

**Submission
No 109**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

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Mr Alex Greenwich, MP
Chair
Legislative Assembly Select Committee on Essential Worker Housing
NSW Parliament
6 Macquarie Street
SYDNEY NSW 2000

Dear Mr Greenwich,

Legislative Assembly Select Committee on Essential Worker Housing

The cost of housing is a major issue facing Australians and one that is having unprecedented impact on the Mackellar community. Northern Beaches house prices and rents are on average significantly higher than the greater Sydney region. Many working families are facing increased mortgage costs and rents and need to move out of the area. Affordable housing on the Northern Beaches is out of reach for essential workers who provide vital services for our community.

I recently undertook a community survey on housing and received over 70 submissions from across the electorate. I heard from many community members who said they are struggling with rent or mortgage payments. It is clear that many Mackellar families are in housing stress. We currently have a situation where 41% of renter households have rent payments greater than 30% of household income, and 17% of Mackellar homeowners are outlaying more than 30% of their household income on mortgage repayments.¹ To add to this, over the past 12 months, rents have grown at nearly twice the rate of wages² and more people are competing for fewer rentals.

Anglicare Australia's recently released *Rental Affordability Snapshot Essential Workers Report* shows that there is currently no affordable housing for rent on the Northern Beaches for essential workers.³ With a lack of affordable housing close to places of work, essential workers are commuting long distances from more affordable locations, sharing overcrowded housing or taking on unaffordable housing costs. These conditions impact essential workers' wellbeing and quality of life. It also impacts local services, including healthcare, schools and aged care, who find it hard to attract and retain staff.

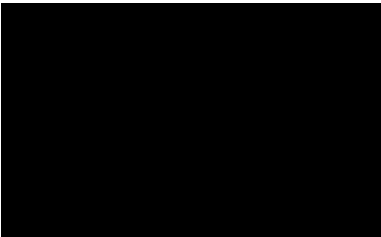
¹ Australian Bureau of Statistics, (2021), *Mackellar 2021 Census Statistics*.

² Anglicare Australia, (2024), *Rental Affordability Snapshot Essential Workers Report*.

³ Anglicare Australia, (2024), [Essential workers are being priced out of rentals](#).

A local nurse who works at Northern Beaches Hospital reports that a huge percentage of nurses travel from outside of the Northern Beaches from Southwest and Western Sydney to get to work. She said that the hospital loses staff to the public sector and Queensland, where accommodation is more affordable, and often nurses who live on the Northern Beaches forgo certain needs to be able to live in the area.

This is not sustainable. We need to urgently implement further policies that alleviate housing stress and support the essential workers that our community relies on to function – to access affordable housing in proximity to where they work - now and into the future. I thank the Legislative Assembly Committee for conducting this inquiry and have addressed the specific Terms of Reference in this submission.



Dr Sophie Scamps MP
Federal Member for Mackellar

Legislative Assembly Select Committee of Inquiry on Essential Worker Housing Terms of Reference

1. An appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas

- 1.1 The term 'essential or key worker' usually refers to employees in services that are essential to a community's functioning. Essential workers are defined by their necessity to perform their duties in person and often work on the frontlines, such as health and aged care workers, police officers, emergency responders, teachers and community welfare positions.

The COVID-19 pandemic not only highlighted the essential role that our frontline workers play in supporting our community but illustrated the broader roles our community relies on beyond the traditional key worker roles, including delivery drivers, cleaners and healthcare support roles, thus any essential worker housing eligibility should extend to these roles that play a vital part in enabling our community to function.

Proximity to work is particularly important in healthcare, emergency services and some community and welfare support roles in order for workers to cover shifts, quickly respond to increases in demand and emergencies. Thus, it is vital that these workers, who typically earn low to moderate incomes, need to live near their workplaces.

Case studies illustrate local policies in the UK and Australia that interpret the definition of 'key worker' flexibly, based on local contexts and challenges in recruitment and retention. I support this flexible approach to defining the criteria for essential worker housing based on local need and economic context.

1.2 Case studies

i) Key Worker and Intermedia Housing Policy, Royal Borough of Kensington and Chelsea

A case study that illustrates a definition of a key worker based on local need is that of the *Key Worker and Intermedia Housing Policy 2022* of The Royal Borough of Kensington and Chelsea (RBKC).⁴ An applicant is considered a Kensington and Chelsea key worker if they are currently employed within organisations serving the Royal Borough of Kensington and Chelsea residents in one of the following categories:

- National Health Service (NHS) staff providing health services to Kensington and Chelsea residents
- Staff employed by the NHS North West London Clinical Commissioning Group who are working in services located within Kensington and Chelsea including General Practices

⁴ The Royal Borough of Kensington and Chelsea, *Key Worker and Intermedia Housing Policy 2022*.

- London Fire Brigade staff stationed within Kensington and Chelsea
- Front-line care workers working in residential or care home settings within Kensington and Chelsea (including agency staff funded via personal budgets)
- Staff providing educational services in state-maintained primary and secondary schools, sixth form colleges, and further education colleges within Kensington and Chelsea
- Front-line childcare workers in early years providers (nurseries and preschools) that offer 15 hours and 30 hours free childcare within Kensington and Chelsea
- Metropolitan Police constables and officers stationed within Kensington and Chelsea
- Front-line social workers employed by the Bi-Borough Adult Social Care and Family and Children's Services whose employer is the Royal Borough of Kensington and Chelsea.

There is a requirement for an RBKC key worker to be anchored at their workplace to carry out their role in order to serve the residents of Kensington and Chelsea.

ii) Key and Essential Worker Housing Supply Action Plan, Great South Coast and Barwon regions of Victoria

The *Key and Essential Worker Housing Supply Action Plan* developed by The Victorian Planning Authority and the councils of the Great South Coast and Barwon regions of Victoria is another case study that defines a key worker based on an assessment of the unique key worker issues within the Great South Coast and Barwon regions.⁵

The plan defines a key worker as:

An employee who provides a vital service, especially in the essential services, health, or education sectors.

This definition includes the following specific types of key workers:

- Providers of services to residents – e.g. teachers, doctors, nurses, health care workers, pharmacists, Council staff
- Providers of services to visitors/tourists – e.g. hospitality, tourism, retail, workers at tourist attractions
- Workers in key local industries – e.g. agriculture and associated industries, renewable energy, forestry, mining, construction.

The plan states that the inclusion of workers in the visitor/tourism and local industries sector is appropriate because in regional areas these workers are essential to the economic sustainability of the region.

⁵ Victorian State Government and Victorian Planning Authority (2020), [*Key and Essential Worker Housing Supply Action Plan*](#).

2. Options to increase housing supply for essential workers

- 2.1 In developing options to increase housing supply on the Northern Beaches for essential workers, we can learn from other jurisdictions – local, interstate and international - that have developed effective essential worker housing solutions to address this problem. What is vital, is that these policies provide both rental and ownership options for essential workers.

Initiatives such as the Federal Government’s Housing Australia Future Fund and the Help to Buy Pilot Program, and the NSW Government’s \$450 million build-to-rent package for essential workers are mechanisms that should be explored or extended to increase affordable housing for essential workers on the Northern Beaches.

Further initiatives for consideration could also include:

- Planning agreements to reserve mandated portions of new developments for essential worker housing, eg, the Frenchs Forest Town Centre
- Extending the NSW Government’s build-to-rent package to the Northern Beaches
- Requiring employers to provide on-site affordable housing for essential workers through the implementation of specific zoning in health and education precincts
- Targeted government shared ownership initiatives that allow essential workers to gradually purchase their homes
- Financial incentives for build-to-rent projects that provide sustainable affordable rentals for essential workers in the Northern Beaches
- Similar to the National Rental Affordability Scheme, an essential worker rental affordability scheme, where investors receive financial incentives to rent properties to essential workers at a reduced rate
- Planning concessions for essential worker housing and affordable housing outcomes
- Waiving development contributions and/or Council rates for developments providing essential worker housing
- Co-operative community housing initiatives that ensure essential workers with community ties receive priority
- Property trusts that pool investor funds to develop affordable housing at scale, providing entry for investors without enough capital to buy property independently
- Housing trusts financed by community members and supported by tax and planning regulations to fund the development of affordable housing for essential workers
- Tiny homes/relocatable housing – compact dwellings that are manufactured off site and provide cost-effective, high-quality homes that can be placed on serviced lots with prepared foundations.

2.2 Case studies

Hume Place, Crows Nest

At the Hume Place project in Crows Nest, private developer Third.i and Phoenix Property Investors are partnering with CHP Evolve Housing to designate 15% of the mixed-used development to nurses, midwives, health professional and service staff working at nearby Royal North Shore Hospital and other local health facilities - in perpetuity.

Key Worker Accommodation, NSW

The Key Worker Accommodation (KWA) Program is a NSW Government program that aims to provide modern and sustainable short-term and long-term housing accommodation to health workers in regional and rural areas across NSW due to slow development rates, increasing demand, and limited supply of housing options in these areas. The NSW Government is investing \$45.3 million to deliver modern, sustainable accommodation for health workers in Far West, Murrumbidgee and Southern NSW Local Health Districts.

Voluntary Planning Agreements, Canada Bay

Canada Bay Council has secured rental units which are reserved for local hospital staff through Voluntary Planning Agreements (VPAs) with developers.

Waverley Affordable Housing Program

Waverley Council has secured three units through the Waverley Affordable Housing Program (an inclusionary zoning policy) that are rented to local essential workers at affordable rents.

Subsidised rental units, Willoughby

Willoughby Council has secured units which are offered at 20 per cent reduced market rent to those employed in the health industry, retail, childcare and transport sectors in Willoughby Council area.

Kop Zuidas project, Amsterdam

In Amsterdam, the Kop Zuidas project is an example of the successful use of surplus public land to create housing that includes options for essential workers. A significant portion of the residential units is designated as affordable housing, catering to essential workers such as teachers, healthcare professionals, and emergency services personnel.

Finchley Memorial Hospital, London

A partnership between the Department for Health and Social Care, One Public Estate, The London Estates Delivery Unit and GLA developed a pilot project that obtained planning permission for up to 130 homes for NHS staff on a site adjacent to Finchley Memorial Hospital in the London Borough of Barnet.

Oxo Tower, London

In London, the Oxo Tower, incorporates community housing that is run by a not for profit (non-government) and is an example of community led housing solution that started with financial and other assistance from government and is now self-funding.

Tatiara Council, South Australia

Tatiara Council in South Australia successfully accessed Federal Government funding programs to build new worker accommodation in Bordertown and also partnered with Uniting Housing to build affordable rental properties for essential workers in the same area.

Uniting on Second, South Australia

Renewal SA and Community Services Provider UnitingSA partnered to develop an all-affordable apartment project that caters for essential workers, first home buyers, single parents and downsizers. The development is a mix of affordable sales and affordable rentals, which will be leased to tenants at under 75 percent of the market rate.

Harris Transportable Housing Project, Victoria

A partnership between Launch Housing and philanthropists Geoff and Brad Harris, of Harris Capital, with funding from the Victorian Property Fund. The project used nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness.

3. Development of a Northern Beaches Essential Worker Housing Supply Action Plan

- 3.1 In addition to Northern Beaches Council's *Northern Beaches Local Housing Strategy*, which aims to increase social and affordable housing in the Northern Beaches LGA, consideration should be given to the development of a 'Northern Beaches Essential Worker Housing Supply Action Plan' which would have the objective of increasing public and private sector investment in housing in the Northern Beaches to increase the supply of rental and ownership accommodation for essential workers. Like that of the *Key and Essential Worker Housing Supply Action Plan*⁶ developed by The Victorian Planning Authority and the councils of the Great South Coast and Barwon regions of Victoria, the plan would identify the unique issues and barriers to affordable housing on the Northern Beaches for this cohort, the scale of need and the key actions that could be taken to address this problem.

⁶ Victorian State Government and Victorian Planning Authority (2020), [Key and Essential Worker Housing Supply Action Plan](#).

4. Conclusion

- 4.1 In conclusion, the Legislative Assembly Select Committee Inquiry into Essential Worker Housing is a critical step toward addressing the urgent housing challenges facing essential workers on the Northern Beaches. The evidence presented illustrates a stark reality: the lack of affordable housing in proximity to places of employment is a barrier to recruitment and retention of essential workers, which impacts vital community services, including healthcare and education.

To tackle these issues, it is imperative that we adopt innovative, flexible housing policies that prioritise the needs of essential workers. The proposed action plans and case studies demonstrate successful strategies that can be tailored to local needs, ensuring that housing stress is alleviated and essential workers can live within the communities they serve. By implementing measures such as mandatory planning agreements, shared ownership schemes, and incentivising build-to-rent developments, we can create a sustainable future where essential workers are supported and thriving. Collaboration among government bodies, private developers, and community organisations will be key in this endeavour. Crafting and enacting these policies can secure the wellbeing and functionality of the Northern Beaches community now and for future generations.