

REPORT ON PROCEEDINGS BEFORE

**LEGISLATIVE ASSEMBLY SELECT COMMITTEE ON
ESSENTIAL WORKER HOUSING**

**INQUIRY INTO OPTIONS FOR ESSENTIAL WORKER HOUSING IN
NEW SOUTH WALES**

At Seaforth Function Room, Balgowlah RSL, Seaforth on Friday 25 October 2024

The Committee met at 10:00 am

PRESENT

Mr Alex Greenwich (Chair)

Mr Stephen Bali

Ms Liza Butler

Mr James Griffin

The CHAIR: Good morning, everybody. Before we start, I acknowledge the traditional custodians of the lands on which we are meeting today. I also pay my respects to Elders past and present, and extend that respect to any other Aboriginal and Torres Strait Islander people who are either here in the room or viewing the proceedings online. I welcome everybody to the public inquiry of the Select Committee on Essential Worker Housing. My name is Alex Greenwich. I am the Chair of the Committee. The Committee thanks the witnesses who are appearing before us today and the many stakeholders who have made written submissions. We appreciate the input into this inquiry.

Mr DANIEL JACKSON, Police Officer, NSW Police Force, affirmed and examined

Mr TIM BUSKENS, Chief Executive Officer, HOPE Housing, affirmed and examined

Mr PETER REMFREY, Chair, Police Bank, affirmed and examined

The CHAIR: I welcome our first witnesses. I thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the Legislative Assembly social media pages. Please inform the Committee staff if you object to having photos and videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

DANIEL JACKSON: Yes.

PETER REMFREY: I have, yes.

TIM BUSKENS: Yes.

The CHAIR: Do you have any questions about today or anything else you wish for clarification on?

PETER REMFREY: No.

TIM BUSKENS: No.

The CHAIR: Would any or all of you like to make any opening statements?

TIM BUSKENS: Thank you for the opportunity to present today. We have obviously all already mentioned our names and positions, but I emphasise that Daniel is one of the 31 essential workers who we've proudly supported into home ownership over the last 24 months, through our shared equity arrangement in partnership with Police Bank. Our partnership is already having a significant impact, as evidenced by the recent survey results of our essential worker home owners: 69 per cent say they are now more likely to stay in their chosen profession, and 77 per cent say and report they are now delivering a higher level of service in their profession.

PETER REMFREY: There is a crisis in the affordability of housing for essential workers that is making it impossible to attract and retain staff. In the North Shore Police Area Command there are 271 positions and 62 vacancies; only 5 per cent of staff live in the area. The traffic and highway patrol based at Frenchs Forest can't fill vacancies. The Northern Beaches is the fourth highest area for drink driving offences in New South Wales. Essential workers living in the Hunter and the Central Coast are sleeping in their cars, or in motels between shifts, to prevent fatigue and family dislocation. Police Bank has partnered with HOPE to address this issue, and we have a proven solution for essential workers who wish to live closer to where they work. We are a mutual financial institution, whose only interest is helping members gain financial security via home ownership. HOPE has the same vision.

We are seeking three things from the Committee: first, that the Committee recommends that the Government contributes \$300 million in the form of a commercial investment to scale up our proven shared equity home ownership solution, enabling HOPE to help between 700 to 800 essential workers buy homes within the next 12 months; second, that the Committee recommends that the Government leverages its influence with the public sector superannuation funds to encourage them to invest in HOPE Housing. The outcome of these first two actions will not only deliver a commercial return to the Government and the superannuation funds but will also send a strong message to the market to invest in HOPE, benefiting the future generations of essential workers.

TIM BUSKENS: The third thing that we seek from the Committee is to recommend that the ministerial guidelines defining affordable housing be reviewed, with a view to include the term "shared equity eligible". This addition will allow developers to incorporate shared equity ownership models within the new housing stock supply. I would now like to introduce and hand over to Daniel, who will share his first-hand experience as an essential worker. His story highlights a significant impact that home ownership has on essential worker families, their profession, and their professional lives.

DANIEL JACKSON: Good morning, ladies and gentlemen. My name is Daniel Jackson, and I am a detective with the NSW Police Force. I'm an essential worker who has significantly benefited from the HOPE Housing partnership. I have been a New South Wales police officer for 13 years, seven years in uniform, and 4½ years as a generalist detective. I currently work in counterterrorism. I have two children from my previous marriage. They live with me week on, week off. I have a fiancée, Hannah, who is also an officer in the New South Wales police. We've been living together since late 2021. In 2022 we were renting a three-bedroom house. It was

good for my children and their schools, and it had a garden big enough so that we could foster young police dogs. That part is most important for my fiancée, Hannah. Her dream from childhood was to become a dog handler in the New South Wales police.

I was renting, but I really wanted to buy a house. I wanted security and stability for my children, and I wanted home ownership, not paying someone else's mortgage. But I knew we could not afford to buy a home such as the one that we were renting. I knew many of my colleagues had moved to the Central Coast or Western Sydney for the chance at home ownership. I knew about the long journeys they took before and after work. I thought about making those long commutes myself, but I also thought about how my children would cope, and I wasn't sure that I could do it. In short, I didn't see a solution.

As 2022 went on, our rent increased. It went up by 20 per cent. We could no longer afford to live there, so we planned to leave. In early 2023, I heard about a new company called HOPE Housing. I read its website. To be honest, it sounded too good to be true, but I knew that Police Bank was involved and that gave me the confidence to make my first inquiries. As I learned more, I knew it was the only way Hannah and I were going to be able to afford to buy a house close to work, close to the kids' schools, and have a big enough space for Hannah to kennel a police dog. I went through the HOPE Housing application process with Police Bank. Thankfully, our application was approved.

I am so happy to say that a year ago, we partnered with HOPE and bought a house on the Northern Beaches. I sincerely feel so lucky that this has happened, and I also feel relieved. My fiancée, Hannah, is now a dog handler too. Times are tough in the New South Wales Police at the moment. Many of my colleagues have left. There is a feeling of stress and fatigue but, because of HOPE Housing, Hannah and I are not under the same stress as we once were. Our mortgage payments are less than our rent was. Hannah has been able to fulfil her career ambitions. We don't have the stress of long commutes to work, and I don't have to put my children through that stress either.

Our partnership with HOPE was the solution I was looking for and needed. I wish it had come sooner. I wish all my colleagues had access to the HOPE Housing partnership. I've told many of them about it and they all agree it's an amazing scheme. But HOPE's ability to help my colleagues is dependent on investment. I sincerely believe speaking to you today will help my friends and colleagues. I can't thank HOPE enough for how they helped my family. Thank you for listening to my story.

The CHAIR: Thank you all for those opening remarks. Before I hand over to my colleagues for questions, I also acknowledge that today's hearings are broadcast live through the Parliament's website, and we have with us here the team from New South Wales Parliament, including Hansard, Committee staff and other parliamentary staff as well. We have essentially brought the Parliament to the northern beaches to conduct today's hearing, and we're also grateful to the Balgowlah RSL Memorial Club for hosting us today.

Mr JAMES GRIFFIN: Thank you for your contributions, and particularly you, Mr Jackson, for sharing your personal circumstances and really bringing to life the experience. I want to thank you for your submission, in particular for being very clear about what recommendations you'd like to see from the Committee. That's very helpful. There are obviously many pieces to the puzzle in terms of doing this. Mr Jackson said it was almost too good to be true. On reading the submission and the work that you have done, it does seem like there is a great opportunity here. Your first request was the \$300 million commitment to scale up. How did you land on that figure, and what would that scale-up look like? I think there are many elements to this. Some are fast moving; some will take a lot of time to implement and change. It seems like you have a working model that is ready to go. What are you looking at in terms of the scale-up? How would that look?

TIM BUSKENS: The \$300 million is for a program that's currently running. We mentioned that in 12 months we would deploy that \$300 million. It's a shorter time frame. It's something that we could do now, and immediately. It would be very easy for Police Bank and HOPE to handle that. In terms of what that looks like, it's 700 to 800 workers, and roughly around 400 properties scattered across Greater Sydney. That's the start. We have a waitlist and a level of demand for 3,000 essential workers. That number is coming across all of Australia, but the majority are in Sydney. That would represent close to \$1.5 billion. But this is the point that Peter was making: This is to demonstrate the proven model that can scale up, and that would crowd in other investors like institutional capital and superannuation funds to go on. This is not a grant or a handout; this is a commercial investment that, for us, we would quite easily be able to deploy over the next 12 months. That will enable us to go to the next level.

PETER REMFREY: If I could add, we are very excited about this model. We were formed 60 years ago because police officers, like a lot of other people, couldn't get loans through banks. Now we're envisaging a difficulty with people buying properties at all. Tim mentioned 3,000. We've got at least 300 people on our books at the Police Bank. Both of us haven't advertised, because we didn't want to create an expectation of being able to satisfy demand. The 3,000 is largely driven by the website that HOPE has established. The at least 300 definite inquiries that we've had through the bank have been by word of mouth. I am yet to speak to my colleagues in the

other industries that we are happy to lend to—that is, in teaching, nursing, firefighting, paramedics, cleaners, social workers, prison officers, and transport officers—for the same reason. We see no problems at all in being able to manage the \$300 million if it was able to be offered by government in the short term, and then government, doing what good governments do, sending a message to the market to say, "This is an investment that we think is good." Hopefully then the market will follow.

Mr JAMES GRIFFIN: Just as a supplementary or follow-up to that, you've outlined the definition of an essential worker, essentially, with that list that you had there. Over time we've been trying to ascertain the definition and, in fact, whether it would change by geography. Do you have a view on whether a definition of essential worker is important, or should we just get on with essentially what's in front of us?

PETER REMFREY: We have a joint committee between the bank and HOPE, around the issue of definition—and geography, for that matter. We work together to ensure that we are getting this right. We are reasonably flexible around that. Our bond is police, police families, and essential workers, as well as other law enforcement. We cover that group of people. But, given the demand that's out there, we can't satisfy the demand, but we can start the process. And, the sooner we start, the opportunities are there for us to expand into other essential workers.

TIM BUSKENS: I'd just add to that. A definition is helpful as a guide, and we found, when we put the list on our website, we would inevitably get inquiries—"I'm a nurse, but I'm working in this type of nursing. Am I in there or out?" So you can't lock everything down, but it is definitely helpful as a guide, and it should be approached as such.

PETER REMFREY: There's one other area, if I might, as well. Those essential workers are not just public sector workers. It's private and public sector. So, for example, in nursing, it's pretty obvious. We've got enormous amounts of people working in the private sector: social workers, transport workers, et cetera. It's not limited to the public sector.

The CHAIR: Before I hand over to Ms Butler, I would also just like to note that you can feel free to take any questions on notice, and then you can provide answers to the Committee at a later stage—but you all seem pretty across the content.

Ms LIZA BUTLER: Thank you all for coming here today. It does sound an amazing scheme that you are running. You say 69 per cent of people stay in their professions. Is that a requirement that—once they've bought a house, such as Mr Jackson has, if he was to leave the Police Force, does that affect his housing? How do you assess that?

TIM BUSKENS: No, it doesn't affect his housing if he is to leave the Police Force. When we set up HOPE, we set it up with the vision of supporting essential workers to live where they were, as a for-purpose not-for-profit organisation. We didn't set the limits or criteria as, if you left, you would be out. We gave them an opportunity. We work with them. We hope that they do stay in the professions they love, and we do find that most essential workers really do love their profession. Of our waitlist, we've asked them, "Would you leave the profession to seek home ownership?", and 56 per cent say, yes, they would. The fact that we've now got close to 70 per cent saying, "We'll stay" is a good result, but we do not make it a criteria for ongoing support for HOPE.

Ms LIZA BUTLER: Great. You say 3,000 are on the waitlist. That's Australia-wide. But how do you prioritise? For example, if it's a regional application versus Sydney, how do you make that criteria of who waited, of who gets the priority housing?

TIM BUSKENS: We've got a four-quadrant approach. We look at who's ready, who's within Sydney. We do look at if there's two essential workers within the home, versus one. We do look at what regions they're looking for. We also look at what types of properties they're looking for, units versus houses. From that perspective, we decided we're looking at the asset as much as the individual. That's important because, as Peter's mentioned, this is a commercial investment for attracting real commercial institutional capital, so at the other end of this is a diversified property portfolio of residential assets. So we do look at how that evolves over time, what suburbs it's in over time. If we get too much concentration in one, we obviously advise and talk through the list, and talk through the bank about how to reprioritise that.

Ms LIZA BUTLER: I think Mr Jackson mentioned that it's dependent on investment. Could you just expand on what you meant by "dependent on investment"?

TIM BUSKENS: I guess we can provide more detail to the Committee after this. But—to not get too technical—it is a managed fund that is registered with ASIC. High-net-worth individuals, family officers, eventually superannuation funds and institutions invest into that fund. That fund is what provides the equity contribution to the people like Daniel here. Daniel will come into the bank. He'll arrange his mortgage. He'll have

his deposit. They'll go through that process, and we'll provide that equity investment that's been drawn out from that fund. So if investors aren't coming into the fund, we're talking to the bank, that we are at limit to who they can support and how many they can support.

Mr JAMES GRIFFIN: Is a return generated for those investors at some point?

TIM BUSKENS: The return is the growth of the residential property. Unlike other solutions, we approached HOPE Housing with a view that the market for residential property is an absolutely incredible asset class. It's an asset class that is the biggest in Australia—\$11 trillion—and it's an asset class that institutional capital just does not access. Of that \$11 trillion, there is what they term \$3 trillion worth of investment or landlord money in that asset class, but it's all the mums and dads. Institutional capital can't access that in the way that we all do around this table. So we had the view—how do we unlock that for institutional capital, and how do we enable them to participate in the growth? We don't charge Daniel a fee. We don't charge him a rent. We don't charge interest rates. We don't take the view that the home owner should take on the burden of the return. This is a bit of the too good to be true. We take the view from finance professionals that, if we can get a diversified residential property portfolio, that capital growth is the return.

How does that get unlocked? We've got Daniel on a journey now. He mentioned in his statement that his mortgage payments are less than what he was renting, because part of the model—and a critical part of model—is, we've asked, through our partnership with the Police Bank, to lend Daniel less money. So he now has a foothold in the market. He can buy us out over time, at whatever the market rate is at that time. So we're unlocking the return throughout the life cycle, and when Daniel sells—and this is the strong, for-purpose part. We go in—and I will just use, for simple, realistic terms—fifty-fifty, and we go out fifty-fifty. We do not try to take the higher slice of that or, it very rarely happens but, if it does happen, he probably sells at a loss, and we'd still take it out fifty-fifty. We do not try to put any pressure on the home owner through that model.

PETER REMFREY: From the bank's perspective, this was a very novel idea when it came to us three years ago. We did a lot of due diligence, making sure that our members were protected. There was, as Tim said, no cost on the way through. It's simply that the benefit on the way out is equally shared or shared in proportion with the equity contribution. It's very rare, I think, so far, for fifty-fifty. It's probably more in the realms of the member contributing 70 per cent and HOPE contributing 30 per cent. I think that's roughly the estimate. Being a mutual bank, it's not in our financial interest to encourage people to pay their home loans down, but it is what we do. Similarly, we are encouraging people to pay the HOPE side down, as they can, throughout their lives, and people's situations change with promotions and other things.

Ms LIZA BUTLER: Just very quickly on that point, they could have that for life with no repercussions whatsoever. So Mr Jackson does not have to have a 20-year time frame or anything?

PETER REMFREY: No.

Ms LIZA BUTLER: That's amazing.

PETER REMFREY: There are no time frames attached to it from the bank's perspective. The other issue is that we have agreed that no-one can enter this system without getting independent legal advice to make sure that they understand exactly what they're getting into.

Mr STEPHEN BALI: Thank you, Daniel, for sharing your story. It is always hard for organisations and unions to find a case study. But my questions are more to Peter and Tim because, as you can hear, we are in furious agreement with the model that you have. I now just want to be a disrupter and play devil's advocate, which is very rare for me! Firstly, in the definition of essential worker, should we add in—because, obviously, for affordable housing, there are different cuts to the definition. But to address some of the issues, should it also include that you are within X kilometres proximity—it could be 10 kilometres or whatever—of your worksite? Should that be added to the essential worker definition? What do you think of that?

TIM BUSKENS: That goes back to your question about criteria, and that's part of the criteria we look at. We actually ask, "Where are you currently living? What is your current living situation? Where is your work? What is your proximity to work?" That is built into what we look at. We won't support someone that wants to buy a home outside the 30 minutes from work.

Mr STEPHEN BALI: I'm mindful of the time, so I might put some of these questions in writing. There are two issues here as far as the purchase and the shared equity model. I might just park that. For the rental part of it and the affordable housing, assuming you are involved in the rent, the question once again is about when you get promoted to a certain level. In the end, we don't want to create an issue where senior detectives, dare I say, or people higher up in the Police Force that obviously earn a reasonable amount of money versus your first year constables coming through—you want to support them at a certain level to make sure that they are living close to

the workplace. Do you have any criteria for that in the rental model affordable rents and, if you do, how do you manage that person out of the system? Do you give them 12 months after they have been promoted above a certain level to move out?

TIM BUSKENS: Firstly, I'm a little bit confused about the rental model conversation that you mentioned because it's not a rental model; we are not charging rent.

Mr STEPHEN BALI: So you are not involved in the rental side?

TIM BUSKENS: We are not providing rental—

Mr STEPHEN BALI: Let's park that because I am very mindful of time. For the shared equity model, if people purchase in and they own 70 per cent of the property—as we heard from your response to Liza's question—you don't have to buy out the rest of the house. What I do have a concern about is, because it's such a great scheme—and I look at a recent announcement in Victoria where teachers are basically the second highest group of investors. Police make the list but they are a lot lower. Nurses are about the fourth highest property investors out there. I have a concern that the model then starts to get a bit challenged if people get in through the shared equity scheme and then use the additional money once they get promoted to be able to move and to purchase several other properties, or at least one other property. Is there something that you have in there to say, "Before you buy another property, you have to buy out the rest of your shared equity first"?

TIM BUSKENS: Yes is the short answer. We do not allow them to have multiple properties. That is one of the conditions of the contract.

Mr STEPHEN BALI: But once they have purchased?

TIM BUSKENS: Once they have purchased, it is within their interests to actually pay us out. To go back to the point that was made earlier, they don't have to pay us out, but we've got the financial cash flow modelling to show that Daniel's wealth at the end of 20 years will be much higher if he paid us out earlier and then let that go. Our wealth will be great. From an investment perspective, if Daniel or all essential workers didn't pay us out, we would be looking at a bigger capital return. His wealth would be smaller. We've got that modelling. Each year we have a conversation with Daniel through the bank, and we run big compliance checks, about if he has purchased another property and what that looks like, to encourage him at that stage, to pay us out.

Mr STEPHEN BALI: But that's to encourage. If he gets good financial advice that says, "The rental that you get, you get a bit of a tax deduction if you negative gear", can you compel the essential worker to actually buy out the rest of the share before they invest in other properties, once they are in the scheme?

TIM BUSKENS: Unlike the former shared equity scheme within New South Wales, we proposed a help-to-buy model that is currently sitting in the federal Senate. There isn't a formal compulsion for Daniel to buy out within the HOPE contract.

Mr STEPHEN BALI: I'm not just picking on Daniel, by the way. It's great that he has presented.

TIM BUSKENS: At this stage, it is an annual conversation, that goes through the compliance, that looks at if Daniel has bought another property. If he has then that is another trigger for us. But assuming he is using his money wisely and he is not buying out the property, there is not a formal compulsion. But there is very hard and well-presented cash-flow modelling to show that Daniel's wealth, and Daniel and his family and two children will be much better off buying us out much quicker.

Mr STEPHEN BALI: The only reason I am asking those types of questions, and I will finish up on this point, is that the quicker people like Daniel—sorry to pitch in, Daniel—buy out the rest of the house, the more money goes back into the fund. Therefore, Peter can then lend that out to other people in the system. That is why it is good to turn it over. I'm just playing the devil's advocate there. Is it something, if we are making recommendations, to actually ask if, in the shared equity scheme, it should be mandatory, before they purchase another property, to actually buy out the rest of their house?

PETER REMFREY: I think Tim has answered that question. From the bank's perspective, if an individual came to us wanting a second property, then there would be conversations around the HOPE issue. We think it's unlikely. In housing, there is actually a pretty decent turnover of mortgages. Three to five years is actually the average. It is probably a little bit longer, we would imagine, in the HOPE situation.

Mr STEPHEN BALI: Three to five years that they hold onto the property or need the loan?

PETER REMFREY: If you look back over your own life—and I certainly do mine—you start somewhere in a small unit, then you hold onto that, build some equity, and then you move on.

Mr STEPHEN BALI: I've been married for 30 years, living in the same house I grew up in. I've only lived in two properties my entire life. I bucked the system.

PETER REMFREY: We are hoping to be able to assist early career officers in particular. Those things are likely to turn over. As we get greater volumes—hence the issue around scale—the people who might want to legitimately live in their properties until retirement are going to be balanced out by a lot of other people who will be turning over properties.

The CHAIR: I have two final questions. In terms of the \$300 million contribution, which you talk about, to help scale up the activities, that is not a capital contribution, is it? That would be an investment from the Government, for which it would receive a return.

PETER REMFREY: Correct. We will be preparing a submission for the forthcoming budget. Part of that is to say to the government, "This is an investment. You are going to get returns that you can then use to continue to invest in the scheme, or hypothecate for social housing—whatever the government wants to do with the returns on its investment." It is not an ask for a grant. It is a commercial investment on commercial terms.

The CHAIR: My last question is to Mr Jackson. Thank you for appearing today. Being a police officer and detective working for the NSW Police Force is critical to the functioning of our State. It is also a role that comes with unique demands, pressures and stress. In terms of being able to access home ownership through HOPE Housing, how important has that been to retaining you working within the NSW Police Force?

DANIEL JACKSON: I would say it's pretty critical. I think a lot of people in the NSW Police Force have thought about leaving. A lot of people have left. I was certainly one of the people who thought about it for a long time. Because HOPE Housing exists, my outlook has totally changed. It has meant that I can stay in the job and I can live the life that I want to live. All I can say is positive things.

The CHAIR: Wonderful. Thank you all so much for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for any corrections. The Committee staff will also email any questions taken on notice from today. Any supplementary questions the Committee may have will be sent to you. We currently ask that you return answers within 14 days of receiving the questions. Thank you all very much for attending.

(The witnesses withdrew.)

Ms SIMONE PARSONS, Chief Operating Officer, Bridge Housing, affirmed and examined

Mr IAN LYNCH, Group Chief Executive Officer, Pacific Link Housing, affirmed and examined

Ms MARGARET MALJKOVIC, Chief Customer Officer, Link Wentworth, affirmed and examined

The CHAIR: We now welcome our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the New South Wales Legislative Assembly social media pages. Please let the Committee staff know if you have any objection to photos or videos being taken. Although we are outside the New South Wales Parliament, this hearing is still being broadcast via the New South Wales Parliament website. Could you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

IAN LYNCH: Yes.

SIMONE PARSONS: Yes.

MARGARET MALJKOVIC: Yes.

The CHAIR: Thank you for all agreeing to that. Do you have any questions or requests for information before we begin?

IAN LYNCH: No.

SIMONE PARSONS: No.

MARGARET MALJKOVIC: No.

The CHAIR: Excellent. As part of the formalities, could you please state your names and the capacity in which you are appearing today?

IAN LYNCH: Ian Lynch. I am the CEO of Pacific Link Housing, a tier 1 community housing provider based on the Central Coast.

SIMONE PARSONS: I am Simone Parsons, chief operating officer of Bridge Housing. We operate primarily in metro Sydney but are also a key housing provider on the northern beaches.

MARGARET MALJKOVIC: Margaret Maljkovic, chief customer officer at Link Wentworth, a tier 1 community housing provider that largely operates in Greater Sydney, with a large concentration in the northern suburbs and the western suburbs.

The CHAIR: Before we begin questions, I inform witnesses that they are free to take any questions on notice and provide the Committee with an answer in writing if they prefer. If you require any clarification on a question that is asked, feel free to let us know. All Committee members will have the opportunity to ask questions.

Mr STEPHEN BALI: I want to re-explore the previous questions. Do you guys do much with affordable housing rentals?

SIMONE PARSONS: Yes.

Mr STEPHEN BALI: Good. Just working out how your selection process works—obviously we are focusing more on those defined as essential workers. For affordable housing, if you are identifying who to rent to, should we include in the affordable housing or the essential worker definition that proximity could be either time or kilometres from the workplace? Should that be included?

SIMONE PARSONS: I'm happy to maybe give some history just on how we typically deliver affordable housing, which will often be with a local allocation strategy, which will define, if there is an essential worker component of that, what that comprises of. Bridge Housing, through our affordable housing not-for-profit provider, HomeGround, has done that for local governments such as Canada Bay Council, where we had categories of worker that were defined in there, because it was neighbouring a local hospital. Proximity has certainly been important to the owners of those properties when we're considering who to accommodate, but not exclusively. At the end of the day, we're trying to solve a housing need. So, on occasions, because of the complexity of applying the housing guidelines and income limits and other things, it shouldn't be the sole factor. It could be a factor.

Mr STEPHEN BALI: The other element—and you just touched on it. So a person is assessed, they become one of the tenants in the affordable housing and that's obviously because, as you start your career in

nursing or policing or teaching, your wages are not wonderful. But, as you get promoted through the empire and with longevity in the job, you obviously hopefully end up on a lot more than the average wage. As a person heads up to a certain level—I don't know if you have level constraints—how do you manage that person out of the affordable housing and encourage them to move? Once you are in there, are you in there for life? Or do you move the person? How do you move a person on? Because obviously there are dislocation issues and everything else.

SIMONE PARSONS: I would say, from Bridge Housing's perspective, and talking on behalf of HomeGround, yes, there are income thresholds that make you eligible for housing, so, as you move above those—and hopefully you do as your career progresses—then it is possible that you will relocate and find alternate housing in the community. Having said that, we're not in the business of moving people into housing stress, so, where we can, we might seek to be flexible and adopt a case-by-case perspective. I think it's an interesting question you ask, in terms of whether the categorisation is essential worker and that's the key defining factor, in which case it would almost sit outside of the affordable housing guidelines, and be a different targeted subsidised accommodation. But within the affordable housing guidelines, we can allocate to essential workers, but they're going to have to comply with the guidelines, which means that, if their income increases over time, we will need to have an end of tenancy. That's a conversation, particularly with recent changes.

Mr STEPHEN BALI: Regardless of how you define essential worker, if I've ticked the box for affordable, I'm living there, my income levels go up—I know you don't want to create, and none of us want to create, housing stress. But there is housing stress for the person who is the next generation, coming in at the junior level, and there are not enough houses.

SIMONE PARSONS: That's right.

Mr STEPHEN BALI: So someone is going to be stressed in this environment probably for the next 10 or 20 years as we try to bring all the houses online. If my income moves up, how do you manage me out of affordable housing?

MARGARET MALJKOVIC: It depends on the scheme, and it depends on who you're leasing it for. Some are time limited so it might be three years, five years. Some, like the NRAS [National Rental Affordability Scheme], you have to comply within the income limits. If you exceed the limits, then you need to move people on, and you give them notice. The way we manage it is we're very up-front with what the conditions are when they first come in. We assess people as they go, and as community housing providers—I mean, this is our approach and I'm confident the rest of the sector does—we work with people along the way, so that there are no surprises for them.

We are flexible. If there is a guideline with a particular owner, or whoever we're managing it for, that causes stress for the person exiting, because there is difficulty exiting, we would negotiate with them for additional time or something like that. Short answer is that, as people's income goes up, depending on what the housing form is in the guidelines, we do move them on, but we do it in a way that's respectful and reasonable. I have to call out that it is extremely challenging in this current environment, because it's difficult for people to move on. I think you're probably alluding to whether there should be a category for "essential worker". Would you like me to answer what we think?

The CHAIR: Yes, please.

MARGARET MALJKOVIC: We kind of think maybe no; or if there is one, that it's flexible enough to take into account the local conditions, local needs, local industries, and what are we trying to do. With essential workers—and this is something we've all seen, and you were talking with the police before—people cannot live close to where they work, so they either have really awful conditions, travelling long distances, isolated from their families, and you need them for these industries. That's a category of need, and that is very local and market based. In a way, you're supporting society as well as supporting individuals. But affordable housing is the cohort that you're talking about—people on lower incomes who need affordable housing to eliminate housing stress. We would say it's very difficult to lock in a condition. If you do, please be flexible to meet the needs of industry as well as workers. Again, we'd probably all say we need balanced social and affordable housing and housing for essential workers, because we are in a housing crisis. That's a very long answer, sorry.

Mr STEPHEN BALI: No, they're all good points. This is probably sounding not great from what I'm asking, but I'm trying to dive in. Self-interest drives the vast majority of the population—just as I was driving here, people were cutting me off nonstop—whether from small to big. There is the income level that you earn. Do you look at the gross income of that job or—I can imagine someone living in affordable housing and paying something like 20 per cent to 30 per cent lower in rent. They get promoted and technically click the mandate to have the discussion, over the next six to 12 months, to move them on. But if I then go to an accountant and buy a

negative-gear investment property, which lowers my income, are you looking at total income or are you looking at the job income?

IAN LYNCH: We're certainly looking at pay slips. We can't cite tax returns, as part of policies and processes; it's definitely pay slips from the employers. On this point, I would add that, where there is the focus of this Committee, and the terms of reference, focusing on key worker housing, there's an assumption there we're talking about single-person households. There might be a childcare worker married to a lawyer with a household income of \$400,000. Where this focus is on key worker housing, there's an underlying assumption that we're talking about single-person households. Where the "affordable housing" definition and income eligibility is focusing on household income, I would say that is definitely up for higher consideration in anything that would be focusing on key worker housing.

SIMONE PARSONS: I would add to that to say that where we are looking at couple households, then you're relying on one member of the household working part-time—we might be talking about new parents—but, again, the same time limits apply that Margaret has referenced.

Mr STEPHEN BALI: It could be a person who is divorced and needs to pay support or maintenance. There are a lot of complications, which you would not know about, because you don't get the tax return and all that stuff.

SIMONE PARSONS: That's right.

Mr STEPHEN BALI: Is that actually included—the maintenance payments?

SIMONE PARSONS: No. Pay slips.

The CHAIR: Before I hand to Ms Butler, I apologise for not offering you to make an introductory statement. If any of you would like to make such a statement, maybe we will do it as a concluding statement at the end. Or, if you have something prepared, we can also just provide that to Hansard. We were just all really keen to get right into questions with you all. I apologise for our excitement.

Ms LIZA BUTLER: Thank you for coming here today. Can you clarify if it is 30 per cent of the gross or the net income?

SIMONE PARSONS: Can we take that on notice? I think that's a great question. Although we can't give you that answer up-front, our teams absolutely could.

MARGARET MALJKOVIC: We could look up the guidelines. It would take a bit of time.

Ms LIZA BUTLER: What are the biggest barriers you are experiencing in delivering affordable rentals to people in the community?

SIMONE PARSONS: I would say the availability of properties—so supply. Supply has got to come first. Whether it's social or affordable housing, either housing type requires a subsidy of some kind to be able to deliver the stock. While we're making progress in that area, in terms of planning changes and other requirements for uplift or inclusion of affordable housing and new properties, the current operating environment and the guidelines are complex. I think local experience and local allocation strategies are the best way to get the mix right. Community housing providers are really well-placed to source and provide affordable housing in the right way.

What I'm trying to say is, rather than, for example, in a new affordable housing development, making one or two units available for delivery of affordable housing, many CHPs [community housing providers] would find that we are able to provide some uplift, or further increase that affordable housing, if it's provided to us as a financial contribution, that we can then look to deliver affordable housing in a different type, so we avoid strata fees and other complications that I'm going to pass to my friend Ian to give you some insights into, because I think that's worthy of exploration—but housing type and general supply, and all of the incentives to be able to construct and deliver with a subsidy.

MARGARET MALJKOVIC: I have to add that supply is absolutely the biggest challenge across the board. The challenge—if you're looking at what's stopping us or what is the problem, the problem is that there is not enough. There is about a 1 per cent vacancy rate of rentals, so it's forcing a lot of competition into that space. What they call a balanced market should be around 3 per cent. That means that it neither favours—you already know that, I'm sure. Because it's been so unbalanced for such a long time, you might even want to have a bigger supply, but supply is the biggest factor. As Simone was saying, for us as community housing providers, our sole purpose is to provide social and affordable housing. The barriers for us are access, land, finance, and the cost and the complexity of tendering. We've got the capabilities to manage, and we've got the capabilities to develop and provide, but in the availability of land and financing, there is a subsidy gap, which Ian will be fantastic at explaining. That's the challenge for community housing providers.

The complexity of going through a process of tendering, putting up bids, working out, getting something allocated—I have to say, working in this sector, the amount of time and resource that goes into that I find quite frustrating, because I would like to be providing housing. That money could be spent in that space. The other thing I might just add is partly my opening speech: I've worked in this sector for 30 years—in government prior to community housing, and in senior management operational roles—and I have never seen a housing crisis like this. It has affected every single cohort, and every cohort that is affected impacts on everyone else. The lower income people and the people who are on lower wages often can't compete as well with people who are on higher wages, who are taking up the very scarce supply. There are people who have no financial constraints but simply cannot find homes to live in. That's the nature of our market. Supporting the supply is the biggest.

SIMONE PARSONS: If I can maybe give some further context to that because Margaret's spot-on—if I look at our overall portfolio, we manage 400 affordable housing units and 3,500 social housing properties, so affordable as a proportion of the overall housing in this space is obviously much smaller. I think that's going to change very rapidly, so I think the Committee has come at the right time, in terms of getting us to consider these issues. What's interesting to me of late, as a housing provider on the Northern Beaches—noticing our local MP in the room, too—is the demand just continues to increase, across all sectors of the community. The responses that we're then seeing, from services that typically would be providing support to the most vulnerable in our community, are actually looking at their meanwhile-use projects, so temporary projects to deliver key worker supported housing. I'm happy to provide some additional information to the Committee about services that would be worthy to talk to. But it is interesting that they're seeing that the gap for them is the key worker space as well.

Ms LIZA BUTLER: Do you have much buy-in from the private sector—for instance, through real estate agents—to provide affordable rentals?

SIMONE PARSONS: That's a constant part of our business. I'll hand to Ian.

IAN LYNCH: In terms of the private sector, private owners, and private agents, to the extent that there's no subsidy top-up, there'll be zero interest. Affordable housing is rental housing at a discount. To the extent that a private owner is going to be asked to foot that discount, there will be no chance at all, unless the market was going to bend down based on oversupply, which is clearly not the case.

SIMONE PARSONS: The only addition to that I would have is that our home ground real estate is a not-for-profit real estate which has a for-purpose statement. There is a small tax incentive to people who want to provide their property to us to manage at a reduced market rate, but the numbers are really small. It's very costly for us to both secure—because we're talking about one or two properties that are one property, usually—and we're wanting to provide a great deal of support and customer service to that particular property owner. So, yes, hard work.

IAN LYNCH: My thoughts on your initial question about the challenges to supply—I would say that, materially, the only challenge or the only inability to deliver is the cash that goes into a capital stack to make a project viable. Community housing providers are the most unique entities that are equipped to deliver subsidised housing into the market—whether that's social or affordable, from the local roots and deep understanding of local communities; through to the ability to leverage the assets, which is unlike a state government; through to the ability to garner opportunities from all levels of government; charitable status, so land tax is not a problem, unlike the private market; and then a highly regulated environment as well. All those tools in the toolkit—to put them to work to deliver subsidised affordable housing and key worker housing, as a sector, the only constraint is the cash.

MARGARET MALJKOVIC: Could I add a little bit to that one? I think you're asking if in the private sector there might be groups that are interested, or individuals. I have to say that there are. There are small numbers and, unfortunately, we do make it difficult for them. If there's a way of tapping into philanthropy, we have quite a large NRAS [National Rental Affordability Scheme] portfolio that is starting to fall off. We worked very actively to try and retain that. One benefit an investor has is if they've got a stable tenant who pays rent and looks after the property. Usually, at the end of that period, we've been able to say, "Look, if you put the rent up a little bit so that you're covering your costs, but not right to the full market," and we've been able to retain it.

We've aggressively been trying to do that, and have been able to retain a very small number, but there are people out there. I have to say, from my perspective, anything that we can do to make it easier to provide more housing to meet a need, including tapping into supporting the community. My colleague was talking about meanwhile use. That's another area that we've worked in, where more housing has been made available for a period of time because it's not currently being used by the owner for whatever reason—development or something. Again, there's red tape and complexity, but that is something that, if that could be simplified, is another alternative. As well, you've got some really great submissions in there, about people with some really creative ideas about secondary dwellings to support vulnerable relatives. I would say look at all of it; there are some really great ideas there.

Mr JAMES GRIFFIN: Thank you for being here. Obviously, you all have great, deep sector expertise. I've seen firsthand the outstanding work that you do for our community on the Northern Beaches. We've addressed the supply issue as being one of the main fundamental concerns and challenges. Unpacking that has, in part, been addressed. One of the main comments was around the simple complexity that exists in the system. From a local perspective, the Queenscliff Health Centre site is illustrative of the red tape and the complexity in grinding something to a halt. What lessons can we take from that and how would you apply that into a recommendation potentially from the inquiry? If there was one barrier that could be smashed down or removed, with the benefit of hindsight of how Queenscliff has unfolded, what do you think that would be?

MARGARET MALJKOVIC: One is a bit hard. Planning, finance and I think also community education. Those could be areas that could improve a pathway. Sorry I couldn't narrow it down to one.

Mr JAMES GRIFFIN: That's okay. The Member for Blacktown has been quite educative to me in the sense of the issue around land value on the Northern Beaches versus that of Western Sydney, and therefore the viability of the project. You also mentioned at the beginning the ability to be agile and nimble in terms of the definition of a "key worker" based on the different geographies of New South Wales and Sydney. It seems that there needs to be a reflection of the stack, as you called it, to deliver some outcomes on the basis of are we doing something here on the northern beaches versus the land value in western Sydney. What would be the takeaway from that for us?

MARGARET MALJKOVIC: I've got one.

SIMONE PARSONS: I think we probably all have something on that.

MARGARET MALJKOVIC: We're all really excited about it.

The CHAIR: We've got time.

MARGARET MALJKOVIC: One of them is, I do think we need to look at the affordable housing guidelines. They have got limits to the rent setting. If it's a reduction from market, it is not affordable in those high-cost areas. I think that's probably an area we need to look at, given that there is a floor-space ratio benefit. I don't want to oversimplify it, because it still needs to be viable for whoever is developing and supplying the housing, but that would be one thing that I would have a look at. Land availability—land being made available—or some sort of finance that reflects the areas would be wonderful for community housing providers, because there really is a need for key workers, and there is a need for a healthy community to have a cross-section of cohorts living together harmoniously in one place. We constantly experience people who are priced out of this area, and it's heartbreaking to see, including people who have lived in the area for 20 or 30 years and, through circumstances beyond their control, can't afford to continue renting privately, or lose their homes, or can't afford to service their mortgages.

SIMONE PARSONS: As a local housing provider on the Northern Beaches, I would reflect that our not-for-profit real estate and their 400 properties—I don't know that we have a single property managed by them on the Northern Beaches. They are largely delivered west and east. East would be more comparable to some of the rents and pricing of the Northern Beaches. In terms of the social housing that we deliver, there are planning issues, in terms of seniors living classifications. They're unlikely to be our essential workers, even if they're working casually and contributing to the local economy. Then our attempts at development—certainly there are planning challenges, and there is a need to recognise that, if we're going through competitive procurement processes with other areas of government, and government is looking only at the key number of properties delivered rather than an equity in delivery of those properties across the state, it's very hard to get a property on the Northern Beaches to stack up against a property in the west or the south-west. That's really important.

It's probably a setting for Homes NSW, in terms of land availability, to redevelop and uplift some of the properties that they may own, there's opportunity there. I guess what that points to is, it's not one quick fix, not a single answer. The answer is probably about collectively looking to, with a single focus, on more supply, some of which needs to be affordable housing as well as social. We need to work together to resolve those issues. So, yes, a focus on equal availability in all LGAs across the state would be an interesting addition to any of the procurement processes.

IAN LYNCH: My point sort of feeds straight in off the back of that. Key worker housing is a subset of affordable housing. The need for affordable housing—generally it is just one cohort that we're talking about. Key worker housing, as it's known, is as much an income affordability issue as it is a geographically supply issue. The Northern Beaches is the best example. The extent that there has been housing targets set by LGA by the state government, it will be very beneficial to set affordable housing targets and, to the extent of the outcomes of this Committee, a subset of that being made available to key workers.

My point on that is, in terms of that by LGA ownership, in reading the submissions from the councils across the footprint in which we operate—the Central Coast, Lake Macquarie, Newcastle, Cessnock et cetera—they noted the difficulty, and the time and investment required of them as a council, to put through affordable housing contribution schemes, of which some of the more advanced and progressive councils in Sydney, in particular the Inner West, have already done. But to the extent in terms of red tape, that is one which would be, you would think, a quick win where state government can come to the party and almost mandate—or I would advocate for mandating—affordable housing contribution schemes in every LGA, with targets that are aligned to the workforce and the work types in those LGAs.

MARGARET MALJKOVIC: Could I add "and retained in perpetuity"?

SIMONE PARSONS: Yes, I agree.

MARGARET MALJKOVIC: So, transferred to community housing providers, and managed in perpetuity, as opposed to—we're currently facing the NRAS [National Rental Affordability Scheme] cliff, so any time limit means at some point down the road that stock will be unavailable. Yesterday I spoke to one of my staff who had to inform somebody that they had to move out of their NRAS home. She talked to me about how heartbreaking it was to listen to that. That person had lived there for quite some time, and was crying and quite distraught as a result of that.

SIMONE PARSONS: There are a couple of councils that provide a great example of those affordable housing plans—where it involved the City of Sydney, on delivery of their affordable housing. As Margaret mentioned, there are great templates for us to draw from—we don't have to reinvent this—where we can look at how that's working well.

The CHAIR: That's wonderful. Margaret, I have just connected it. We worked together when I was first elected and you were within government.

MARGARET MALJKOVIC: In the city.

The CHAIR: That's right. It's good to see you again. In terms of the delivery of essential worker or affordable housing through CHPs [community housing providers], I'm interested to know the challenges and opportunities that you faced, when it comes to delivering greenfield sites, the challenges around brownfield sites—so taking over existing dwellings—and also when there is handover from Homes NSW to CHPs. There's a lot in that question, but I'm interested to see in terms of the stock that is easier to deliver, why is it easier? And, for the stock that is harder to deliver, what can be done to make that easier?

IAN LYNCH: Starting with greenfield, when the CHP is a developer on a greenfield site, which we are currently, on one site in particular, it's eye-opening to the challenges of developers of other greenfield sites. Everything from flooding to bushfire to ecology, which is the golden triangle of pain, it's horrendous. The red tape and bureaucracy through the different agencies that are responsible for approvals, and the examples of following procedure rather than legislation, it has been quite the journey, and we're not at the finish line yet. The alternative to that is where, through mechanisms like an affordable housing contribution scheme, greenfield sites and greenfield-type delivery can be done through an existing development that has already gone through the stages, and it is subdivisions and the like.

In terms of infill and brownfield sites, I would say it's much more straightforward. We're not working in metro Sydney, so things are a little bit easier to construct, in terms of site constraints and things like that. Generally, the material thing can be a little bit of community pushback. That's often because we do mixed tenancy that includes an element of social or affordable—and sometimes market-rate—rental as well, which we hold in perpetuity, and then leverage to garner the benefit of another 45¢ in the dollar invested.

SIMONE PARSONS: There are not many greenfield sites in metro Sydney, but in terms of the infill sites, certainly, and the cost stack and the planning and the time frame, I would say, are the biggest challenges. As community housing providers, our engagement with community is at the heart of what we do. I think we do that far better than other developers. It's in-built into part of our process in quite a meaningful way, and we have skilled staff who deliver that. It's not process-specific; it's just part of how we work. We are working to deliver a site in Redfern, which is in partnership with government, and it has multifaceted complexities which are about trying to maximise social and affordable housing on that site. We continue to work through that. Acquisitions probably are where we get the quickest delivery of affordable housing, because we're looking at an existing—maybe, as Ian said, it's property that has been developed and is ready on the market, and we're just able to target that delivery. Again, it requires some investments and subsidy from government to bring that onto market as part of our portfolio.

MARGARET MALJKOVIC: I have nothing to add. Queenscliff—I was just remembering the process that we had to go through, to demonstrate that it was appropriate and suitable and not flood-prone, even though there was housing all around there. It feels like we have to prove a little bit more as a community housing provider to go through the planning processes. It is much more straightforward if it has already been built and developed and then is transferred to us. But, notwithstanding that, we still have the capability to work through with the community and deliver.

SIMONE PARSONS: I would also add—and I know it's not the focus of this Committee—we have all been involved in the delivery of meanwhile-use housing, and you don't leave an asset empty. In the current market, regardless if it's a re-use and there's a refurbishment, no government assets should be left empty.

MARGARET MALJKOVIC: I strongly support that.

SIMONE PARSONS: And that's not just assets held by Homes, but I would say we have assets held by Health and other parts of government, and I know that there is work being done to address that. But there is merit in refurbishment for time-limited while other development plans are put in place.

MARGARET MALJKOVIC: Even councils could highlight that to anyone putting through a development application. Private properties that are also going through the planning process of financing would be worthwhile.

Mr JAMES GRIFFIN: On the golden triangle of pain—

The CHAIR: That term will make it into our Committee report—don't worry!

SIMONE PARSONS: A new term for the golden triangle.

Mr JAMES GRIFFIN: Obviously bushfire, flood, and ecology reports are all eminently sensible things to do in isolation and together, but has it become, essentially, a box-ticking exercise in many respects? Red tape was mentioned before—is it one of those things where, of course no-one is saying a bushfire report shouldn't be done in an area, but at what point does there need to be a change to reduce red tape and say, "This is no longer fit for purpose and it's a massive handbrake"? I'm not picking on those three things.

The CHAIR: Sorry, can I just add into that, just in terms of a time frame provided to a CHP, is it a never-ending story or is it within a fixed time when you know you will have that approval?

IAN LYNCH: Councils—so we're told—cannot treat us with any special treatment. In terms of the box-ticking, 100 per cent, the right checks and balances need to be done. But the pain comes through the risk-averse nature—that the boxes are being ticked—and the buck-passing between departments, or departments within a department, so the ownership. What I would actually call out, which has helped us on this particular site, is DPPI [the Department of Planning, Housing and Infrastructure] has created a CHP concierge to assist CHPs to unblock the bureaucracy. That has been helpful, even though we remain in the triangle of pain.

To give you an example, the first bushfire assessment that was provided to us, when it was modelled out, indicated that, to reach a 100-metre-wide bushfire front with a five-kilometre run to build up to the appropriate intensity, it needed to start at about Woy Woy train station and run over all the built-up, developed land, to then run over the top of this small patch of bush, and that was the buffer zone that was required, which would halve the built form of the development. Another example is a one-in-100-year flood. Do we, in the time of a housing crisis, want to change or significantly add exorbitant cost to a development for a flood that may or may not happen at some point in time in the next 100 years, or do we want to provide an accommodation outcome now? It would be good if the ownership of that risk could be passed back to the applicant rather than the assessor.

Mr STEPHEN BALI: I think that opens up a whole Pandora's box that we can look at. Can I ask—

Mr JAMES GRIFFIN: But do we want to fix it or not?

The CHAIR: I think Ms Parsons was just going to speak.

SIMONE PARSONS: I was just going to add that I think there is opportunity too to look at modern forms of construction, and particularly addressing some of those risks. We have been involved, through partners in our community, with the delivery of modular units, to deliver an outcome quickly. I think that's an area worthy of investigation because the technology is getting better and better, and there are possibly materials and other things that should be considered.

IAN LYNCH: I would just put a caveat on that statement. I understand the Pandora's box—so some sort of threshold. Obviously it needs to be safe and appropriate. But when there is appropriate—if we are talking about potential—I won't even go into it.

Mr JAMES GRIFFIN: I get you.

The CHAIR: Before I hand over to Mr Bali or other members for other questions, in terms of the length of time that the planning processes and assessment processes can take, in your experience can that impact the viability of a project and the investment from non-government sources?

MARGARET MALJKOVIC: Absolutely. The prices go up. You get your finance, at one point, or a grant. Prices skyrocket, and it's no longer viable—that's a short way of saying it—because it does take so long.

Mr STEPHEN BALI: Same topic but a different area. Affordable housing—there's three levels of income: very low, low, moderate. Moderate people—their income is between 80 to 120 per cent, which you know, of median household income. A person that qualifies for that affordable housing has to fit into one of these three criteria. Do the CHPs actually need to report what's the percentage break-up that you actually rent out to people in the very low, low or moderate? To play the devil's advocate, a person earning 120 per cent of the average wage or median wage, especially as you move into the northern beaches, where the rents are higher—generally it's 20 or 30 per cent below mark-up. What's the markdown to be in affordable rental space you'll be renting the properties out for, ignoring social housing? How do we know the break-up of how many of your clients are in the very low, low or moderate income levels?

MARGARET MALJKOVIC: It varies. It's an area that could be better regulated and better done.

Mr STEPHEN BALI: There is no regulation.

MARGARET MALJKOVIC: Yes. It should be regulated. Data should be collected, and it should be monitored, because it's a social good provided. There's some sort of either a grant or a benefit of floor space ratio, so I'd encourage that to be strengthened. In terms of the limit, I was looking at the Northern Beaches as a really good example. I think the upper limit would be a family with four children, maybe earning about 190,000 for the whole household. An affordable dwelling would be 1,200, roughly, per week for them to live in. There's nothing available in the area, or they might be able to get a two- or a three-bedroom unit, which means that, even at that upper level, they're still not living in optimal housing for a household or their size and their income.

Mr STEPHEN BALI: Going away from an area, right now there is no data—there's been a debate in Parliament recently about a couple of bills that were put up, about the importance of affordable housing. We've talked about how much do you set aside, which is also another huge debate. But if the government says 20 or 30 per cent, if The Greens are saying 50 per cent—making up a number—of all future housing has to be affordable, there's three income categories, there is no incentive right now or no check or no split that very low income households or low income won't get it. You'll just give it to the moderates, and the moderates goes up to 120 per cent of the median income. I just think it's actually a bad policy.

MARGARET MALJKOVIC: You're right. I'd have to say it's worth looking at that.

SIMONE PARSONS: I agree.

MARGARET MALJKOVIC: I can tell you, as community housing providers, we don't play that system. The last lot of affordable housing, the last few vacancies—again, my staff have told me who've they selected. We had one where there was about 80 applications. They identified a very needy family, a single woman who would really benefit, had children with disabilities. So we do take the extra measures to make sure that that housing goes to the people in need, but it's because we are—

Mr STEPHEN BALI: Is that one in 100? Or is it one in 10, one in two?

MARGARET MALJKOVIC: I guess I'm saying I think that you're right. If it is it very loose, and if it's not in a market that has a social purpose, then it is something that could end up gravitating towards housing only the higher incomes. And the other thing that could happen in that space is, calculating the rents, you could overinflate them. If it's not an ethical or regulated market, you could say the market rents are a little bit higher than that, and 20 per cent reduction from a very high rent is not really affordable.

Mr STEPHEN BALI: Is it generally 20 or 30 per cent?

MARGARET MALJKOVIC: It's 20 per cent reduction. It depends. It varies on different programs and things like that. But it's—

Mr STEPHEN BALI: Yes. Ballpark.

IAN LYNCH: With the ministerial guidelines for affordable housing, it's got two levers, I guess, to it. One is the rent setting, which needs to be at least a 20 per cent discount to the median rents, not a market rent, of that product type in the area. And then—

Mr STEPHEN BALI: Is that in Sydney, or would it be the Northern Beaches?

IAN LYNCH: It's by postcode or LGA. Then the result of that rent-setting based on that calculation needs to also crosscheck that it's not going to result in more than 30 per cent of the household income being spent on rent. Because it's not income-based rent-setting, there shouldn't be a risk that lower income households within that range are disadvantaged to the extent—the Northern Beaches being a good example—that the median rents in that area are going to be higher.

MARGARET MALJKOVIC: It's a catch 22.

Mr STEPHEN BALI: Therefore, affordable housing is skewed, in the Northern Beaches, to the person with a moderate income.

IAN LYNCH: Exactly. Yes, correct.

SIMONE PARSONS: Or you can't find a match.

MARGARET MALJKOVIC: Or you can't find someone who can afford it.

SIMONE PARSONS: If I were to have the licensee of our not-for-profit real estate sitting in front of you, she would say we need to increase the income limits, so she can find the people for whom all of those things line up. I would balance that to say, if that was the only direction then, as you mentioned, we run the risk of tailoring to the upper end at the risk of our low incomes. The other thing I would say is that we sit before you as not-for-profit CHPs, so it is within our for-purpose and our charitable status, and it is our mission—more homes change lives. But, increasingly, there are for-profit CHPs who don't necessarily have that ethical, value-driven perspective, and so may skew. That is something to consider and, certainly for properties held in perpetuity by a CHP, I think we are certainly looking at the not-for-profit CHPs that should be delivering that.

Mr STEPHEN BALI: To bring it directly back to our Committee, we are focused on the essential worker. Therefore, your baristas who are struggling—

MARGARET MALJKOVIC: It's a catch 22.

Mr STEPHEN BALI: Do you actually red-circle—it's got to be beyond police, nurses, and teachers.

IAN LYNCH: Yes.

MARGARET MALJKOVIC: Strongly so, yes.

Mr STEPHEN BALI: It's whoever works in that area—

SIMONE PARSONS: That's right.

Mr STEPHEN BALI: —and they are the ones who would probably be on that low-income basis which you would not get on the Northern Beaches, I suppose.

MARGARET MALJKOVIC: And the catch 22; the rent is too high.

SIMONE PARSONS: We will often find, in terms of those income thresholds, that an enrolled nurse may be eligible while she is an enrolled nurse. As soon as there is any pay increment, she is no longer eligible. I think that's where we started the conversation.

Mr STEPHEN BALI: My final question—there are a lot of questions. I should probably submit some questions.

The CHAIR: You can always ask them on notice.

Mr STEPHEN BALI: Have you received any feedback? We've heard from some people that if you put aside 10, 20 or 30 per cent affordable housing, developers are a little bit concerned, arguably, to say that they need the rest of the block to try to generate more income because, in the end, they've got to make a certain amount of profit. Their concern is that if people know that 20 per cent is for social or affordable housing, then it is harder to sell the rest of the block. Are you suggesting that, potentially, you're better off having a dollar amount that councils collect and then pass onto CHPs to build their own block as opposed to it being a few units within the block?

SIMONE PARSONS: Either is possible. It depends how many facilities the block has and what the strata fees are, but I'll let Ian go through that. That's probably the higher risk of the small number of units in a bigger block. I would say that, because of how common the debate is around the housing crisis now, we're doing quite well, I think, at reducing the perception around affordable. I think, in fact, that the conversation around essential workers probably assists that.

IAN LYNCH: I wouldn't say it impacts sales on the other 80 per cent that they're going to flip. I'd say it's more a question of who is going to own those affordable housing units that they're required to produce, in the long term, and what is the sale price. That's what the developer is really talking about. So someone needs to own those things and, based on some sort of purchase price, honour that reduced rental income for, ideally, perpetuity.

The CHAIR: Could I go back to my prior question? Both the Member for South Coast and I have examples in our electorates of land and social housing being handed over to community housing providers. I will maybe ask you to talk about how that process is for CHP and also how that process is in terms of allocation to potentially essential workers and obviously the challenge that can exist with those properties not being properly maintained while they were a government-owned housing site.

MARGARET MALJKOVIC: We've all had social housing management transfer.

IAN LYNCH: Not me.

SIMONE PARSONS: Margaret and I both have. We are part of the delivery of what was public housing on the Northern Beaches and northern Sydney, and is now community housing operated. Community housing has been in the business of managing properties on behalf of government for many years—for its life. I think the benefit is that our ability to unlock CRA [Commonwealth Rent Assistance] means there is capacity to invest in maintenance and property upkeep. Certainly all of the CHPs that were part of that social housing management transfer invested heavily in bringing those properties up to a better standard.

MARGARET MALJKOVIC: I think you're alluding to the condition of the social housing stock, and it is probably a separate inquiry.

SIMONE PARSONS: I agree.

MARGARET MALJKOVIC: There is an issue around ageing stock that is no longer fit for purpose and a need to reinvest and reinvigorate that. That does also impact us. As my colleague said, we do have the additional CRA funding which allows us to do more. As someone who has worked both in a bureaucracy and in the community housing sector—and a very long time in a bureaucracy—the flexibility and the add-on services that are tailored to the local communities is something that I find very rewarding in the community housing sector. Working with communities and with vulnerable people and being able to be creative and, as a former bureaucrat, not so much red tape to get things off the ground has been really wonderful. That's a really great thing about our sector. The public housing system is also really important and critical as well. Again, that's for another inquiry.

Since we are talking about the community housing sector, we are positioned and very capable of managing social housing, affordable housing and key worker housing. We can develop and we can manage. We've got all those capabilities. We've been around for 40-odd years and have grown quite significantly. I think it would be worth looking at countries like the UK where they have a very advanced and developed spectrum and some really great things that the government did there in terms of transferring ownership and really building that sector. Australia could look at adopting some of those policies. Strengthening our sector would help increase supply.

The CHAIR: That's a good point to finish off with. Thank you all very much for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for any corrections you would like to make. The Committee staff will also email any questions taken on notice from today—I know there was one at the beginning about the 30 per cent gross or net—and any supplementary questions from the Committee that we may have. We kindly ask that you return these answers within 14 days of receiving those questions. Thank you all so much for appearing today. We greatly appreciate it.

(The witnesses withdrew.)

(Short adjournment)

Mr DANIEL PERIC, Research and Policy Official, Transport Workers' Union of NSW, affirmed and examined

The CHAIR: We welcome our next witness. Mr Peric, thank you for appearing before us to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the New South Wales Legislative Assembly's social media pages. Please let Committee staff know if you have any objection to photos or videos being taken. Today's hearing will also be broadcast via the Parliament's website. Could you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

DANIEL PERIC: Yes, I have.

The CHAIR: Do you need any information or do you have any questions for us before we begin?

DANIEL PERIC: No.

The CHAIR: Would you like to make an opening statement.

DANIEL PERIC: Yes, please. Good morning, my name is Daniel Peric. I am the Research and Policy Official at the Transport Workers' Union of NSW. I would like to begin by thanking the Committee for the opportunity to speak here today. Given the Northern Beaches remains the priority of this specific hearing, the TWU acknowledges that social and affordable housing have remained at lower levels in the area compared with the rest of Greater Sydney. Consequently, despite the everlasting need for essential services on the Northern Beaches, the workers behind these tasks cannot reasonably manage to live in the area, as affordability continues to evade their reach. Notably, the Northern Beaches remain a rare case in metropolitan Sydney where there is an absence of convenient or direct rail connections. As such, public transport is primarily provided by buses, with ferry services also being present. The TWU applauds the Committee for its genuine interest in addressing the impacts on essential workers in the Northern Beaches and wholeheartedly supports the idea of accommodating essential workers in this LGA.

On a broader note, the TWU raises that the New South Wales Government revised the very definition of essential worker. Though there is no consistent definition, certain public service workers are classified as essential, such as nurses, teachers, police, and emergency personnel—and rightfully so. However, the TWU believes that there are other critical occupations that should be considered essential in an official capacity. In transport, this extends to the likes of waste workers, who keep the streets clean by maintaining public sanitation, all the way to road transport drivers, who ensure our supermarket shelves are stocked. During the COVID-19 pandemic, numerous transport occupations were considered essential, but the absence of a pandemic does not erase the fundamental nature of the tasks these workers provide. I welcome any and all questions from the Committee and will aim to answer to the best of my ability.

The CHAIR: Before we get into questions, I just wanted to say that you are welcome to take any questions on notice if you do not have the information on hand or if you need some more time to think it through. That is open throughout today's hearing.

Ms LIZA BUTLER: I know today we are focused on the Northern Beaches, but I am from a regional area of New South Wales. Are there particular areas in New South Wales where your workers tell you that they are really struggling to get housing?

DANIEL PERIC: It's a bit of a mixed bag because, considering all the industries we cover, we could say there are a lot of areas where that's an issue. I'd say one of the most prominent areas that come into my mind where there's a big gap in distance between where they live and where they work would be workers at Sydney Airport. That tends to be a big problem, where they have to commute a very long distance. Often they don't have the luxury of being able to catch a train or even a bus, so then they're required to drive in. It's also the case for bus drivers. I can't say for certain—nor do I have any data for what I'm about to say—but I know for a fact that a lot of bus drivers that work on the Northern Beaches wouldn't be living on the Northern Beaches. Given what I raised in the opening statement about the lack of convenient public transport to the Northern Beaches from outside areas, that does prove to be a bit of a problem or just a complication for them actually trying to get to work. I can't necessarily raise specific areas, but it is something that we know is an issue in general, at least in industries we cover.

Ms LIZA BUTLER: Are you seeing more job vacancies in transport—those positions you spoke of being harder to fill because of a lack of housing?

DANIEL PERIC: I think a lack of housing does contribute, but there are broader factors to consider. I can speak for buses, for example. I think housing is an issue that contributes to that, but then we have to look at the other side of things as well, like the actual underlying issues within the industry contributing to things like the bus driver shortage.

Mr JAMES GRIFFIN: Thanks, Daniel, for being here today. You've hit the nail on the head in terms of demonstrating a real impact that has been felt by citizens right up and down the Northern Beaches with respect to essential workers, being bus drivers, not being able to live and work on the Northern Beaches. I understand from the bus operator that, somewhat ironically, they have to charter a bus to get bus drivers from the Central Coast to the depot at Brookvale to do their job. Obviously, a clear failure of the system is very visible there. I think that demonstrates one of the clear challenges that we have been discussing, which is the need to be a bit agile in the definition of an essential worker, and that it should reflect the different geography of the state.

As the Member for South Coast said, she'll obviously have a different cohort of people that are under housing stress in the key workers down there. We heard previously from HOPE Housing, who particularly look after the police. Their view was that the definition of an essential worker should essentially act as a guide. Is that a view that you'd support, or do you think that it should be a pretty firm list, or one that might change based on the different geography of Sydney?

DANIEL PERIC: I think having it serve as a guide is certainly feasible, but I do like the idea of having a concrete definition that could potentially vary by LGA. I understand that maybe a certain geographical area will have differences in what they will consider an essential worker. I can take what we raised earlier about the public transport situation here in the northern beaches. Other areas in metropolitan Sydney tend to have rail connections, so you may consider that those areas have numerous options for public transport, whereas the Northern Beaches doesn't, so maybe we should view public transport and bus drivers in the Northern Beaches a little bit differently.

In our opinion, we think that the definition of essential worker should effectively come down to something such as a worker or a task that drives the core functions of an area. The workers that are currently considered essential by the New South Wales Government should 100 per cent be considered essential, by all means. But we should also be looking beyond that scope, because seemingly it's just for the particular public servants. There are other occupations that do provide essential services, by the definition of the word. An occupation that drives the core functions of an LGA forward is the kind of definition we are looking for, for something like an essential worker. And then, of course, it can be up to each LGA to determine what the key services are we have in these areas, and how they affect the community. They can maybe vary the terms themselves.

Mr JAMES GRIFFIN: HOPE Housing also had with them the Police Bank. Essentially, members of the Police Force could use and leverage the Police Bank to assist them into purchasing a home. Is there an equivalent or a preferred bank for Transport Workers' Union members? I thought it was a good model. I want to understand if that is purely for police workers—or if you'd heard of the Police Bank?

DANIEL PERIC: Yes, I have heard of the Police Bank. I'd like to maybe take that on notice, because if there does exist a kind of bank like that for transport workers, I would like to give the accurate information. We have a preferred super fund for transport, but I don't necessarily think that's what you're looking for in this case. I'm happy to take that on notice and give you a concrete answer.

Mr STEPHEN BALI: Just picking up on Mr Griffin's point and hearing your answer, Daniel, I'm going back in time, but I think it's actually been sold off—there's a thing that used to be called Members Equity Bank, ME bank. That was one that the union officials used to advise people to join because the industry super funds owned it—so, yes, should chase it up. So all those who are not in the police—everybody else could join the ME bank. They do offer reasonable interest rates as far as I know. Maybe that could be looked at. As far as the essential workers and this area—because it becomes a difficult thing. But, as you just defined, it drives the core functions of an LGA forward, or looking at particular kilometres. Affordable housing is based on getting at least a 20 per cent to 30 per cent subsidy. But what happens if your bus driver then leaves and works in another area? How does that support a person that no longer works in that LGA and then they'd have to move out of that house? It's more short term. Would that be fair as well? That way, at least they get relocated or they need to look for another affordable house, rental accommodation in the new LGA they may be working for.

DANIEL PERIC: That's a good scenario you've put forward. I'm not necessarily sure I have a hard answer to solve that issue here and now. But if we were to move forward and look towards accommodating more and more essential workers in the Northern Beaches—and I guess this philosophy could apply elsewhere as well—it may be worth, I suppose, actually monitoring how this will work moving forward, or how such cases that you just raised would be managed moving forward. It may be worth raising some kind of taskforce or maybe industry panel. So, just completely hypothetical, once the Northern Beaches say, "Right, these are the workers we consider essential", or, "These are the workers we want to prioritise for our area", maybe form a taskforce with elected representatives from the industries that you have selected, whether it be people from industry associations, their unions, or even the workers themselves. You get those elected people to form a taskforce and then manage things moving on ahead. I don't necessarily think I can provide an answer to that issue today though.

Mr STEPHEN BALI: This may also be on notice. On average, what does a bus driver generally get as an annual income?

DANIEL PERIC: Typically, to my knowledge, most contracts you'll see about—and this is for a full-time worker. They'll probably get anywhere between \$30 to \$35 maximum an hour, bearing in mind that for a full-time worker what they bring home is obviously going to be different to, say, part-time or casual. You're looking at \$30 to \$35 an hour, roughly, in general for I think most metropolitan contracts.

Mr STEPHEN BALI: So about \$70,000 a year?

DANIEL PERIC: Just about, yes, for a full-time worker.

Mr STEPHEN BALI: As a full-time worker in the bus industry at the moment, because there is not a huge amount—there are a lot of vacancies—they get a fair bit of overtime on top of that?

DANIEL PERIC: They can if they choose to work overtime, but of course that comes under what bus drivers decide to do. A lot of bus drivers at this point are—I don't want to say "forced". But a lot of them do have to take on overtime, because they can't necessarily keep up with the cost of living, not to mention the fact that we're dealing with a big bus driver shortage right now, and we have been for a couple of years. It just serves to exacerbate the problems that the industry is currently facing. So, yes, a lot of bus drivers do take on overtime but it's typically because their hand is almost forced in most scenarios.

The CHAIR: If I could ask you to maybe talk a little bit about the workers we're talking about, everybody wants someone to drive the bus and get them to work or to wherever they're going on time, but the bus driver is obviously a human being. In terms of understanding some of the stresses and pressure and some of the workplace health and safety challenges of a potential long commute to actually get to work to drive that bus, could you give us a snapshot of some of the pressures that transport workers are under at the moment and how that is exacerbated by a lack of housing close to their jobs?

DANIEL PERIC: I think that's an excellent question. I suppose, to stay on the topic of bus drivers, getting to and from work can be its own challenge. Then, of course, you're driving a bus, which is not a standard vehicle; it's a very large vehicle, and it has its own nuances and, I suppose, risks involved in that side of things as well. They're driving buses for hours, and then they're faced with issues such as a lack of facilities and amenities available to them. Oftentimes they won't be able to take the breaks they've been allocated or, if they're given a break in a layover area to stop the bus and go to the bathroom or manage their fatigue, oftentimes they can't access the bathroom, or the bathroom is in an unusable condition. The TWU's had a campaign for the last couple of years now called "Road to Respect" where we're trying to address that.

But when you combine those issues with the current bus driver shortage, bus drivers are often expected to work harder and faster to compensate for that. They're pressured to take the extra hours. They take the extra hours because of the pressure; they take them because of the economic factors. It can honestly become a fatigue challenge, as well, to manage their fatigue properly when they're expected to commute to and from work, often unreasonable distances, and then drive a bus for hours and hours. They're unable to take appropriate breaks most of the time, and they're trying to make ends meet as best they can. A lot of it comes down to, I guess, the economic challenges, as well as the on-road pressures, and the temporal aspect of how many hours they have to put in.

The CHAIR: In terms of retention issues, there's obviously the bus driver shortage, but can you talk to us about actually keeping bus drivers in employment as well?

DANIEL PERIC: Recruitment is definitely an issue, but then the retention's the other side of things that a lot of people forget to raise. Retaining bus drivers is difficult because of the factors I've just mentioned. I hate to say it, but it's not a very attractive prospect—not anymore. Once upon a time the bus driver was a respected member of the community. Maybe this is anecdotal, but you'd always hear, "Thank your bus driver." I was always raised on that, but we don't necessarily see that anymore. There's a lack of public respect. There are those industry challenges and issues that I just raised. It's not an occupation that necessarily attracts vocational labour, unless you've been in the industry for a long time and your heart's just set on it, which we do see occasionally. But oftentimes we'll see bus drivers recruited and within a year or two they're gone.

The CHAIR: In terms of access to either property ownership or affordable key worker rental property, would you see that as something that would contribute to improving retention and recruitment?

DANIEL PERIC: For buses specifically, I think it could definitely help. In the context of the Northern Beaches, I think it would be great. Then again, I can't sit here and promise that's going to be the 100 per cent "Yes, we're going to retain everyone" answer because then we have to look at the underlying industry issue. But I do agree that, especially in this LGA, it could very well make a notable difference.

The CHAIR: You may not an answer for this, and it probably has multiple answers, but in terms of the avenues of access to affordable rental or access to shared equity schemes and property ownership amongst the bus driver cohort, do you think one option is more preferred to the other—or is just actually having a roof over your head close to your job a good start?

DANIEL PERIC: Truthfully, I can't necessarily give a concrete answer to that. I think with your last statement there you may have hit the nail on the head, though. I think it's more so about just the convenience of having that roof over your head in the area you work. Obviously, it's not just bus drivers; you could equate that to a lot of different occupations. I know the New South Wales Government has had a long interest in having people live where they work. I would definitely say we should champion the cause for bus drivers as well.

Mr JAMES GRIFFIN: I'm not sure if you managed to pick up much of the previous panel, but they raised three real barriers to the delivery of housing: funding, planning issues, and then community. By community, they mean the perception issue around what an essential worker is, and who is going to be moving into my street or the apartment block next to me. I think there is general goodwill and people want to ensure that they have bus drivers who live on the Northern Beaches, but do you feel there is a role for you to potentially help communicate that bus drivers are actually essential workers, and to try to break down the perception around who and what essential workers are and where they live?

DANIEL PERIC: Yes, 100 per cent. The TWU has always been trying to make that known, and speak on behalf of the bus drivers, who often don't have their voices heard in that regard. We believe they're essential workers. I will just raise that we argue the same for the likes of waste management workers. Most things that I've just said about bus drivers, we could say about waste management workers as well. We have always tried to argue that they're essential. In the COVID-19 pandemic they certainly were.

This doesn't just apply to the transport occupation; it happened to a lot of different industries, so I'm not just speaking on behalf of transport here. Once the COVID-19 pandemic was "over", where did that all go? Suddenly it's nurses, teachers, police, and emergency personnel—and rightfully so—but where did the distinction for the others go? Has the nature of their job suddenly evaporated? I definitely think by speaking more about these facts and raising the flag on which workers are essential and where, we can maybe increase the goodwill in the community, or maybe there will be further incentives for community to be open to adopting these kinds of practices, and facilitating more affordable and essential worker housing.

Mr STEPHEN BALI: To change to a different focus of your membership—truck drivers. How would they be identified? I know they're essential workers, but I'm just trying to think of the importance of truck drivers on, for instance, the Northern Beaches when a lot of the warehouses are in Western Sydney. Is there a need for truck drivers to be living on the Northern Beaches? If they did, where would they park their truck? Because obviously the second complaint that we often get is, "There is a truck in front of my yard and I can't get in and out." In general, how do you feel about it from a truck driver's perspective?

DANIEL PERIC: I think that's an excellent question. Having driven up here myself this morning, I've seen a bit of the parking situation around here, so I'm sure it would be difficult to accommodate a truck on these roads. I think we can go back to the point about maybe each LGA being able to vary their own terms or consider who is essential in an LGA, because you're right that you don't see a lot of these transport and logistics warehouses on the Northern Beaches. When we say our road transport truck drivers are essential, I more so say that in the broader sense, because I understand the overall inquiry is covering the entirety of New South Wales. For the Northern Beaches, maybe not so much—I don't want to say we don't prioritise our truck drivers, but we should consider that, like you said, our logistics warehouses aren't here, but our bus drivers and our waste workers are. I would say, if we could get that definition of an essential worker and, if it's within the capacity of each LGA to vary the terms, then they can decide who we prioritise.

Ms LIZA BUTLER: I was wondering if your members are reporting to you that they are having trouble accessing affordable housing now because of their employment roles or job description?

DANIEL PERIC: Yes. It's not something that we necessarily have a measured metric about. It's not something that we actively seek to hear, but we do hear these things, often anecdotally. Members will complain about it, and they'll talk to us. When our organisers go out to the yards, it's not just, "Let's fix all your yard issues." They get to know everyone and understand what people's issues are. A very common complaint or concern of people, and a struggle that they face, is housing, and accessing work from housing. This is something that we see at the airports. The Northern Beaches would be no stranger to it. We do hear about it, just not in any sort of measured way, like on paper, if that's what you're after.

Ms LIZA BUTLER: You have no idea of the numbers that are trying to access community housing and can't?

DANIEL PERIC: I could take that on notice. Maybe our national office has information that I don't. As far as I'm aware, we don't have anything on paper. If we were to procure such information, it would take some time, but it wouldn't be impossible. I'll take it on notice to see if we have anything at the moment.

The CHAIR: Thank you very much, Mr Peric, for your time this morning and for appearing before the Committee. You will be provided with a copy of the transcript of today's proceedings for correction. The Committee will also email you questions taken on notice today and any supplementary questions from the Committee. We kindly ask you to return these answers within 14 days of receiving those questions.

If I could also put the opportunity out there, in responding to some of the questions which we'll give you on notice, that if the TWU also wanted to provide specific case studies to give a real human face to the issues we're facing, it would hugely help in terms of our reporting processes to be able to provide case studies of the real-life experiences of bus drivers or other workers when it comes to accessing the housing market. Thanks very much for your time.

(The witness withdrew.)

Ms AMANDA BAILEY, Head of Advocacy and Communications, Faith Housing Australia, sworn and examined

The CHAIR: I welcome our next witness. Thank you for appearing before the Committee today. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the New South Wales Legislative Assembly social media pages. Please inform Committee staff if you object to having photos and videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

AMANDA BAILEY: Yes.

The CHAIR: Do you have any questions or require any information about today?

AMANDA BAILEY: No.

The CHAIR: Before we move to questions from the Committee, would you like to make any opening remarks or an opening statement?

AMANDA BAILEY: Yes please. Thank you for the opportunity to present evidence today to the Select Committee. Faith Housing Australia is the peak body representing faith-based organisations, including community housing providers, specialist homelessness services, faith leaders of all religions, and faith communities committed to housing justice. Our members also include values-aligned organisations working to increase housing supply. Our members are important contributors to housing supply in New South Wales across all forms of social and affordable rental housing, transitional, emergency and crisis accommodation, and their housing offering extends to specialist disability accommodation, retirement living, and aged care.

The principle that safe and secure housing is the foundation for individual dignity and community thriving is common to all our members. Building on this secure foundation, our members also provide a vast array of support services, including emergency relief, financial counselling, mental health, and employment, with specialist supports for people with disability, victim-survivors of domestic violence, young people in out-of-home care, and people experiencing gambling harm. This inquiry is of great importance to our members in four ways: as providers of affordable housing for people on low to moderate incomes; as community service providers and employers of more than 30,000 staff, many of whom are essential workers; as longstanding charitable and faith institutions and key providers of care and education, including healthcare, aged care, home care, child care, and schooling; and as champions for communities across New South Wales affected by the housing crisis.

Following on from the private briefing, which we felt was an excellent addition to this process, we're making recommendations that the Select Committee consider adopting an inclusive definition of "essential workers" within housing policy—that is particularly to include aged care, disability, early learning educators, to name a few—and the importance of addressing New South Wales' broken housing system, increasing housing supply across the continuum, with a continued investment in supporting people on low incomes for whom there is no market solution, and only then to consider tailored responses to essential workers to build on current initiatives.

We have a few ways that we think the Committee could potentially adopt some of our suggestions: first of all, to end lease reviews in affordable housing, continuing to support essential workers who are already eligible; including housing as a permissible use on land zoned SP2: Place of Public Worship, to allow faith groups to use underutilised and disused land to provide homes; and also to review roadblocks that would prevent charities from including housing for essential workers as part of mixed tenure developments.

The CHAIR: I may start off before I hand over to other members in relation to the opening statement to request a bit of further information. Also, should you wish to take any questions on notice or provide further information at a later stage, you will obviously be able to do that. Your members are on the front line of services to some of the most vulnerable in the state. They see and interact with them on a daily basis. Your members are also some of the largest landowners in the state, but they are unable to use that land, or there are barriers to them using that land to provide much-needed housing. Could you take the Committee through the challenges that SP2 presents us with, the recommendations you have and also a further discussion about unlocking some of these barriers that prevent the members, the faith-based organisations and churches from delivering housing?

AMANDA BAILEY: Faith-based organisations are keen to play a significant role in providing new, well-located homes to solve the housing crisis but, as you've said, they are hampered by zoning constraints that prevent the use of different sites for integrated faith and housing developments. Across our membership we have individual faith communities, right through to the dioceses and support structures who look after very large landholdings, as you've mentioned. We looked across New South Wales and found that, of the nearly 2,500 sites

zoned Place of Public Worship, 747 are within 800 metres of a train station; they're incredibly well located. If we were able to just take the land zoned SP2 within Sydney metro, there is potential for more than 20,000 dwellings, or more than 40,000 bedrooms. So we're actually talking about quite a significant scale.

That's why we brought this particular concern and solution to the planning Minister, to request that he expand permissible uses on SP2. We're looking for place of public worship, education infrastructure to include housing. At the moment it includes seniors housing, but it doesn't include other types of housing. We think this quite simple change could be very effective. At the moment it's still possible to consider delivering housing on each of these locations, but an individual planning proposal would have to be brought forward, adding to significant time and funds that is prohibitive for a lot of communities to consider. For example, our members, the Sydney Anglicans, have 85 relevant sites zoned SP2. They've looked at what sections of those are disused or underutilised, and have calculated that could deliver 4,000 dwellings. So it has a potentially significant impact.

One of the examples that we brought to the select committee during the private briefing session was the example of St Felix Catholic Primary School and the LaSalle Catholic College Bankstown. The Catholic Archdiocese of Sydney is the landowner here. At the moment, they have a spare oval, which they've said, "Wouldn't this be perfect? It's within 800 metres of the train station, and it's right next to Bankstown TAFE and also the planned future hospital. That one site could yield 260 apartments." The potential for what is, we think, quite a small change could have a big impact.

Mr JAMES GRIFFIN: Thanks for being here today. Following that theme, could you share any of the concerns that were raised or the barriers that you think exist as to why the change hasn't been made to date? I can imagine there would be a variety of concerns but was anything shared with you that would be of interest to the Committee?

AMANDA BAILEY: That's a good question. We received some really thoughtful questions from the planning Minister and the department team. I think they could immediately see that the potential is there. With the support of our members and the very genuine intention to deliver housing, particularly for people on very low to moderate incomes, they took a second look at it, which has been part of our direct advocacy. At the moment, there are so many reforms in train that it might just be on a long list of reforms to be considered. We didn't come away from any conversations feeling like there are any roadblocks that would prevent them from moving forward, but we also didn't receive that sense of urgency, that it would be something dealt with quickly.

Ms LIZA BUTLER: Following on from that, your request for the SP2 zonings to be allowed for residential—was there a criteria around that that it would only be changed if it was for social and affordable housing or was it just a blanket rule for SP2?

AMANDA BAILEY: It's a really good question. We had quite a bit of deliberation within our membership on this issue. Faith Housing Australia's focus is to deliver more social and affordable housing. When we brought this to members, what they had shared was that the feasibility to actually deliver that housing could require a portion of housing that would suit people on moderate or higher incomes as well, to make it stack up. In that case, the request that we made to the planning Minister was for housing in general, not specifically social and affordable housing. But the intention from our members is to be able to deliver social and affordable, and have the consideration for where other types of housing might make that development possible.

Ms LIZA BUTLER: Have you considered or had discussions around SP2 land being a joint venture with Landcom?

AMANDA BAILEY: That's really interesting. Some of our members with land like this had applied to be on Landcom's affordable housing panel that has recently been confirmed. Unfortunately, they were not successful. But the potential for this type of co-delivery is something that I know they are excited to have a conversation with us about. We haven't pursued that line of inquiry to its end yet. But it also doesn't seem like it's an immediate consideration.

Ms LIZA BUTLER: What model are you currently providing in the affordable housing sector?

AMANDA BAILEY: Faith Housing Australia isn't the provider, but we represent the community housing providers who are. All of our members are not-for-profit community housing providers, and some will be focused around delivering social housing and housing for youth, so I'm thinking in particular of the Salvation Army Australia, Salvation Army Housing—that's their focus. Others are providing housing, and particularly affordable housing, for a very vulnerable cohort, which is women over 55, and it's a growing cohort in homelessness. They're doing that alongside their retirement villages and other aged-care offerings, so that it's a like cohort that they're able to provide for together. We couldn't say that there's a one-size-fits-all approach across our members, but the heart of everything that they're doing is to support people most in need.

Mr STEPHEN BALI: Identifying the different income levels—and I suppose you're not really a CHP, are you?

AMANDA BAILEY: We're not a CHP, but we do have 25 CHPs in our membership.

Mr STEPHEN BALI: Among those 25 members, would you know, or can you take on notice and ask them—at the moment, as far as providing affordable housing, there doesn't seem to be any data from the CHPs to say what percentage of people are very low income, low income or moderate income under the definition. Whether you're very low or moderate, you tick the box for being able to access affordable housing. But it's very hard to get data to know what the split is among those three groups. Would you know?

AMANDA BAILEY: I don't have that information to hand, so I'm happy to take that on notice. What I can comment to is that our members, when they are designing projects, often include a portion of those who are on a very low income. The modelling is sort of split between the three categories. That doesn't necessarily bear out in terms of need at each location. You're right. Part of our recommendations to government is that there is a definition of "affordable housing", and that greater data and capture, and sort of tracking, and maintenance of the number of affordable homes and the conditions for which they have been created under, is something that New South Wales actually starts to measure.

Mr STEPHEN BALI: To go back to your earlier point and some of the questions raised here about SP2, I suppose the question or comment I have is that the potential concerns from the community would be that, usually when faith organisations are established, especially if you go back many years ago, the reason they usually had their church, mosque, temple, or synagogue on a location, on a large piece of land, is because community faiths and other activities would be generated there—schools, nursing homes, or aged-care assistance. To now go across into housing, in already established areas—the challenge you now have is that you don't pay council rates because you're a faith-based organisation, and you don't pay land tax, so this would be skewing the market, to a certain extent. The government is going to get less money, yet you're providing housing—yes, at a discounted level, but you are still entering in.

As you said before, you need to have higher income earners in there as well, so there is no guarantee where the skew is going to go. If the faith groups want to enter the housing market and develop, especially—I suppose it's a longwinded question, but I'm just picking up on your earlier point where you said that one of the churches was saying, "We've got a spare oval." If you put more people into an area, they need to play soccer or football. If you just put a block of units on there, and you're not paying council rates or land tax, council now has to supply a football field somewhere else. Can you see the challenge of not paying tax? Unless you're saying that churches are now happy to pay land tax and council rates, how is the public going to benefit by faith groups putting in additional housing?

AMANDA BAILEY: I'm happy to take the question around council rates and land tax and come back to you with a formal response, but I can comment. From the perspective of our members, they are already delivering 15,000 homes. We're not a new entrant in terms of providing support. They have been providing support to the community for hundreds of years. When the different—

Mr STEPHEN BALI: But it's a different zoning, isn't it? You're not talking about SP2 zoning.

AMANDA BAILEY: What we're looking at is the opportunity for faith communities to make an additional contribution. A number of these communities have land that they're using in a different way now. For example, some are combining congregations, so there may be a surplus location. There is a great example from the Sydney Anglicans in Beacon Hill, where they merged two congregations together, and then have created specialist disability accommodation on the unused land. There are also some examples, particularly of the one we were talking about before with the oval—they have conducted their own estimation. It's not to say that there are no ovals there now—there will still be two or three ovals for use by the school—but they have determined that this particular place is underutilised and could be used to provide housing.

Mr STEPHEN BALI: But you can see that setting a principle on a case-by-case basis can provide a little bit of opportunity. But, in the greater scheme of things, it can be a disadvantage because the space that private schools need versus government schools for open space is a lot less, and then you take whatever field in the short term to generate housing, which may or may not be sold to a community service provider—that then generates extra income. I think there is a bigger, broader challenge that needs to be looked at, as far as the finances and, dare I say it, the challenges of exploiting wherever you can. As you said, the church congregations or religious faiths in some areas are decreasing, while new religions are being established. To fill up SP2 land, which is specifically for worship, or supporting people with disabilities, or schools, versus housing estates, it's changing the complex and dynamics of the area. I think that's where you will probably find a challenge.

AMANDA BAILEY: I think what our members are hoping to achieve is a mixed use. We're not saying, "Get rid of places of worship." We're saying, around places of worship, there might be an additional car park that's not used in the same way, or perhaps there's an opportunity to modernise the building and incorporate more into those facilities so that it helps to enliven them for greater community use. We share your high value of public open space, and spaces for the community to inhabit, and so I think very genuinely most congregations and faith communities feel like they want to maximise the potential for the spaces that they have been blessed to have over many generations, to continue to give back to the community and not—I think, when we're seeing the low- and mid-rise reforms as proposed at the moment, it would only be fair to give places of worship the same opportunity to contribute to providing additional homes in the community, rather than seeing them as stranded land use.

Mr STEPHEN BALI: I suppose I just beg to differ. We can have a debate on it. More people heading in—and I know, if you look at a lot of the churches, there's been sales at Parramatta that turned into a German restaurant or whatever et cetera. Some religions may be falling in numbers. Others are growing. Other religions are looking for places to build their places of worship. I notice quite a few from the Middle East through to South-East Asia have been buying Christian churches and converting them to their faiths. If you now turn your church land into housing, that just stops other religions that are growing to find suitable land in the SP2 market, I suppose, is what I'm talking about. Anyway, we can both argue.

The CHAIR: I think that the challenge is that any landholder is dealing with competing interests. The one interest and need that you're currently not able to address is the need or interest for housing on SP2 land, and you're not saying that suddenly all of your members and the churches want to become property developers. You're just saying that there is a mechanism that could be used to unlock some land to provide much-needed housing.

AMANDA BAILEY: That's right. Incredibly well-located land that's often connected to services. A lot of those church communities are already running food pantries. There might be "English as a second language" groups. They're doing so much for the community.

Mr STEPHEN BALI: But not housing.

AMANDA BAILEY: So having housing connected to all of those supportive resources, places that help to combat social isolation and loneliness—we see that as a benefit.

The CHAIR: You talked about the four reasons Faith Housing has made its submission and are interested in this inquiry, and one of those was the essential frontline workers who work for your members and are actually in the service delivery to some of the vulnerable cohorts in our community. If you could talk a little bit about their housing needs and their struggles, particularly in terms of—we're in the Northern Beaches—and their ability to live close to their jobs and their work.

AMANDA BAILEY: Absolutely. From our 67 members, 21 are broad-based community service providers, 12 have large residential aged-care portfolios, 11 have home care services, 14 are registered NDIS providers, and many provide other services as well. So maintaining that workforce—that includes nurses, allied health professionals, careworkers, disability support workers, social workers, and on and on; everyone who's required, including early-childhood educators—is really critical. We have had one member close an aged-care facility in the Northern Beaches in the 18 months, citing staffing shortages and increased agency fees, with potential staff unwilling to commute almost two hours from their place of residence, which was typically—among that staff cohort—Western Sydney, where housing is typically more affordable as well. And we're actually anticipating that staffing pressures will intensify with incoming aged-care reforms as well.

Anglicare Sydney did an internal review recently, and their comment was that, they're effectively experiencing thin markets, in terms of workforce supply, in the Eastern Suburbs and Northern Beaches, because staff cannot afford to live in these areas and often find travel expensive and time consuming. So it's a significant concern. What we've seen amongst our members is that three of them have started to provide very limited housing for nursing and care staff to ensure that they have core team members ready to work shifts in residential aged care. The three regions that's happening in are the Northern Beaches, the Inner West, and there are some examples in regional New South Wales, which will be no surprise.

What's interesting, though, is that one of the hurdles they've identified is that they would like to be able to provide housing for essential workers, but the Australian Charities and Not-for-profits Commission [ACNC] does not consider the provision of housing for key workers to meet the definition of "relieving poverty", which may then jeopardise an organisation's charitable status. We have reached out to the ACNC advice team to see if that was going to remain current, and they've confirmed that there are no current plans to review the Commissioner's interpretation statement on the provision of housing. That is one roadblock. I think that probably answers the question.

The CHAIR: We thank you for your time today in appearing before the Committee. You will be provided with a transcript of today's proceedings for any corrections you would like to make. Committee staff will email you any questions taken on notice today, and we may ask some supplementary questions as well. We kindly ask that you return those answers within 14 days of receiving those questions.

(The witness withdrew.)

(Luncheon adjournment)

Mr MICHAEL REGAN, Member for Wakehurst, before the Committee

Ms ZALI STEGGALL, OAM, Federal Member for Warringah, affirmed and examined

Mr MALCOLM McDONALD, Executive Manager, Strategic and Place Planning, Northern Beaches Council, affirmed and examined

The CHAIR: I welcome our next witnesses. Thank you all for appearing before the Committee today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the Legislative Assembly's social media pages. Please inform the Committee staff if you object to having photos and videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

Mr MICHAEL REGAN: Confirmed.

MALCOLM McDONALD: Yes.

ZALI STEGGALL: Yes.

The CHAIR: Before we move to questions, we would like to offer you all the opportunity to make an opening statement. Would anyone like to make an opening statement?

ZALI STEGGALL: Sure. Congratulations on the Committee. This is a very topical and important issue that needs a lot of attention. I would say it's a problem everywhere, no matter the affluence of an electorate. Actually, I would say that, in some situations, the more affluent an electorate, the darker the problem is when it comes to essential workers, especially if we are focusing on police, nurses, teachers, and really core important professions to ensure a vibrant community. To give an example, for the current area command, for the police for the Manly and Northern Beaches area, my understanding is that the vast majority of officers travel from the Central Coast. That means that you don't have a police force with local knowledge. When that is put to the community, that is concerning. Different age groups of the community view the problem in a different way. The more elderly members of our community look at the shortcomings when it comes to aged care and nursing and probably law and order. They view that importance of those essential workers being able to live in the area. Young residents tend to focus on that availability of teaching staff, and for them to start their careers, being able to live there.

I will give some key statistics for the benefit of the Committee, which may not be a surprise. In Warringah, which is a broader area, 34.9 per cent of residents rent compared to the national average of 31 per cent, 30.2 per cent own their home and have mortgages, and the remaining about 30 per cent own their home and are mortgage free. We are about divided up into thirds when I look at it from a Federal point of view. But the median house price surpasses \$2 million, and the median apartment rents are now at \$625 per week. This is a highly expensive area, which becomes even more difficult for essential workers. Home ownership is increasingly out of reach, requiring over 10 years of savings just for a deposit in the area.

In terms of our renters, vacancy rates are very low. We have, I believe, less than 1 per cent in a number of areas of this area. Seaford is one of the worst. About 33 per cent of renters are spending more than 30 per cent of their income on rent. It becomes incredibly difficult. You do have a cascading issue, with homeownership being more and more out of reach, people staying in rental situations for longer, and rents getting more and more expensive. It makes everything else harder. It then has a domino effect on more affordable housing being available for essential workers and other aspects like that.

Another statistic that you might find interesting is around the changing landscape around housing demand. Single-person households now make up 26.5 per cent of Warringah. That is quite considerable. It is the fastest growing demographic. Yet the population is ageing, with many of our future residents expected to be over 55 years old. It is interesting. Finally, we have 81,000 registered workers in the Federal seat of Warringah—until it changes. Just under 10 per cent of them—so 7,800—are registered as essential workers. That includes nurses, midwives, teachers, police, aged care workers, and disabled carers. That means the remainder are not living locally. Unless there are other particular details, I will leave it at that as a snapshot of Warringah.

The CHAIR: Wonderful. Mr Regan, do you have any opening remarks?

Mr MICHAEL REGAN: Thank you. We made a submission to the inquiry. Thank you for the initiative of this inquiry. I do sincerely hope the Government and the Opposition work together to ensure that we actually add some meaningful results and meaningful actions out of this, not in five years time, but within the next 12 months. I really, sincerely hope that we can do that. We made 10 recommendations. We focused on one particular key site in the Northern Beaches, which has the potential for 1,000 dwellings. The council that I was fortunate

enough to lead ensured, working with the then planning Minister, Rob Stokes, that we put 15 per cent of that into genuine affordable housing, to go to a third-party provider in perpetuity. That is locked in. It is a DA [Development Application] away. For that to be rezoned, it is a DA away. I am hopeful that this government—and we are leaning on Minister Jackson and Deputy Premier Prue Car—will make sure that this actually gets dealt with now.

The new high school is due to open mid next year. As I said, it is a DA away. We need Landcom or Homes NSW to be out there now with expressions of interest, to see what is possible, and what is novel and unique. If this report can help feed into some potential solutions to that, I think that is a real positive. Our 10 recommendations looked at shared equity being a potential model, where we could end up having 100 per cent of the site basically being affordable. But the shared equity schemes that we have in this country and this state are very restrictive. One of the points Malcolm and I were just talking about outside is that it was restricted at \$600,000 for the purchase price of a unit. You don't get anything in the Northern Beaches for \$600,000. That in itself was just one prohibitive thing, just for the Beaches. But this is across all of Sydney now. It's not just a Beaches problem. There are plenty of other areas that are just as affluent, or more so, and it is an issue in those places as well.

The last thing I wanted to touch on was the staff shortages that we are seeing in teaching, police, emergency services, and bus drivers. People are now actually seeing the effects of not having bus drivers. The queues to get to work are longer, and services aren't turning up, because we don't have bus drivers. We need to make sure that whatever definitions you create, they are flexible. Maybe they should be localised to some degree. There is a possibility that the local community can identify very clearly and independently where the shortages are. Some sort of priority should be given to those shortages, whether they be teachers, bus drivers, nurses, or police officers, et cetera. I just wanted to touch on the fact—and Zali did touch on this—that the medium one-bedroom apartment costs \$623 per week. If you are a school teacher, early childhood educator, bus driver, cleaner, nurse, paramedic, or police officer, that rent is already exceeding 30 per cent of your weekly income. They are immediately in rental stress. That is just for a one-bedroom unit at \$623 per week.

You then look at something else which we found interesting. The cheapest three-bedroom house sold on the Northern Beaches was an offshore property, on Scotland Island, for \$1.35 million. Now, Scotland Island is beyond Palm Beach—it's not beyond Palm Beach; it's beyond The Bends. Anyway, it's an offshore community. To save a 20 per cent deposit for that \$1.35 million purchase, if you were one of those key workers that I just mentioned earlier, it would take you up to 86 years to save. Good luck. I will leave it at that. It is not just a state issue; it is a federal issue too. Zali and I have spoken about that. There do need to be some tax changes. That is a hard conversation for politicians to have, but we've got to have it.

The CHAIR: Mr McDonald, do you have any opening remarks?

MALCOLM McDONALD: The Northern Beaches Council has acknowledged the need for key worker and affordable housing for some time. There are a series of policies and positions of the Council, from an Affordable Housing Policy position in 2017, an Affordable Housing Contributions Scheme established in 2022, and a LEP [local environmental plan] requirement for new land that is to be zoned to contribute up to 10 or 15 per cent affordable housing in certain circumstances. Notwithstanding that, some of the demographic trends in the Beaches are of concern. In the last few years there has been over 2,000 more healthcare and social assistance workers in the Northern Beaches, and that's partly reflected from the Northern Beaches Hospital. But through that time, there has been a 7.5 per cent reduction in healthcare workers living in the Northern Beaches. While the workforce has increased—the number of jobs has increased—a number of people in those roles have left the Beaches.

Over the last few years, there have been 8,000 more people over 60 move to the Northern Beaches. That requires greater health and personal care support. But over the same period, there have been 2,000 people aged between 25 to 49 leave the Northern Beaches. The broad trends are of concern. There are policy measures that the Council has in place that have a forward pipeline to secure affordable housing, but there are only so many levers available to local government. As set out in our submission, there are opportunities at the state and federal level as well.

The CHAIR: We will begin with questions from Committee members. Should you wish to take any questions on notice or provide further information afterwards, that option is always open to you.

Mr STEPHEN BALI: Thank you for your presentations. You talked about affordable housing—or key worker housing, which is more directly our focus. We are still trying to work out whether there is a difference. Arguably, as you said, bus drivers et cetera and all the baristas—we are out of COVID, so every job that you have in the area is arguably precious. Looking at what Council can do, Malcolm, I noticed in last year's annual report—you can take the figures on notice—you've got \$38,946,000 unallocated out of the \$150-odd million in cash that you hold at the council. We've had other presentations looking for the state government and the federal

Government to contribute. We've had people saying that as part of key worker housing we should be looking at local government definitions—local government should be stepping in. I suppose there are two questions there.

Would the council be prepared to really look into key worker housing? Given that you've got unallocated funding—\$10 million or \$15 million of that—if it is so important to Council, why doesn't Council partner up with, perhaps, a shared equity scheme? That way you're not giving away the money; you're actually investing into your own housing to get key workers or people like bus drivers et cetera that you need in the area but you can't find. What are the obstacles that council would have to allocate some of your unallocated cash reserves to support local housing, or to partner in local housing?

MALCOLM McDONALD: Just on the specifics in relation to the unallocated cash reserves, I need to take that on notice, if that's okay, and give some specifics.

Mr STEPHEN BALI: Of course.

MALCOLM McDONALD: As a broader policy position, Council is a major landowner, and has a major asset portfolio. Council has undertaken reviews of that portfolio in the past. Like other councils or other asset owners, whether that's local or state, I think there are opportunities to look at opportunities to better utilise public land. That's a position that Council would need to take, for a policy position. For example, the City of Sydney has had a longstanding levy at 2 per cent or 3 per cent for, not just land that is the subject of a zoning, but also land that has been the subject of a development application. We're currently undertaking quite a significant body of evidence to establish the capacity to pay and to contribute a similar type of rate. That over time will create a cash reserve similar to the City of Sydney's that can be used to offset, subsidise, or support community housing providers and the like. Over time, as key worker housing units are delivered, particularly in places like Frenchs Forest, that will create an asset base for council to further leverage, so there are economies of scale over time that present opportunities.

Mr MICHAEL REGAN: I'll just jump in. As the recently retired mayor of that council, we set up the structural nature of being able to do the affordable housing, in terms of those schemes and having actual mechanisms to be able to collect the money, so there is that 5 per cent to 10 per cent, 15 per cent that we spoke about—we've locked in. That's become now policy and we're starting to see—but we have very low turnover of developments and rezonings. We don't see a lot come in, unlike the City of Sydney, which has had significant rezonings over the last—and they've had it for a lot longer as well. But we are seeing that money trickle in.

The money, if there's anything I would sincerely doubt—knowing the bean counters there that I know very well and personally, there is no unallocated money there. I know you're looking at figures there, but that's one of those silly arguments that the Property Council likes to use sometimes in bashing councils. The reality is that money is allocated. Whether it's shown publicly like that or not is another thing. We are also going through a process as an elected body, which I'm now not a part of, but I know is progressing—in terms of looking at very clearly what property assets we hold which we could then potentially either sell to then purchase properties to buy and put into an affordable housing thing—so retired assets that aren't being used, necessarily, or could be better used and built on.

That is definitely happening. There is—actively looking at that. There are a few sites that have been identified in my time, which I know the new council will look at very proactively. We have a domestic violence women's shelter on our books as well. I think that they've been looking at how we can add the millions to that, in terms of what is required to take the capacity that northern Sydney needs on that DV [domestic violence] crisis accommodation. There are those things happening. But in terms of the cash, definitely, as Malcolm said, we'll take that on notice and get back to you, but I can assure you there is nothing not allocated, despite what it might say there.

Mr STEPHEN BALI: Both of us, Michael, have been mayors. Unfortunately, too many councillors—I'm not saying in your situation because I praised you yesterday in Parliament about your defibrillator program. And, by the way, congratulations to the Northern Beaches Council. I love the map and everything else. That's a different discussion but I need to have further chats with you. You're probably a trendsetter—second to Blacktown, obviously.

Mr MICHAEL REGAN: Of course.

Mr STEPHEN BALI: We were the first ones to actually put the program out there but, anyway, it's good to see.

The CHAIR: Mr Bali, if you could come to your question, that would be great.

Mr STEPHEN BALI: Malcolm, unfortunately, as a council officer, I get that it's difficult for you to respond to this, because you're talking about Council. But I suppose a question to Michael—the internally

restricted reserves versus the unallocated cash. Yes, there is a huge wish list that every single council has, including mine, with hundreds of millions, if not billions, of dollars. If you were still mayor today, how important would it be to you, or your council back in those days, that, if there was an opportunity to reallocate the internal reserves, which you have every right to do, to put \$10 million or \$15 million and it's affordable—being an economist, assume away reality.

Let's have one variable. Is it something that councils, if they have the financial capacity, should actually—especially in areas like the Northern Beaches or the Eastern Suburbs, where the property values are so high. You have land reserves. They are allocated. These are operational—assuming they're not SP2 or whatever. If you had the land, would you be recommending that "All right, we have a difficulty of attracting bus drivers"—and you can generate income from it. It's not as if you're giving away the money never to be seen again, and you can borrow against it. Would you think that's a good thing that councils ought to consider?

Mr MICHAEL REGAN: It is, and it's one that I know actively what Northern Beaches is doing because I've only recently retired from there, so I do know what they're up to. The trick is in the case of, say, those funds that you're talking about, you need to have that—I forget the percentage there, to be able to meet the certain Auditor-General requirements, and you need to make sure you've got those ratios right. In the case of something like a Northern Beaches, which is a significantly large council, based on the size of it, in the state here—I think it is the third biggest—we're the number one natural disaster area.

When we have those east coast lows come in and take out—there's a toilet block down there in James's area, at Shelley Beach, that went flying into the ocean, never to be seen again. It was a couple of million bucks to replace. Yes, it was declared a natural disaster, but neither the federal government or the state government gave us any cash, because we don't qualify, because we're a council, which I know you and I would have had arguments with state and federal about regularly. But we are, and we regularly suffer these types of events. Recently we had another storm event, where there was flooding and the like. We need to have those unallocated funds, to some degree, and there's a ratio you need to keep. You've got to talk to an Auditor-General and you've got to talk to a Cabinet about how you rebalance that; otherwise, we are restricted by the rules of local government.

ZALI STEGGALL: Could I just add to that? I think it's questionable to say that it's the remit of local government to have to pay for this, or to invest in it, when you have got other levels of government. I do feel the lever that should be pulled by local government is in requiring a mandatory percentage of new builds being saved for essential workers. That's not done across the board by councils. I recently met with the Northern Beaches of Sydney Alliance. They've got a request that all new builds have a mandatory 10 per cent. Of course it comes back to the definition of who that 10 per cent would be reserved for or targeted to. But I think the lever that councils have is the planning and approval lever, more so than the funding lever. I would have to agree with Michael: When it comes to resources, there is a number of significant public infrastructure buildings that do drain on local government funds. Obviously there are grant processes, to state government and federal government, but they are major pieces of public infrastructure for use by the local community that I think take precedence in investment of funds from local government.

Mr STEPHEN BALI: Sure. But going back—

The CHAIR: Mr Bali, this will be your final question, in the interests of time.

Mr STEPHEN BALI: Based on the planning, how do you see the amount of planning staff? A lot of councils are under the pressure of trying to get all the approvals through. What are the challenges in planning that you see at the moment? Is it more staffing, or delivering on how long it takes to get one of these bigger investments approved?

MALCOLM McDONALD: In terms of time frames, the state government set expectations, in terms of development application [DA] assessment time frames, identified as one of the potential constraints to the cost of development. Northern Beaches Council is averaging about 80 days for DAs, well below the state average of about 110 days. Part of the constraint, particularly in relation to affordable housing, is that in the Affordable Housing Contributions Scheme, the requirements of the state guidelines are really geared towards levying land at that uplift stage, so at the rezoning stage. As Michael mentioned, there are relatively few sites of scale on the Northern Beaches. An opportunity such as the City of Sydney, which is having a lower broad-based levy that is financially feasible, is another mechanism available.

Ms LIZA BUTLER: Malcolm, it's great that you've got an affordable housing policy. But what have you found to be the constraints in delivering your targets, especially if there is a constraint that the state government could assist with?

MALCOLM McDONALD: As one example, the current low- and mid-rise housing reforms have set expectations around the amount of new homes to be delivered and constructed within each LGA. Within the

Northern Beaches, for example, our expectations are to deliver over twice what our current forecasts have been, to around 5,900. That land wouldn't be subject to the Council's Affordable Housing Contributions Scheme, because it has not essentially been rezoned. It will be a state policy that introduces these new controls.

At the moment there's a bit of a policy vacuum, Council would argue, in that we're not able to capture any affordable housing contribution for this significant additional housing that the state levers will facilitate. There's an opportunity to establish a state-mandated expectation for affordable housing contributions, particularly for the low- and mid-rise. There is also no established state policy in relation to affordable housing contribution on state-owned land. The Forest High School site at Frenchs Forest was a joint project by the state and Council, but having a 15 per cent contribution at the time was in the absence of a broader state policy. There's an opportunity, one could argue, that having a state expectation for surplus government land would facilitate at scale.

Ms LIZA BUTLER: Ms Steggall, I tend to agree with you on the role of local councils, but what can you see as how the state and federal governments could collaborate more on affordable and social housing?

ZALI STEGGALL: I think everyone has got to stop passing the buck to say it's somebody else's problem. I think that happens. I have many an argument in federal politics around it, blaming the states for the problem, and vice versa. I think shifting it down to local government is not going to be the solution either. I think it has to be more coordinated approaches. The legislation that's currently stuck in the Senate in federal government would assist to an extent—there's build-to-rent, the HAFF [Housing Australia Future Fund], and various measures that have gone through. They're not generally, I don't think, going to help our area here—the Northern Beaches. The Northern Beaches generally doesn't qualify for most of the affordability criteria that are set at federal level, so that doesn't really help essential workers in these areas.

That's why I think it does come back to mandatory zoning aspects—that there has to be a 10 per cent component for housing. It just won't be included in areas where land values are so high. I think it does come back to the rezoning, though, and planning aspects. Maximising current land opportunities becomes important. We're not going to have a significant high-rise in this area that you might find in the City of Sydney. To give you a comparison that came up in a recent housing forum, I will soon have the full North Sydney local government area in the electorate of Warringah as well. They have the same requirement on them from state government for, I believe, 5,900 residences by 2029. They have to deliver that within a 11-square-kilometre area, versus, I believe, the Northern Beaches is 254 square kilometres. You have got two very different land size LGAs with the same requirement of density. That clearly is clearly going to create some conflict.

Some of the solutions put forward was where you're talking about creating dual occupancy, for example—what the minimum land size should be for dual occupancy. I believe the Northern Beaches Council had a public consultation around what that minimum size for dual occupancy should be, because that opens up a lot more opportunity. But of course with all this, can I just say, comes a lot of concern from residents, when it comes to infrastructure and transport. The Northern Beaches has two main roads into it, and three, if you really go up the other end.

Mr MICHAEL REGAN: Mona Vale.

ZALI STEGGALL: We don't have a tunnel. We rely on ferries or public transport.

Mr MICHAEL REGAN: Buses.

ZALI STEGGALL: Buses, yes. Transport infrastructure is absolutely interlinked with capacity to deliver more housing in various areas, which I think comes back to why that minimum mandatory requirement for new builds becomes essential because, if not, we see too many development opportunities that go to high-end development, but it just keeps exacerbating the problem.

Ms LIZA BUTLER: Michael, it seems like the sites you referred to in your opening statement have taken a long time. What were your barriers there and what could be done at a State level to help overcome them?

Mr MICHAEL REGAN: What were my barriers, Malcolm? You were there from day one. Essentially, the Department of Planning and the Department of Education working in silos. This goes back to when Kristina Keneally was the Premier. Rob Stokes, Jonathan, and Mike had all just been elected—about 2008—and they had the state significant site announcement for the hospital. They were going to build the hospital, which was fantastic. It was underway, and Planning were all for it, but then we just hit barrier after barrier, because the school was right next to the hospital. They said the only place we have a proper town centre, which is connected to the roads and infrastructure, was right there.

Education kept saying, "No, no, no. Let's look somewhere else." Planning were saying, "Well, this is the only place." Then they tore their hair out and said, "You know what? We're not going to do it at all." We kept coming back and saying that this is an ideal site to do 1,000 here and, in that general precinct, up to 6,000. If we

had the Beaches Link tunnel and some additional public transport, such as another B-Line that went to Chatswood, we could probably do up to 6,000. We could only land on stage 1, which was the high school site. We eventually forced the hand of the government of the day, back in 2018, when Rob Stokes signed it off as planning Minister, maybe, and it's still sitting there.

Now they're building the high school, which is great. It's been rezoned accordingly—it might have been 2021, actually. It was 2021 when it finally got rezoned. It's done. We are just waiting now. The barrier is simply that the Government needs to make it a priority, and they can deliver 1,000. I might say, talking to the private developers out there, they all want to build on the Northern Beaches, because that's where they can maximise their returns in the current market. I'm told it's now around \$800,000 to build an apartment, and that's without the land cost. That in itself is a concern.

When we talked about things—and Zali touched on it too—like the subdivision, dual occupancy, or median low-rise density, it's not the be all or end all in that. In an area like this, you'll just make people put another \$1½ million dollars in their pockets by a simple subdivision application. With a big block of land, bang, there's the plans approved, someone else can build it, and they can't afford it. By the time someone does build it, it's several million dollars to buy anyway. That's out of everyone's reach, basically. We need to talk about other mechanisms.

Mr JAMES GRIFFIN: Ms Steggall, thank you and congratulations on your recent housing forum reinforcing the issue that we have on the Northern Beaches. Mr Regan, congratulations on this outstanding submission. I think that you've encapsulated really well the challenges that we face here on the Northern Beaches when it comes to essential worker housing. You have a very unique and valuable perspective, having been the former mayor. I would hate for us to go through another challenge like we've both been through with respect to the Queenscliff Health Centre site, and the delay—

Mr MICHAEL REGAN: I'm still scarred, James.

Mr JAMES GRIFFIN: Yes. You've also articulated really well the opportunity that the Frenchs Forest town centre presents. What next steps would you like to see with respect to that project as it applies to essential worker housing specifically? We can obviously use the Committee to put forward some recommendations and some reporting. Is there something at this point? You've had some good ideas, historically, about the percentage of affordable housing, but is there an opportunity here for some essential worker housing?

Mr MICHAEL REGAN: Thank you, Mr Griffin—if we're going to be formal. Thanks, James, sincerely. When we were putting this submission together, my staff and I looked at some different opportunities around the world. We looked at one in New York. I think we highlighted the Willets Point redevelopment. That was a private-public relationship that delivered 100 per cent of its 2,500 new homes as affordable housing. That is 2½ times the size of Frenchs Forest, so it is clearly doable. We have to acknowledge that. We have to give the government of the day the confidence that they should be brave—and particularly the bureaucracy. They're the ones that sometimes gets stuck in their ways and don't want to be visionary. They don't want to try something new for fear of some sort of retribution or of being wrong—I don't know.

What would be great about this Committee was if they highlight that this site is a DA away. It doesn't have to go through rezoning. It is ready to go. We need Homes NSW or Housing New South Wales—whoever it is—to say, "We need this to be recommendation number one and a priority to go out to market now. Go out, do some expressions of interest, find out what's doable, and let the market come back and tell you." Let's talk about 100 per cent affordable housing. We've locked in 15 per cent, so it's going to go to a third-party provider. What about the other 85 per cent? What could we do with that? Could it be a shared equity model with no fixed income limits, and no limits on the price of the unit, so that a teacher or a school principal can buy one? It might be a \$2 million apartment and they can only get 50 per cent of it back, but they can buy it and the government owns the other 50 per cent.

Let's have a discussion. Do we really have to give it to private at all? Can we just say it's retained in government ownership, the land is in government ownership, as it is in the ACT, I think it is. They own the land so you're only ever a leaseholder, but you still pay full commercial things. I think there are opportunities there for the government to be brave, because I don't actually think it's being brave. I think it is sensible to go out there and do it, but go to market now. Don't wait. Mr Bali, you touched on it in regard to the definition of a key worker and the like.

We've got to be flexible about that. Do you put it back into the hands of an independent committee that's either chaired by its local state members or its council and, simple as that, we have some clear definitions around what determines a key worker? Therefore, the project is open to vendors to buy, and it becomes a lottery. I can guarantee you, if you put 1,000 units out there, you'll be oversubscribed instantly with 10,000, 15,000 people

wanting to buy in. I think we need to do that and take advantage of it and see. Let it become the benchmark for what we do elsewhere.

Mr JAMES GRIFFIN: You've referenced HOPE Housing.

Mr MICHAEL REGAN: Yes.

Mr JAMES GRIFFIN: Do you know if they've met with the Department of Planning on the Forest site? Because their submission and their evidence was compelling.

Mr MICHAEL REGAN: I met with HOPE Housing and I've met with the Police Bank and other superannuation funds, asking them what their barriers are. They talk about things like, they want the government to underwrite the risk. I think that's been in the media a bit lately, in terms of, does it have to have a 20 per cent balance? Can it be a 1 per cent deposit? Can it be zero deposit, underwritten by the government? HOPE Housing were similar. I have spoken to them directly about the Frenchs Forest site and talked about their challenges. They delivered a site in Beacon Hill, I think it was, recently, which was a small-scale one. But that was fabulous and we're very happy for that. It is skewed towards a disability market as well, which was great. The Police Bank have said they will do the mortgages, so it's doable. And the risk can be underwritten by government because the Government owns the site. It's not going to a developer. They're not pocketing it. The Government and the Treasurer, Mr Mookhey, are going to have a lot of assets on the go potentially making money into the future. And that's how they've got to look at it—the future.

Mr JAMES GRIFFIN: I have one other question. Mr McDonald, there was a new phrase to me from a community housing provider today: the 'golden triangle of pain'. Are you familiar with that?

MALCOLM McDONALD: That's the first I've heard of it.

Mr JAMES GRIFFIN: Essentially, it was a reference to bushfire, flood, and ecology reports that proponents have to provide as part of the planning process. There was an interesting proposition put forward around, essentially, the transfer of risk associated with those reports being moved from the council as the approval authority to the applicant, which was bold. The issue was, essentially, the broken nature of the approvals and planning system and the time getting an approval took, and then the viability and the impact that that had on an affordable housing or a CHP delivering a project. You've provided a number of, in my view, really sensible recommendations to the government to resolve some of those planning issues in your submission. Would there be one where Council would say, "Look, if there was one thing that government could do, this would be it," with respect to the planning process?

MALCOLM McDONALD: Beyond what's in the submission—and I think Council stands by the recommendations that it put in—the recently submitted shared equity scheme, that has recently closed, provided a great opportunity on behalf of Council for essential workers to move to an asset ownership rather than a rental situation. But, looking at the specifics for the Northern Beaches, in terms of median rent and median house prices, and the relatively restrictive manner in which the scheme was eligible to participants at the time, running that scenario within the Northern Beaches, even with a 30 or 40 per cent shared equity contribution from the state, still wouldn't enable an essential worker on a median income to be eligible for the scheme, or to find a property. I think there is an opportunity for the consideration of the Committee to look at more place-based recommendations. In the circumstances of the Northern Beaches, which has relatively high median rents and sale prices, but a significant workforce and a significant cohort of essential worker housing and really quite pronounced demographic trends which are of concern, having a place-based approach or targeted solution has some merit.

ZALI STEGGALL: I'm not familiar with the submission in relation to that transfer of risk from approval authority to, I'm assuming, the applicant, but I would raise a concern. The state government did a very good report highlighting that the Northern Beaches local government area is highly exposed to climate risk. We have a massive issue of insurance risk in Australia on the east coast, including in this area, where a huge proportion are under insurance stress, are underinsured, or not insured for major risk. There can't be a situation where the pressing need for housing outweighs a need to build resilience for the future.

It has to be climate adapted or it is just wasted money. For example, the schemes that are encouraging the federal government to expand and do more, around the resilient building scheme, which is a scheme to ensure buildings are climate adapted and resilient, can then translate into cheaper insurance premiums. Obviously banks also have a huge—the Actuaries Institute estimates that banks have about \$57 billion of residential mortgage exposure that is uninsured or underinsured at the moment. So as much as we need to address the supply issue, we cannot lose sight of not waiving the risk, safety, or resilience requirements around where and what we build or gets built.

Mr MICHAEL REGAN: I really want to add to that because, again, bushfire is one of the most—we are very vulnerable here on the Beaches. We saw that recently in the last few weeks, when hazard reduction jumped the lines and threatened homes. The smoke and ash were running down to my property in Dee Why, for goodness sakes. Ms Butler has also been through something extraordinary in 2019, and has her own scars from that. We saw just how unprotected we are, no many how many asset zones and protection zones you have.


As you know, we are together fighting a scandalous proposal on the Northern Beaches which has high bushfire risk and the like. Putting Dracula in charge of the blood bank is not a good idea. In terms of putting the risk back to the applicant—no. I saw the bushfire report for that particular development that I'm referring to, and I saw the independent one that Council had commissioned—it was chalk and cheese. I'm not going to put any volunteer in danger or whatever, but I also like the approach that the council proactively took with the Department of Planning in Minister Stokes' time. When the fires happened in Canberra and the ember attacks reached suburban streets and took out homes, everyone had a rethink about the actual bushfire planning, the way they did it, and rezonings and the like. It was to the point that it held up Ingleside from being there.

We put a counter-proposal that they leave it alone, because you would never be able to protect it, that they can't get the road infrastructure to evacuate people safely, to build it in an area such as Brookvale so you're doing the urban renewal type thing, and the government of the day agreed. That's where you have to be really careful. I don't see it as a golden triangle of pain. It's only if you're trying to do sensitive sites and put homes in danger and at risk. Minister Scully launched the Domain report in Parliament only a few months ago that talked about the Northern Beaches being the most at risk. Insurance is extraordinarily high here, to the point where some people just don't do it or can't afford it.

ZALI STEGGALL: Can I say, the Actuaries Institute identifies that flood is the greatest risk when it comes to underinsurance or non-insurance. Compared to bushfire, it's a greater problem. The scale at which it takes out whole areas is greater than bushfire. So coastal communities is the future.

The CHAIR: Ms Steggall, I'll ask you one federal question and then one very local question. Tax reform is always a very complicated and contentious area, but I just wanted to see if you had any high-level thoughts about tax reform that could help either incentivise the delivery of essential worker housing or could help unlock existing stock.

ZALI STEGGALL: I think all levers need to be on the table, and that came out loud and clear from a recent forum. If I look at it from a federal point of view, of federal levers, obviously negative gearing always gets a lot of focus. Ironically, it's capital gains investment—the 50 per cent deduction on the investment property—which is the greater impost on government coffers. It's about \$20 billion for that, versus about \$2 billion on negative gearing. While negative gearing gets the focus, it's the capital gains discount on investment that actually incurs the most. I have appetite for—and I'm putting it out in surveys to the electorate—a scaling model where the discount continues for the first investment property, it's halved for the second and it's not there for third or more, because what we do know from data is the number of property investments changes dramatically. What that does is put less people in the market, which hopefully starts to take the heat and reduces prices a little.

The problem is a lot of proposals tend to mean more cash in the market, which only will drive prices up. For example, I am critical of the federal Coalition's policy around  superannuation, especially for first home buyers, which are often essential workers. All that will do is give people more buying power, which makes prices go up. It doesn't help supply. The federal levers need to be talked about. At a state level, you have to address stamp duty. It is one of the major tax levers that you have available to you that will free up supply—especially in an area like here, where we have a growing amount of older households with empty nesters. For example, there is no incentive for people to downsize and free up existing stock, and so I think stamp duty has to be looked at, at both ends of the age bracket. For first home owners getting in, it's a prohibitive tax. For retirees who have paid off their homes—and that's 30 per cent of residents here—it's a disincentive from moving to any other kind of accommodation.

The other area that I'd like to explore is better utilisation of current housing stock—for example, having boarders renting out rooms. At the moment every lever of tax disincentivises that because, if you produce an income from your family home, you waive your capital gains exemption, and so for a retiree that is a disincentive and it impacts pensions. I think, at the very least while we have a supply issue, some waiving of those, especially for retirees, to be able to rent out rooms without impacting pensions or incurring a capital gains consequence on the family home would free up a significant amount of supply, which may be of assistance to essential workers like nurses, drivers, and teachers. We've heard stories of nurses who are hot-bedding to come and do their shifts, basically, in the area. That short-term supply boost is something that needs to be looked at, and that's a federal lever.

We tend to focus on immigration and other things, but the statistics and the data show that that's actually not where the pressure is coming from. We simply haven't had the investment in housing and building at an affordable level for essential workers. Lastly, I understand that, in the past, social housing was available much more broadly than the categories of people that it's available to now. It used to be, up until the '70s, available to teachers, police—all those kinds of essential workers we're talking about now—and they paid rent, so it was a good return. It was a good investment for state governments. That has shifted to being only those in the most dire of circumstances—unemployed—who access that kind of housing. Maybe it's a review of that situation.

The CHAIR: In terms of particularly local examples, from your housing forum, are there any case studies or stories that were shared with you about essential workers, the challenges they had and the housing stress they are under that you would like to share with the Committee?

ZALI STEGGALL: Yes. I guess I just touched on them. We certainly had a lot of accounts of people in nursing and aged care—nursing in particular—where they were hot-bedding to meet shifts and simply not affording to be in the area. People are choosing not to work in those industries in the area, because it's just unaffordable. Teaching was highlighted. We had young residents attend; they were very interested in opportunities where subdivision was available. But what they raised was that currently the council is looking at, I think, a minimum block size of 800 square metres being eligible for subdivision. If that was lowered, for example, to 600, that would free up a huge amount of opportunity for subdivision. This was young people who were teachers and builders looking at those opportunities.

I think there should be a little bit of flexibility. I understand the council invited for more people to make submissions on what would be a minimum land size for subdivision, for example. In terms of a local example, the bus drivers, as Michael raised earlier, was a classic example. We had a huge shortage of buses. It was mainly caused by a lack of drivers. If drivers can't live locally, they're not going to drive an hour and a half to come here to start a shift at five o'clock in the morning. It becomes essential to have that available. My concern is also that we do hear announcements of state government planning—for example, I think, for Seaforth, it was announced that there was going to be some housing freed up and available.

Now, from local residents' feedback, they're not aware of where or what. If there is public land available for development, it shouldn't be sold to a private developer who is just going to make high-end-level development. Why isn't that land being developed for affordable housing? Lastly, the Beaches Link tunnel—I believe there was housing acquired in Dudley Street by the state government for the purpose of development of that project. That housing should be made available for affordable housing for essential workers.

The CHAIR: Mr Regan, I also note that you were the only member of the Legislative Assembly to provide a submission to this inquiry. Thank you. A gold star from the Committee to you and your team for providing that.

Mr JAMES GRIFFIN: Very good.

The CHAIR: In your submission, you talk a lot about shared equity and recommendations to government. HOPE Housing was one example that has been shared with the Committee, as have others. I just wonder if you could talk more about what opportunities you feel that presents, particularly with the examples you gave about the cost of purchasing homes within the Northern Beaches?

Mr MICHAEL REGAN: Yes, it's a tough one, because it is always going to be expensive. As I said earlier, if you allow subdivisions to be less than 800 square metres—600 square metres or 500 square metres—we have an exact number for what that translates to. But then you've got the building costs et cetera and so forth on that. You just end up with—it's not affordable. We focused a lot, as I said, on the shared equity potential. It was nice to hear council talking about that as well, as a potential, because, at \$600,000, it's going to cost you \$800,000 to build one apartment on Frenchs Forest high school, and there are a thousand to be built, so you instantly rule people out. We need a more flexible model. We need to be creative with that, and we need to test that. I think there are smarter people than me there who can test this sort of thing and run the models through.

But it takes the will of the government to say, "We've got a very valuable site. Having that very valuable site, yes, we could sell it for a few hundred million dollars." But if we actually kept hold of it, developed it, and then offset our costs by having the other 85 per cent of the site as a shared equity model, you'd instantly defray the cost and the government is suddenly at the front—it can be a wealthy property developer itself. I think there is an opportunity there. We just have to tease that out a bit with the right people in the room. I'd like to see that happen at some stage. I think there is a lot of low-hanging fruit as well, which we didn't really touch on in the submission, because we are actively working with Homes NSW or Housing NSW—I forget the title; I'm sorry. We've got significant public housing here. Not as much as yours in Sydney, Chair, but we've got significant public housing in my area.

There are 750 old homes—they are old World War II service homes and public housing—with one person living in them. They are 800-square-metre blocks of land, and you are going, "Is that the best use of that land?" We're saying, "Why can't we have three or four terraces on there? Why can't it be private, public, and social, or public, or social?" I don't really care, but you certainly don't want to sell that, and then move them out west. So I think the opportunities in the shared equity one—it's not new. We're not reinventing the wheel; we're just creating different standards and different options to allow a school principal, a schoolteacher, a bus driver, and everything in between to be able to be eligible for it. I think that's the challenge that this Committee and others interested in making this and progressing it forward have to do, and I'd like to see that pushed.

The CHAIR: Mr McDonald, often councils get blamed for prolonged planning processes, but obviously councils have to follow the planning rules and regulations set by our workplace. In terms of those planning processes, is there any point at which councils are required to consider what would be the needs of housing for essential workers within the local government area?

MALCOLM McDONALD: There'd be reference back to, I think, the council's policies themselves. For example, in the Northern Beaches, we've got a Local Housing Strategy which identifies the need of around 1,900, and then there's the Affordable Housing Contributions Scheme, which has an expectation for rezoning. But in relation to an assessment of an application, per se, it's not a mandatory requirement, really, for a council- or a state-led rezoning, to have specific consideration in the absence of a mandated target or expectation. Certainly, for land that's the subject of a rezoning proposal within the Northern Beaches, that would be triggered by a statutory provision in Council's LEP [local environmental plan] to require a 10 per cent contribution. So that's the legal mechanism. Were there to be, for example, a statewide affordable housing requirement for other types of development that's not the subject of a rezoning, such as the mid-rise reforms, that would also become a requirement at the development application assessment stage. But, in the absence of a formal lever as such, no, there's no other consideration.

The CHAIR: Throughout today and, indeed, throughout our Committee process, we have heard about the urgent need for essential worker housing right across the state, but councils are not empowered to in any way prioritise or fast-track planning when it comes to the delivery of that type of housing. Would that be correct?

MALCOLM McDONALD: Not as a specific development application, per se. I think it's incumbent on all consent authorities to expedite assessment of applications as fast as they can, and I think the Northern Beaches has a really impressive record in that respect. There's a range of discretionary matters that can prioritise applications as they come in. But, essentially, that's all that remains.

Mr STEPHEN BALI: Mr McDonald, I know section 7.11 contributions are all set, but how does it work in the Northern Beaches? Sometimes with councils, certain areas are identified, and 7.11 contributions are all different—the developer levies. Are there areas of the Northern Beaches that don't attract a 7.11? What are the average 7.11 contributions right now, if you know off the top of your head, as an example, in some of the areas in northern beaches—the amount per unit?

MALCOLM McDONALD: It's a great question. Council's constrained in its local contributions framework to collect rates either under section 11, which is a specific provision targeted to the infrastructure needs within a certain growth area—so, for areas that have been the subject of intense master planning and rezoning, such as Frenchs Forest or Dee Why, for example, or Warriewood release area, where the local infrastructure needs to support really specified growth identified in a master plan and a rezoning, then correlated through to a specific 7.11 contribution rate.

For the instance of Frenchs Forest, for example, the local infrastructure needs were greater than what the \$20,000 cap was set, so it triggered a need to get an independent assessment through IPART [the Independent Pricing and Regulatory Tribunal], which was endorsed. I think it's around about a \$30,000 local contribution rate per dwelling. For the remainder of the LGA across the Northern Beaches, there is a flat 1 per cent levy under section 7.12 of the contributions plan, which works out to be relatively less than the \$20,000 rate. As areas are master planned and considered in finer grained detail, there is an opportunity then to get a more targeted contribution, to ensure that the levies are collected to support the identified infrastructure. For example, in Brookvale, it is currently subject to a 7.12 one per cent rate.

Mr STEPHEN BALI: Is that based on the unimproved land value? What is it 1 one per cent of?

MALCOLM McDONALD: That's based on the cost of construction that supports a development application. It's 1 per cent of that construction cost.

Mr STEPHEN BALI: I'm just picking up on the point that Mr Regan was raising that, when doing subdivisions less than 800 square metres, it might be advantageous for the state to make it a bit easier to draw, if you're going to do affordable housing, because some areas are benefiting because they're only paying 1 per cent,

and other areas have to pay \$20,000. If you go out to my areas in Western Sydney, you're paying \$50,000 or \$60,000 in section 7.11 contributions, and I think the state government recently changed the laws where every property being developed gets a state levy anyway.

Would you see it as an advantage if you are doing the development contribution that that could actually be seen as a 7.11-1 or something? Obviously someone had a sense of humour when they did this Act—7.11! Do you see an advantage if we just do another 1 per cent that goes right across the state for anyone who is subdividing, improving their property, or getting more property—whether it's a granny flat through to a development, there is an extra 1 per cent that's attracted anywhere in the state, and then you can concentrate on areas to attract affordable housing or key worker housing without overly bankrupting everyone?

MALCOLM McDONALD: The Council's undertaking a pretty significant body of work to answer that question at the moment, through economic consultants looking at feasibility testing of sample development sites across the Beaches: Is there a capacity to pay to increase the levy beyond 1 per cent to 2 or 3 per cent and, from that, what proportion could be allocated specifically for affordable housing such as occurs in the City of Sydney, or what also could be contributed to an additional local contribution rate? The development industry may say that's an additional cost or an additional tax impost, so the sensitivities about the types of developments—it may not be feasible necessarily for a townhouse or a dual occupancy, but the feasibility may become greater for mid-rise apartment blocks, for example. That work's underway.

The CHAIR: Thank you all very much for appearing before the Committee today. Thank you for your strong advocacy for your communities here.

ZALI STEGGALL: I just wanted to give you the data, sorry. The census data identifies that there are 13 million spare bedrooms around Australia.

The CHAIR: Thank you. That is an important stat to end with. Thank you again for appearing today, and thank you for welcoming us here on the Northern Beaches. It is great to bring Parliament here. You will each be provided with a copy of the transcript of today's proceedings for any corrections you may wish to make. Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return those answers within 14 days of receiving the questions.

(The witnesses withdrew.)

Mrs EMILY LOCKWOOD, Member, Sydney YIMBY, affirmed and examined

Ms PRINCESS VENTURA, Regional Director, Urbis, affirmed and examined

Mr JAMES WHITE, Research and Strategic Knowledge Manager, Urbis, affirmed and examined

The CHAIR: I welcome our next witnesses. Thank you all for appearing today to give evidence. Please note that Committee staff will be taking photos and videos during the hearing. The photos and videos will be used for social media purposes on the Legislative Assembly's social media pages. Please inform the Committee staff if you object to having photos and videos taken. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

EMILY LOCKWOOD: Yes.

PRINCESS VENTURA: Yes.

JAMES WHITE: Yes.

The CHAIR: Do any of you have any questions or require any information before we get started?

EMILY LOCKWOOD: No.

PRINCESS VENTURA: Not at this point.

JAMES WHITE: No.

The CHAIR: If you do at any point, feel free to ask. Would any of you like to start by making a short opening statement?

EMILY LOCKWOOD: Yes. Thank you for the opportunity to appear before you today. I am Emily, a member of Sydney YIMBY, which is a grassroots pro-housing group. I have been an essential worker and we have essential workers in our membership. We recognise the need for more homes to help those who help us. Our communities simply do not function without essential workers. I could not have gotten to this location today without them. In our day-to-day lives, we have essential workers bringing us into the world and they are there for us day to day. They are there in some of our most vulnerable moments in our lives and they are there for us at the end. Yet it is so common to hear of them not being able to live anywhere near where they work, even if they have a home. Don't they deserve some kind of work-life balance?

I'm sick of so many politicians at so many levels kicking the can down the road about housing, blaming each other, and not deciding to do good policy, because you need to have some point of difference with another party. We want homes. People deserve a place to live. For that to happen, you simply need to build a lot more. The best time for that was a while ago, but you can take the next best opportunity now to do so. People have forgotten or not paid attention to the human element of the housing crisis. It is not a looming crisis; we are already in it. If there are people who think that there is time for endless discussions and endless consultations before we do something, you are out of touch and you are hurting people.

I was lucky enough recently to spend two days at the NSW Nurses and Midwives' Association conference, talking to nurses and midwives about their experiences with housing. It was genuinely devastating to hear what some of these people and their colleagues are going through. I have with me a number of postcards that people wrote on about their experiences with housing, and I had many more conversations on these days—losing colleagues interstate, adult children moving back and living in loungerooms, the effects on mental health, people losing or having to change jobs, the long commutes people are forced into on either side of long shifts, the effects on regional areas because people who can no longer afford the city have made moves, and the personal and professional impacts of housing on people. We spoke to people living in cars or tents and yet, when we have the discussion about the housing crisis, equal weight is given to those who think apartments are ugly compared to the reality of what people are facing day to day. Are you kidding me? How could we think any of this is okay?

Our recommendations are: DPHI [Department of Planning, Housing and Infrastructure] should immediately review planning controls for all areas within 1.5 kilometres of hospitals, universities, shopping centres, and other employment hubs; and new construction or upgrades of hospitals, infrastructure, or other significant employment hubs should automatically trigger a DPHI-led review of the relevant LEP [local environmental plan]. Those reviews should aim to substantially increase allowable heights and densities to ensure that workers are accommodated in new construction. We want to make sure that the definition of essential worker is data driven and reflective of the community.

Inclusionary zoning requirements should not be adopted generally. If such requirements are adopted, they should be used only when there has been a significant increase in allowable density, to avoid impacting development feasibility. Where planning controls are relaxed, the government should directly tax a proportion of the land value and uplift, and use the funds to purchase or build social or affordable housing. We also ask that you recognise that essential workers deserve choice as much as anyone else. An increase in housing everywhere is good for everyone. It is good for essential workers—whose lives are already often defined by their jobs—to make decisions about housing that suit them as individuals or families. There are many reasons and times that a worker's job may change or end, or it may not be the most important thing in deciding where they live. We need to have a lot more supply everywhere. Thank you.

The CHAIR: In terms of those postcards that you received, should you wish to share those with the Committee, we would happily take them and table them as part of your evidence.

EMILY LOCKWOOD: Thank you.

The CHAIR: Ms Ventura and Mr White, do you have any opening remarks?

PRINCESS VENTURA: Yes, thank you. I won't introduce us again—since we have gone through that—to save some time for discussion. James and I are absolutely delighted to be participating in the public hearing today. Essential worker housing is something that we feel very passionately about. Housing is not only critical to their wellbeing, it is also what underpins the sustainability and resilience of the places that they support. Without intervention, it really undermines the ability of New South Wales citizens, including us in this room, to be able to live a good life. I thought I would give you a bit of context. Our submission is actually based on a roundtable discussion that we held. We had representatives from state and local government, developers, funders, community-housing providers, faith-based organisations, employers, and representatives of essential workers.

Together we have identified 13 recommendations. I am not going to go through each one of them, but I am happy to answer any questions about them. We grouped them under four headings: leveraging government land, enabling low-cost construction methods at scale, planning interventions, and targeted incentives. Our recommendations are focused on not only increasing supply but also achieving reasonable commute times. Before we take questions, I just wanted to highlight that we need to look at multiple housing typologies that should be set independent of pricing, whether it be for rents, if they are rentals, or purchase prices, in order to meet diverse needs and balance that with fiscal sustainability outcomes. For example, in our submission we identified the different types of worker cohorts and what their needs might be. The rents for some on-call workers, such as surgeons or doctors, for instance, could be set at market rates, which then, in turn, could subsidise more affordable rent for those who have low and medium incomes. Thank you.

The CHAIR: Committee members will now ask some questions. Please feel free to take any question on notice should you not have the information at hand or, as happens to all of us, you have a mental block at any point.

Mr JAMES GRIFFIN: Thank you very much for being here today. Ms Lockwood, thank you for your YIMBY submission. I just want to say from the outset that I think the presence of YIMBY in the discussion and the broader debate about housing has been really refreshing and really welcome. I was also quite struck by figure 1, which gives a historical overview of completion per 1,000 population. It cites that 1970 was the peak, before planning controls came into effect. I just wanted to acknowledge that there has been a consistent drop. I had a question for Urbis around recommendation number 10. We have heard from many people today. Some have touched on construction methods and the improvement and change in, for example, modular housing, which has dramatically moved, as you know, from what some perceive it as, which is a standalone shelter—something that's quite impressive now, and being rolled out in other countries. Do you have any examples or pilots from overseas or even in Australia that you think would be useful for us to look at, in terms of modular housing, or the use of different construction methods to lower costs and increase the delivery of homes and apartments?

JAMES WHITE: The modular housing taskforce is exploring those opportunities in terms of a pilot in Wollongong and in Lake Macquarie at the moment. I think it's a \$10 million initiative that is currently ongoing, and that's through Homes NSW, I believe. That's obviously something which could be explored, in terms of essential worker housing as well, because we've identified that there is an opportunity for—that's within our recommendation as well—leveraging off a pattern book, which could also be developed to actually look at the development of scale en masse.

Obviously, there are benefits when there are those kinds of replica products, which then can be developed as part of a whole, and then rolled out consistently, with advanced planning processes as well, through a streamlined process. Those examples are already on their way via the New South Wales government, in terms of the low- and mid-rise housing pattern book and the streamlined approach that that's taking. That's well underway.

Those could be used as, potentially, an example as to how essential worker housing could be rolled out, in terms of a modular housing form. But in terms of overseas examples, we do have some, but I can take that on notice and actually provide some examples later on, if that's of help.

Mr JAMES GRIFFIN: I wasn't aware that the pattern book included—

JAMES WHITE: It doesn't. That's a suggestion from us—that it should be expanded to actually explore opportunities to expedite the delivery of essential worker housing, through a process that can be more similar and streamlined, and actually go through complying development pathways, rather than going through council processes, as per the low- and mid-rise housing model.

Mr JAMES GRIFFIN: Understood. Ms Lockwood, in the discussion at the nurses—

EMILY LOCKWOOD: Nurses and Midwives' conference, yes.

Mr JAMES GRIFFIN: —conference, was there one story that really stood out in terms of the urgency of the situation at hand?

EMILY LOCKWOOD: There wasn't, and that was honestly the most upsetting thing. I had really anticipated—we have existed for over a year now, and we have heard a lot of difficult stories. But it was the fact that everyone had a story. It has either happened directly to you, to a colleague, or to your family. There were endless tales. In regional areas, we have colleagues living in cars, or "I have lived in a tent", or adult children moving their whole families in. It is not an individual. A woman and six kids have moved into one bedroom. We have people driving 90 minutes, working a really long shift, and then going home. How is that safe for them as an individual? How is that safe for our health system, or for the patients who they care about? They don't want to live like this. A lot of them were very scared to talk about the reality of what they are facing, and possibly the impacts on their job, because they are scared of losing their jobs. That's why people are—we spoke to some people who drive two hours. Why would they do that unless they had to? They don't want to.

We had people who have had to move home for domestic violence, and have ended back in those homes because there aren't places to go. When we talk about there being a lot of reasons an essential worker place of housing may not work for everyone, what happens when someone goes on maternity leave? What happens when someone loses their job? If they become disabled? If that job is no longer the right fit for them? If they have ageing parents that they need to look after? These are the kinds of things that everyone is either going through or considering. That's why we believe that there just needs to be more supply everywhere, because these people deserve choice. Already their lives revolve around serving others, and at very short notice are called in to jobs. They are saying, "We actually don't have the time to get to our people that we need to serve at such short notice because of our commute."

Ms LIZA BUTLER: James, in relation to the planning interventions that you just suggested, is that the only one, or are there more that you could see benefiting and streamlining the process for affordable housing?

JAMES WHITE: There are probably a lot of planning interventions that I could go at length into talking about. I'm a planner by trade.

Ms LIZA BUTLER: If you would like to take that on notice, that is fine.

JAMES WHITE: Many are outlined in the submission, but I suppose one example that we could highlight would be the recent changes to the housing SEPP [State Environmental Planning Policy], to actually instil floor space bonus mechanisms, and height bonuses as well, for the provision of affordable housing. We think that if you tack on some essential worker housing—potentially 5 per cent—and enhance the increases with that as well, in terms of bonus, that would incentivise the provision of essential worker housing that is well located, close to transport hubs, close to town centres as per the SEPP, which outlines a number of mechanisms to locate dwellings and properties well. If you utilise the levers that are already in play and tweak them, it's obviously a lot easier to do that rather than create a whole new set of plans or incentives that would start fresh. That incentive in particular—it's already tested. It's already proven to be quite successful in terms of advancing property development and private market development to provide affordable housing. If you utilise that to expand it, potentially for essential worker housing, that's one example that could be used. I don't know if Princess wants to add any more.

PRINCESS VENTURA: Yes, in terms of the ones that we can easily pick up and extend, those include, as well, SP1 Special Activities and SP2 Infrastructure Zone lands. That includes schools, hospitals, and teaching facilities that currently prohibit any residential uses on them. That particularly is a low-hanging fruit, in terms of allowing essential worker housing held in perpetuity in those sites, because they tend to also have large land holdings. That would give essential workers, such as teachers and health workers, homes that are really accessible—a reasonable distance to where they work at.

JAMES WHITE: I heard earlier, as well, in terms of targets and housing strategies, actually in-building targets for essential worker housing into local housing strategies could be one way to mandate a provision or track and monitor and have councils probably be held more accountable to providing that type of housing within their local government areas. We all know the targets have just been released this year for housing, but that doesn't fall down into social, affordable, or essential worker housing. Expanding those and probably breaking up those housing targets to actually stipulate how much essential worker housing could be quite beneficial in terms of monitoring, providing and tracking where the need is the most. So that could be broken up, as has been done, for where the housing is being provided at the moment in terms of mass scale throughout the state.

PRINCESS VENTURA: The last thing I also wanted to mention in this area is it's an excellent opportunity in terms of incentives. As you might be aware, the federal government is providing incentives coupled with or linked to the delivery of a number of dwellings per state. I think that's also something that can deliver housing supply for essential workers, but also takes into account the way that might be fiscally sustainable.

Ms LIZA BUTLER: Emily, I'm interested in your definition of essential worker. You really clearly outlined how it's not just our nurses, police or paramedics; its hospitality workers, shop assistants. Can you let us know what input they have had in your discussions?

EMILY LOCKWOOD: Yes. We are a grassroots movement, so we have people from all areas of employment. That's where that comes from—from discussion within our membership, and also looking at the data and the research. We also look at, from the Department of the Prime Minister and Cabinet during COVID, the COVID essential workers definition: transport, freight, logistics and service stations; health, welfare, care and support, including the production and provision of medical, pharmaceutical and health supplies, and pharmacy workers; emergency services, safety, law enforcement, justice and correctional services; energy, resources and water, and waste management; food, beverage and other critical goods; education and child care; and telecommunications, data, broadcasting, and media. Those are only the priority 1 ones. How do we possibly have such limited essential worker housing that really we would be able to create, and all of those people are fighting for that? Where do they go? Do we have an essential worker building for nurses? Do we have a separate one for waste management? It just needs to be everywhere more. Those people deserve choice.

If I go to my local IGA, people may not consider that the people there are essential workers, but we're not getting food in our suburb without them. The truck drivers that are getting there at four o'clock in the morning and filling up so that it's ready for us to go to at 7.00 a.m.—they are an essential worker. The people who we consider essential workers are very crucial. My kids have just finished school for the day. I am very grateful and thankful to the teachers educating them today, but it is so much broader as to what our communities need to function and to thrive. That's part of where we think it is not just to survive and the bare minimum; it is for us to have these vibrant, lovely communities that we're a part of.

Ms LIZA BUTLER: Do you think that it should be looked at individually by location on the cost of housing compared to someone's actual wage? How do you think we should prioritise? It would be different in regions—everywhere is different.

EMILY LOCKWOOD: We're a broad church. There would be differing opinions on that, I'm sure, within the membership. The thing that we have an issue with people understanding is that "affordable" is relative. What is affordable in a regional area, or far out in the urban sprawl in the Western Suburbs is very different to what is considered affordable in somewhere like the Inner West or the Northern Beaches. I'm not sure that that necessarily should have an impact. What we're looking to do is putting homes where people want to live, where they want to work, and where they already work. That would be the priority.

Mr STEPHEN BALI: Thank you for your submissions. They were all very well detailed, especially the one from Sydney YIMBY. Well done on that. My question is to Urbis, based on some of the earlier stuff you talked about. A few times people have talked about redefining SP1 and SP2. The general concern of doing that is the unintended consequences. One thing that people are screaming out, particularly in Western Sydney—and probably here as well—is that if you start rezoning land that's basically open space that can have a hospital on it et cetera, you're not allowing expansion.

I note that in the North Shore electorate—I have forgotten which school it is, but the previous state government was buying up properties next door, because generally there are not enough playing fields. It's quite easy, low-hanging fruit: Some current administrator or principal of a school will go, "Well, this is excessive. The kids aren't so active." But in five years you might get an active bunch of kids, the next generation of your footballers of any code et cetera. Is SP1 or SP2 really a viable option given that has a particular purpose? It's there to support infrastructure, schools—I know in the old days they used to put units on hospitals, but these days hospitals are a lot smaller on land size. Is it just an easy throwaway line to say, "Let's look at SP2 and faith properties," rather than actually looking at a broader solution?

JAMES WHITE: I think you mentioned rezoning SP2. That's not the intention. The intention would be—

Mr STEPHEN BALI: Well it is artificially rezoning, because you're allowing a house on there now.

JAMES WHITE: No, the intention would be to expand the uses permitted on that particular land without actually losing the actual intended purpose of it. If you think about the definition, say, in planning legislation—if you have a definition for who essential workers are, then you'd be locking in that provision of accommodation for that essential worker on that land and that built development. Whatever might be the housing for the essential worker would be essential use on that essential land, which is set for the purpose. That land would be set aside—

Mr STEPHEN BALI: What do we do for that person when they change occupation, then? Do we kick them out? What we do? We've "allowed", to use your term—I reckon "rezoning", but anyway. You're allowing the expansion of the definition to allow housing for the nurse in some area—it doesn't have to be in hospital land or whatever. The person changes jobs. Do we kick that person out now?

JAMES WHITE: That would be part of the process for actually deciding tenure, wouldn't it? There would be built-in mechanisms when it comes to signing a tenure agreement for that particular person, so that would come down to the contractual arrangement that would be set up for the person actually dwelling within a property. That would come further down the line. I suppose you're talking about the intent in terms of actually allowing for dwellings to be permissible under different land use, which is currently not available.

You mentioned expansion of schools and hospitals in the future. That is something which can happen, but I think both the YIMBY submission and ours actually mentioned that, when you look at expansion and futureproofing areas, particularly those uses, I think it is probable that you could actually redevelop or reinvest in, let's say, a hospital or a school, and have multi-level schools rather than just a single-storey school. We've seen that being quite successful. Having play fields on the roof—I think there's an example of that in Bella Vista or somewhere else, in their new growth centre suburbs. There are different ways of thinking about it without actually losing the ability to expand any of our existing facilities.

I suppose we're here today to talk about essential workers and housing provision. If we look at all the risks and restrictions, we're going to continue to be in a crisis. We need to be flexible and adaptable to think about what we can actually do, and look at the drawbacks as well as the potential for actually installing new permissible uses where they haven't been accepted before. Obviously that's a big study, which we didn't have the time to undertake as part of this submission, but it was a lengthy discussion that we had with faith-based organisations, fire wardens, the Police Commissioner, and others who have properties in that kind of zoned area. It wasn't to look at losing the use; it was looking at expanding the permissible uses of that land.

PRINCESS VENTURA: There are probably three comments that I'd make about that. I absolutely think it is realistic to do that. Firstly, it is already happening in universities. It's just that we're saying, "Make it easier." Universities are looking all the time at including student accommodation; residential is already allowed. Some universities, including here in New South Wales and other states—we're behind other countries—are even thinking about including retirement villages in their landholding. That is the first thing that I would say. Secondly, we know that the facilities—sports facilities, cultural facilities—are really underutilised in schools and universities.

We need to evolve educational institutions to perhaps something like what Victoria has, which is a shared community hub model, where more schools would then have access to higher quality, higher level facilities. Those could be managed better through programming. Especially here in New South Wales, where we don't have that much land left, it's unrealistic that every single primary school and university would have their own facilities. If we went through a hub model, it actually allows our students, our kids, to have access to higher quality facilities if we pooled that money and put it in higher quality facilities, rather than having them freestanding. The last thing that I was going to say is that, when you look globally at educational outcomes, educational outcomes are actually not associated, or there is no link, with the density in which the built form is delivered. Places like, for example, Hong Kong have the highest educational outcomes. Their 15-year-old kids test the highest in terms of maths, reading and science outcomes.

Mr STEPHEN BALI: That might be because there's nowhere else for them to play. They've got no other choice, have they? I get where you're coming from, but I'm just saying right now that there is room. Right now, the nursing homes or aged-care facilities are allowable within the SP2 zoning. The question is about turning that into housing, when we can look at other land around it. The thing that councils get inundated with is community activity. You're right. The government has progressed down the path of looking at how a school hall can be active after hours as well. As we increase the population of people in a location, they also want to go to festivals and activities, and there is less and less large spaces where people can participate. Schools used to be the centre of community activities, but now they lock them up at night or on weekends. We need to look at that. If we now put

housing onto a school site, it stops us from opening that up, which is exactly what you were saying before. We've just got to be careful about the unintended consequences, I suppose.

PRINCESS VENTURA: The last comment I would make is that we have to be realistic. We're in an absolute crisis point. What is the point of having all this open space if we do not have teachers to teach our kids because they can't live within a reasonable distance of work?

EMILY LOCKWOOD: Not to comment on housing on schools, but density around schools is crucial. My children's school has lost multiple teachers who have explicitly said to me they have had to move because of the housing crisis. We know that a lot of schools in the Inner West are losing teachers for the same reasons. We have a lot of schools in Sydney that are under-subscribed. A lot of people are not comfortable—personally, I am—accepting that fact. Having density around a school community, for my children, has been great. We walk to school as a community. We come home from school as a community. People can pick each other's kids up because we are actually near each other. We talk about the city with no grandchildren. That means that my kids do not live anywhere near their grandparents. The support that people previously had does not exist currently. It is terrible for families and individuals, and it is hard on the teachers as well. It is hard on after-school educators. Having density around schools is such a blessing, because those schools stay open. Those schools can get more resources and community actually exists.

Mr STEPHEN BALI: I don't think we've got any opposition for increasing density. If you look at the Northern Beaches, I suppose, since we're here—if you go out to Western Sydney and Blacktown, where I live, you've got 30-storey buildings. As I drove around here, there's not too many buildings above four storeys. We've got a housing target here of 2,900 and everyone is freaking out, and yet Blacktown grows by 12,000 people every single year for the last 15 years or so. How do we balance that, to pick up on your point?

EMILY LOCKWOOD: Those suburbs are doing a lot more heavy lifting than they should. The inner city suburbs have so much more infrastructure. It is cheaper to do in-fill, and we know that it takes less—and the jobs are already here and the communities are already here. It is a disgrace that Blacktown, which we know is heavily affected by climate in summer, is doing the heavy lifting of housing the community, and the inner city gets to wave their hands and say, "We don't want it here." Where do you want it? Give us a place. Give us numbers of housing. Why should Blacktown have to carry it all? I would love for my area to be more dense.

Mr STEPHEN BALI: Hear, hear.

The CHAIR: I will ask a few questions. It blows my mind that nowhere in the planning system is it mandated or baked in to consider the types of workers that an area requires. There are no planning controls about delivering essential worker housing, or even consideration of who the workers are in the area that we may need to house now or in the future. My first question is to Urbis. Your submission makes a few recommendations about how councils and the planning system could address that. I wonder if you could talk to how the planning system could actually consider the needs of essential workers.

PRINCESS VENTURA: Do you want to start with the housing strategies?

JAMES WHITE: Yes. I think I've mentioned it already in terms of housing strategies and setting targets. In the absence of having some sort of mandated requirement for councils to provide anything—there's already so much that they are mandated to provide, in the absence of having something that's written down and actually has a target. It's been so long that there has been an absence. Even in terms of social and affordable housing, there's just a percentage model. We've had the ability for councils all over New South Wales to develop affordable housing strategies. Those are few and far between. Those interventions haven't really resulted in a lot of change on the ground. They vary from council to council. They're quite confusing. We've heard back from clients who are community housing providers that it varies a lot. So having consistency across the board, in terms of what is required for those types of provisions, in terms of affordable housing programs, and building essential worker housing into those as well, could help alleviate some of the pinch points with providing essential worker housing.

But it all comes back to a definition. Planning is so black and white when it comes to actually having something on paper and in legislation. In the absence of having a definition for what is essential worker housing, it's quite hard to do. We had that for many years, even with student housing, and how do we provide that. It used to piggyback on boarding houses and other things. To actually write it into legislation is really essential. To put that down into the planning Act or associated regulations, or the standard instrument for Local Environmental Plans, would go some way to paving the way to having something concrete that would stipulate that there must be X provided in terms of essential worker housing.

That might not be the same for every council. Every council would differ in terms of what their need is—whether it's regional, whether it's inner city, whether it has more universities, more schools, or more hospitals. It should be adaptable and it should be able to change depending on what that need is, because that essential worker

housing definition should be flexible depending on the geographies. We touched on that as well within our scope for the definition of essential worker housing, but that's one way you could do it. But planning is very black and white. Unless you actually get some sort of definition into some of those legislative requirements, there won't be much hope in delivery.

PRINCESS VENTURA: There are probably three comments I'd make on this. The first one is that there's a real need for transparency and certainty, because there are enough funds and investment out there who would put money in essential worker housing, including our own super funds—super funds that actually have essential workers as members—if there was more transparency and certainty on what is essential worker housing. So there needs to be a definition of that. Secondly—what do they say?—if you don't know where you're going, any road would take you there. That is why we need to set what the needs are—that's evidence based. What is the need now, what is the need in the future and how many numbers do we need to get there so we can measure success? That is my third thing. I'm an economist, so I'm a fan of measurement. We measure what we value. We need to measure the number of essential worker housing with the same veracity and seriousness that we track and measure macro-economic indicators such as the unemployment rate, interest rates, inflation, GDP, and the growth rate, and change policies accordingly, depending on how we're going against those targets.

The CHAIR: Quite remarkably, we've had a number of submissions indicating that in New South Wales there is no way in which we are quantifying how much essential worker housing there is at all.

JAMES WHITE: We don't really track or make public the level of housing, or the quantum of housing, that's been delivered. That's constantly a question that we're asked in Urbis: Where are we up to with our housing targets? But it's not very transparent. Going back to Princess' point, it's essential to have that transparency, particularly in the planning system, when we're looking at delivering X houses by a certain year.

The CHAIR: What is the best way to track that? What is the best way to make sure that data is there and made publicly available?

JAMES WHITE: The data is there.

PRINCESS VENTURA: Yes, it is there.

JAMES WHITE: Every time a house is connected to Sydney Water, that is tracked and that's monitored. We used to have quite a good, transparent—it used to be on the planning portal, but it has since been made redundant. You'd actually be able to look into it and see how many single-storey dwellings, multi-dwellings, and attached dwellings. It used to be broken down into that kind of granular detail, but we've lost that sense of transparency. Recently, I've heard that it is coming back, in some shape or form, to say where we are going with our housing targets. ABS data is released frequently which looks at that. But that's harder to look at in terms of council and the kind of specific typologies of houses delivered. We don't see how many social housing or affordable rental housing is provided, not from a public lens. It's all behind closed curtains. That is an easy fix, essentially, from a government perspective.

PRINCESS VENTURA: There's already existing infrastructure that we just need to modify to be able to measure those accurately. For example, we track new dwelling approvals and new dwelling completions. We just need to categorise them instead of right now—what are the categories? I think it's detached dwellings and then "other".

JAMES WHITE: Yes.

PRINCESS VENTURA: We just need to change those categories so we have more transparency in what types of housing there are. There are already existing mechanisms in place. In the census, for example, you identify the kind of dwelling you're living in. If we pull that out as a particular category, then we're able to track that. The same thing with housing strategies that councils have. They have a total number, but they don't break that down into essential workers, affordable housing, social housing or retirement living. We just need greater granularity in that data, but the mechanisms are already there, so we're not starting from ground zero.

The CHAIR: This question is probably to Ms Ventura first but, Mrs Lockwood, I'd love to have your contribution on this as well. In response to Mr Bali's question, Ms Ventura, you said that we're at a crisis point when it comes to housing, particularly in relation to housing for essential workers. From an urban planning or urban diversity standpoint, what does not addressing that crisis then lead to, or what does that then look like?

PRINCESS VENTURA: That leads to our demise. That leads to not being able to enjoy the quality of life that we now enjoy. That leads to not just our children, but also our generation not being able to enjoy the quality of life that we enjoy. You already see interstate migration out of New South Wales growing at a rapid rate, because it's not only unaffordable to own a house in New South Wales, it's unaffordable to even rent. The vacancy rates in New South Wales in most places are less than 2 per cent. The rents have increased by double digits every

single year since COVID has taken place. What does that mean? That means it's also a threat to our economic development and prosperity, because we cannot be a globally competitive state unless we have that talent at home. Economic growth and our ecosystem are very complex. Everybody plays a role in that. So I think it is absolutely fundamental, and it undermines the sustainability and resilience of our state.

EMILY LOCKWOOD: It affects our way of life. There is UNSW research that shows over 90 per cent of teaching jobs are in LGAs that are unaffordable, both for median rents and median house prices. What happens to aged-care workers? I live in the Inner West. There is less young people there than there should be. There is an older population. Where are their aged-care workers going to live? Where are the nurses and doctors in our hospitals? We're hearing from them all the time, and it just feels like if we do not take this immediate action, we'll lose them. They may stay in the same profession and we lose them interstate; or we are losing them from their professions. What a devastating impact that is on someone as an individual, and also on their profession, that they have gone through all of this training, all of this hard work and sacrifice to then go, "I can't do the job that I love and wanted to do, because Sydney doesn't want to give me a place to live." That really is the reality.

The CHAIR: Thank you all for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceeding for any corrections you'd like to make. The Committee staff will also email you any questions taken on notice today and any supplementary questions from the Committee. We kindly ask you to return the answers within 14 days of receiving those questions. We thank you very much for appearing before us today.

EMILY LOCKWOOD: May I be cheeky and add a final statement if possible?

The CHAIR: Absolutely.

EMILY LOCKWOOD: I really wanted to mention what is a passion project for me. There is a government-owned site at Camperdown. It is just a 15-minute walk from RPA [Royal Prince Alfred Hospital]. The government owns it and plans to sell it for just 100 private homes. What an absolute wasted opportunity to have a great amount of housing right near RPA! We ran a petition and we had over 700 people sign it. We spoke to a lot of nurses and midwives at the conference about it and they were all furious that, either in their current working life or in a previous working life for them, when they were younger or somewhere else, having a dense amount of housing right near work would've been a fantastic opportunity. There are other buildings that are 16 storeys just across the road from that site, so it's not as if it's not viable for higher density. Government, please do your thing. We would love to have more housing there, for all essential workers and everyone else. We've asked for a component of social and affordable housing there as well.

The CHAIR: Feel free to provide a copy of that petition to the Committee for our benefit as well. If you wanted to table those stories that you collected at the Nurses and Midwives' conference, we'd greatly appreciate that. That concludes our public hearing for today. I thank all of the witnesses who appeared today. In addition, I thank our amazing Committee members, the hardworking Committee staff, as well Hansard and The Streaming Guys for their assistance in the conduct of the inquiry. Thank you all, and thank you to Mr Griffin for having us in the electorate of Manly today.

(The witnesses withdrew.)

The Committee adjourned at 15:45.