fire and emergency services workers;
- h) hospitality workers;
- i) laundry workers;
- j) midwives, nurses (registered, enrolled and mothercraft), and nursing support and personal care workers;
- k) social workers;
- l) teachers; and
- m) welfare support workers

The definition of essential workers should clearly capture the intent of the term and not rely on an exhaustive list of roles. The roles that are considered essential may differ across localities based on key industries and strategic priorities. It can also evolve over time, for example, as the list of essential roles broadened during COVID-19 lockdowns.

In developing the key worker criteria, Council considered roles of strategic importance to Parramatta LGA specifically. For example, cultural workers have not historically been included as 'key workers', but are included in the Affordable Rental Housing Policy's tenant eligibility criteria. This recognises that cultural workers being able to afford housing close to their place of work is essential for supporting strategic aims for the City being a cultural centre. (Noting that these aims have most recently been articulated in our [Parramatta 2050](#) vision, which includes Parramatta becoming an epicentre of culture and creativity).

Recommendation: That the NSW Government establish a definition of essential workers that is inclusive of, but not limited to, a list of key roles and/or industries that provide essential services. Providing some flexibility within the definition will ensure its relevance and applicability, recognising that roles being considered 'essential' can vary over time and somewhat differ by locality based on the strategic priorities across the state.

2. Increasing affordable housing supply for essential workers

Affordable rental housing tends to target either key workers specifically or very low to moderate-income households more broadly. Council's Affordable Rental Housing Policy 2024 targets key workers and recognises that affordable rental housing is critical for meeting the housing needs of key/essential workers on very low to moderate incomes. Therefore, action to increase the supply of affordable rental housing will increase housing for key workers.

¹ An individual whose labour is required to facilitate the production of goods and services in arts, cultural and creative industries. This includes people employed in cultural institutions and organisations, people who organise cultural events and programmes, and workers whose labour extends cultural and creative practices, such as writers, artists, and musicians.

Whilst many of the policy tools available to influence housing affordability are outside of Council's control, we recognise the significant impact that the housing affordability crisis has on quality of life and the need for Council to demonstrate leadership in this space. Council has an interim **affordable rental housing target of 12,600 dwellings across the LGA by 2041** (to be reviewed at the end of 2024). This is a needs-based target, calculated by applying the current need for affordable housing (7.3% of households) to the forecast 2041 population (172,740 households).² This is a target for the whole LGA, not for Council-owned affordable housing, as Council plays a small role in the provision of affordable housing. In 2023, Council owned just 8 units of the 712 affordable housing dwellings in City of Parramatta.

Council's approach to increasing affordable housing stock within our LGA is detailed in the Affordable Housing Action Plan 2023-25. Key actions to be undertaken by Council directly include the following:

- **Putting in place Affordable Housing Contributions Schemes (AHCSs)** in appropriate precincts.
- **Understanding the potential to deliver affordable rental housing on Council-owned land**, including working with State and Federal government agencies to investigate feasibility, funding and delivery models that are commercially viable to Council in the delivery of affordable housing.
- **Conducting research into additional options to impact housing affordability**, including enticing and rewarding developers through competition to develop more housing and introducing an empty dwellings levy.

In line with Council's Affordable Housing Action Plan 2023-25, Council also advocates for the following:

- **Affordable housing in perpetuity** - Council advocates for reforms that provide affordable housing in perpetuity, rather than subject to time limits.

In December 2023, the NSW Department of Planning, Housing and Infrastructure implemented reforms to encourage private developers to build more affordable housing and more housing in general. Projects that include at least 10–15% affordable housing for a period of 15 years will be eligible for height and floor space ratio bonuses of 20–30%.

In October 2023, before the reforms were implemented, a City of Parramatta Council officer submission to the Department emphasised that the reforms would introduce permanent infrastructure impacts, while only providing a short- to medium-term solution to demand for affordable housing. Furthermore, at the 15-year mark, affordable housing tenants could be forced to move out of the well-located precincts, essentially entrenching gentrification in Greater Sydney's planning policy framework. Affordable housing in perpetuity should be prioritised.

- **Improvements to Affordable Housing Contribution Scheme (AHCS) process** – Council advocates for simplifying and improving the application process for AHCSs, specifically establishing a mandatory timeframe in which State Government must consider Council applications for schemes and developing a standard Local Environment Plan clause, feasibility modelling, and other tools.
- **Development Contributions Reform** – Council advocates for combining or better coordinating existing pathways for community infrastructure (development contributions) and housing infrastructure (AHCSs).

² <https://housing.id.com.au/parramatta/affordable-housing-need#how-many-households-are-in-need-of-affordable-housing>
<https://forecast.id.com.au/parramatta/population-households-dwellings>

- **State Government land target** – Council advocates for a 30% Social and Affordable Housing target on all State Government redeveloped land.
- **State Environmental Planning Policy (Housing) 2021 (Housing SEPP) amendments** – Council advocates for a percentage of Build to Rent Housing to be mandated as affordable housing under the Housing SEPP.

Recommendation: That the NSW Government prioritise action to increase supply of affordable rental housing, including reforms to deliver affordable housing in perpetuity, improvements to the AHCS process, development contributions reform, delivery of 30% social and affordable housing on State Government redeveloped land, and amendments to the Housing SEPP.

3. Affordable housing data

Council collects annual data on the total number of affordable rental housing dwellings owned and/or managed by community housing providers (CHPs) within City of Parramatta LGA. This has been done manually since 2019 through requesting data from CHPs on the number of affordable rental housing dwellings, boarding house rooms, and social housing dwellings that they manage within our LGA.

Whilst this approach is useful in understanding changes in affordable housing supply within our LGA over time, it is not a comprehensive data collection activity, and we recognise the need for a consistent and centralised approach to affordable housing data. Council's Affordable Housing Action Plan 2023-2025 includes an action to advocate for State-level data capture for affordable housing, commensurate with data on social housing. This could be achieved through the State Government managing a central register of affordable housing through mandatory data reporting by CHPs. A comprehensive database is essential for understanding current affordable housing supply across NSW and the impact of planning reforms over time, such as recent density bonuses for the provision of affordable housing, subject to a 15-year period rather than in perpetuity.

Recommendation: That the NSW Government establish and maintain a state-wide database for affordable rental housing.