

REPORT ON PROCEEDINGS BEFORE

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

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

At Jubilee Room, Parliament House, Sydney, on Monday 10 February 2025

The Committee met at 9:00.

PRESENT

Mr Alex Greenwich (Chair)

Mr Stephen Bali

Ms Liza Butler

Mr James Griffin

Mrs Sally Quinnell (Deputy Chair)

The CHAIR: Good morning, folks. Thanks for joining us today. Before we start, I'd like to acknowledge the Gadigal people, who are the traditional custodians of the land on which we meet here at Parliament. I also pay respects to Elders of the Eora nation, past and present, and extend that respect to any Aboriginal and Torres Strait Islander people who are either present here or viewing the proceedings online. Welcome to the public inquiry for the Select Committee on Essential Worker Housing. We want to thank the witnesses who are appearing before the Committee today and the many stakeholders who have made written submissions. We appreciate your input into this inquiry. I declare the hearing open.

Mr LUKE SLOANE, Deputy Secretary, Rural and Regional Health, NSW Health, affirmed and examined

Mr MARK SPITTAL, Chief Executive, Western NSW Local Health District, NSW Health, before the Committee via videoconference, affirmed and examined

Mr TOM LOOMES, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, affirmed and examined

Mr DAN CUTLER, Director, Housing Policy and Codes, Department of Planning, Housing and Infrastructure, affirmed and examined

Mr CRAIG TORRANCE, Acting Director, Teacher and Police Housing, Homes NSW, affirmed and examined

Mr GRAHAM BATTEN, Deputy Director, Key Worker Housing, Homes NSW, affirmed and examined

Ms EMMA NICHOLSON, Acting Executive Director, Policy and Strategy, Homes NSW, and Chair, Teacher Housing Authority board, affirmed and examined

The CHAIR: We are welcoming witnesses from the New South Wales Government. 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 and public engagement purposes on the Legislative Assembly's social media pages, website and public communication materials. Please inform the Committee staff if you object to having photos and videos taken. Can I ask that everybody confirm that they have been given the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

LUKE SLOANE: Yes.

TOM LOOMES: Yes.

DAN CUTLER: Yes.

CRAIG TORRANCE: Yes.

GRAHAM BATTEN: Yes.

EMMA NICHOLSON: Yes.

MARK SPITTAL: Yes.

The CHAIR: Does anyone have any questions before we begin? No? Excellent. Would anyone like to make any short opening statements before we begin with questions? No? Great. We'll get right to it. We will begin with questions from Liza Butler, the Member for South Coast. Before I hand over, if anyone wishes to take questions on notice or provide us with further information following today, you're obviously welcome to do so.

Ms LIZA BUTLER: My first question is to Mr Sloane and Mr Spittal. What are the barriers to employment in regional and remote New South Wales to attract employees and the housing issues faced out there? Does that cause a barrier to employ people?

LUKE SLOANE: I'll take that first and maybe Mark would like to elaborate. We've known since the commencement of the Regional Health Division in New South Wales, and probably before that across regional local health districts in New South Wales, that post-COVID access to housing—and probably somewhat before COVID—in a lot of our regional areas was quite difficult. More so when we're trying to attract staff to move regionally and set up put down roots, having available housing for them has been—and we've heard it through the previous rural and regional health inquiry—probably one of our more major barriers to people moving to the regions; retaining staff, somewhat less, especially for remote areas, where housing stock is quite limited. We acknowledge it is and it has been fed back to us from staff either considering moving to regions or living in regions, including those people like Mark managing local health districts. It has been a barrier, absolutely.

Ms LIZA BUTLER: Mr Spittal, do you have anything to add to that?

MARK SPITTAL: I would affirm what Luke said. Housing, not only short-term housing for key workers but equally long-term housing for people wishing to settle in the community, is an issue. It's one of many issues in small country towns across New South Wales, but it is certainly an issue.

Ms LIZA BUTLER: You mentioned that it's become harder since COVID. Is that because people move to places like Orange and then Airbnb has also sprung up? Would you think that Airbnb is a driving factor in that?

LUKE SLOANE: I don't think I could comment on what specific method of booking or otherwise—it would be a little bit outside my bailiwick. But anecdotally, and through a historical Commonwealth Bank report that I think we saw a couple of years ago, there was some evidence to say that there had been a move from metropolitan areas—Sydney and Melbourne—to especially the east coast, Port Macquarie being one of the higher immigrated cities from other places within not only New South Wales but other States. As to the booking methodology or some of those private or non-hotel services, I probably wouldn't be able to comment.

MARK SPITTAL: There are a number of industries across regional New South Wales, and they're all competing for housing stock, so I don't think it's as simplistic as a particular tourism venture that may apply in some locations. But there are plenty of small towns in regional New South Wales that don't have a tourist appeal.

Ms LIZA BUTLER: You may have to take this question on notice. When you cannot attract permanent staff, we're putting agency staff out there. What is the cost of providing accommodation to agency staff? What is the cost to government and to Health of putting temporary people out there and paying for their accommodation?

LUKE SLOANE: I'll have to take a total figure on notice. It should be worth noting for the inquiry, though, that it's not a new thing that we've been able to have housing or accommodation available for agency or locum staff. Quite often if staff require leave, especially medical staff—I think we've heard in quite a few of the inquiries that we do require some locum staff to be available and to be able to house them in order for other people to have leave and so on. I would say that with the workforce shortages there's probably been a bit of an increase in that. But with regard to the total figures, we would have to come back to you, if that's okay.

Ms LIZA BUTLER: My last question is to anyone who would like to answer it. How are you prioritising essential worker housing in regional areas versus city areas? How do you determine the criteria of what's more important in one region than another?

EMMA NICHOLSON: I'm happy to start with that. From a government key worker housing perspective, at Homes NSW we play a role for housing for teachers and housing for police, predominantly in remote and regional towns and also on the eastern seaboard. We are in 351 communities. In terms of prioritisation, we work with the Department of Education and New South Wales police around really where they are finding roles hard to fill. The prioritisation is, I guess, a dynamic factor in towns where they are looking for teachers, principals are advising it's hard to get someone into the role, or they're saying, "We don't have many homes in the town available for people to rent", so in thin-market towns or failed-market towns. That helps us prioritise either have we got a home available, can we bring one back into circulation, can we find another one, either through purchasing, building or leasing, to help those two departments attract the worker out to the town. Prioritisation is absolutely around the nature of service delivery in that department where they're really requiring a person, a worker, to be able to deliver that service. Our prioritisation shifts.

We have a government key worker housing program at the moment that was committed in 2022-23, and the prioritisation for the amount of housing that we would produce in the program was based on the unmet demand at the beginning of the calendar year of 2022. We worked with the agencies at the time and said, "Where are all the places where teachers applied for housing but couldn't get one?" That initially informed where we prioritised our acquisition and then our building program. But over the last couple of years, because each year some teachers can get allocated to a town, for example, and find themselves a home, or get allocated to a town and a school and can't, we work with both of those agencies to adjust how we supply the housing and also where we plan to build or deliver new housing.

Ms LIZA BUTLER: Can you just confirm for the Committee that that is only for police and teachers?

EMMA NICHOLSON: Yes, that's how we work with teachers and police.

Ms LIZA BUTLER: Why are we not looking at the need in a community for nurses, for instance, or hospital wardsmen or any key worker?

EMMA NICHOLSON: At the moment, the Government's Teacher and Police Housing program is typically delivered in locations where we don't usually overlap with health services. We are often in towns that are really, really small, and so we do work with Health and we do seek to coordinate with Health, especially around their new, recent investment program. But often the towns that we're operating in don't overlap, and so that's the reason for the distinction. Where we do have, from time to time, homes that, for whatever reason, aren't needed this year by a teacher, we'll work with other government agencies and also the local community, through the local real estate agent, to make that home available for others on a short-term lease or a 12-month lease or some other arrangement.

Ms LIZA BUTLER: Would it be fair to say that, instead of one coordinated department that's looking after essential worker housing for all of New South Wales, it seems to me you are working in silos? Would I be

correct in saying that? There's Health working on one and then you're working on police. There's no-one working on a whole of sector.

EMMA NICHOLSON: Homes NSW, when it was established last year, does have, I guess, an imprimatur to start to look at the coordination and the opportunities for how government key worker housing can be delivered. There's a work in progress at the moment. What we do at the moment is collaboratively work with other agency colleagues around how to understand who's got demand in what town, who is going to be procuring or building in a town, what relationships do we all have to help make that happen. That is a coordination function at the moment.

Ms LIZA BUTLER: Would anyone else like to comment?

LUKE SLOANE: I think since the inception of Homes NSW we've really been able to centralise that coordination, and we have been working very closely with Emma and her team from their inception, even after the establishment of our Key Worker Accommodation Program in NSW Health. Even prior to that, working with the government department, the Department of Regional NSW, we have already started collaborating across what the impact and business case for Department of Education and police would actually be, and making sure there was no crossover or overlap.

I think there is a strategic view into the future that, given the quantum of scale for staff of all the different departments and agencies, NSW Health alone having 180,000 staff across the state, for us to be able to use our own subject matter expertise—and we've been in some sort of housing or leasing business in NSW Health for a very long time, as have the other agencies. Homes NSW has been that central conduit to bring us all together to understand what each other agency is doing with regards to this, with a view that when we get down the line that, yes, we will be able to flexibly use the accommodation that's established across all of the other agencies.

I think at the moment, even with our Key Worker Accommodation Program, we have Homes NSW on our governance structure, so that we have that connection with them with regards to what's happening, both centrally from a whole-of-government point of view but also to keep them very well informed of what Health's program is working on. I think our program is quite substantial, so whatever we do, we keep them informed, but we still need to get on and deliver the program that we've put through government.

Ms LIZA BUTLER: Health's key worker housing comes out of Health's general budget?

LUKE SLOANE: Not the general—well, yes, the general capital budget, but as per last year, we'd previously had an investment in key worker accommodation with the previous government, and with the government there was a further \$200.1 million investment for NSW Health key worker accommodation.

Mr JAMES GRIFFIN: Thanks for attending. Just off the back of Mr Sloane's comment, obviously there are pockets of government that are working well and some good models that can be learnt from. I am just interested in if you could elaborate a little bit more about the Teacher Housing Authority and its relationship and role within Homes NSW, and potentially whether it's still fit for purpose given 1975 I think it came into existence, and it doesn't appear as though its remit has changed terribly much since then. Noting that it's got a rural and regional focus, is there an opportunity to learn from what it has done well in the past, update it, modernise it and look at how it could work as a model across government? Or would you prefer to put your energy and effort into other, more low-hanging fruit, if you will?

EMMA NICHOLSON: I am happy to start and then hand over to Craig. The teacher housing function has moved into a predecessor organisation, the Land and Housing Corporation, a couple of years ago, and in bringing it closer, I guess, to LAHC and the Aboriginal Housing Office also, I think we have found a number of ways to really think about the challenges of the teacher portfolio, the locations that it's in, how hard and expensive it is to deliver housing in really remote and isolated towns.

I think the strategic asset management planning between THA and AHO and LAHC has really, really accelerated and amplified over the last couple of years as being able to be coordinated together. Now that we have Homes NSW and a really genuine remit to bring it all together and to think in a really coordinated way, we're seeing all sorts of examples of alignment, cross-pollination, sharing and collaboration. I might hand over to Craig to talk about a couple of the examples of what we have been doing because of being so close together and also able to attract staff from between the agencies with different types of knowledge.

CRAIG TORRANCE: I think the inclusion of THA within Homes has brought up a lot of opportunities for alignment. THA has been relatively separate for many years, and a lot of work has been happening over the last 12 months since the establishment of Homes to align our systems and to see how we can integrate key worker housing, essential worker housing, across the housing spectrum. I think that the challenges in the remote and more outer regional areas where THA is traditionally focused, they remain. So I don't think there has been a significant

change in that. We are still dealing with market failure in those locations where the only real housing being delivered is by government. There's a lack of market housing; there's a lack of new supply. There still is a relevance there. What is interesting, I think, is that the THA, through an MOU, we manage the police housing portfolio as well. So I think there is a recognition that the remit of THA has expanded, and maybe that's not been captured in legislation and that's not been necessarily formalised. It's actually an MOU between the police and Property and Development NSW, and we are effectively the agents. So I think there is a recognition that there is a wider potential remit for THA or for Homes in essential worker housing and there's a need to maybe catch up on that.

Mr JAMES GRIFFIN: I have an open question. Have any of you heard of or have a view on the collaboration between the Police Bank and HOPE Housing and their model of, essentially, a shared equity scheme? I know it doesn't deal with the supply side issue, but in terms of assisting that cohort in getting a foot up, do you have a view on that, on whether it's worthwhile pursuing, encouraging or supporting?

EMMA NICHOLSON: I am happy to take that. We've certainly met with those organisations probably a year or so ago and continue to follow their progress. We know there's a housing crisis and it touches all sorts of parts of the community in all sorts of locations and markets, so organisations like HOPE housing—I would say it's fantastic that we've got so many types of parties who are interested and looking at how to generate more housing, more types of housing and more housing for particular groups to really try and throw everything at ways to solve the crisis and produce more housing. We've been watching the iteration of that model and the support it is starting to garner

Mrs SALLY QUINNELL: We've had thousands of pages of submissions and lots of witnesses, and one of the things that's come through quite clearly is that there are two, possibly three, distinct issues here. One is a lack of housing in rural and regional areas, which THA and police are endeavouring to fix. The other one is affordable housing access for people within the eastern parts of Sydney itself. I would like to open it up. I'm not really sure who would be best to talk to on this, but what sort of approaches are there to tackle the ability for people to get housing close to where they work when their workplace is the Northern Beaches or eastern Sydney? What plans are in place?

TOM LOOMES: I can take that. For whatever sins I've committed, I've also got strategic planning in my team as well as policy, which really makes you look at the state as a whole when it comes to some of the housing stresses that are occurring. As you've heard before this Committee and in the submissions, the issues around housing in regional New South Wales are very different to those that are captured in metropolitan Sydney. In regional New South Wales it's really about there being a cannibalisation of existing homes and new homes for different industries. We've heard that here today. You might have an area where there is a renewable energy zone, where construction workers are required to build those renewable energy projects. They will come in and often work for a period of time, but also take up some of that very limited housing stock that's available. That often detracts from people like teachers, essential workers—nurses and doctors—who need those homes as well. It's a very industrial-driven demand for housing, whereas in Sydney it's a population-driven demand for housing—places where people want to live, their lifestyles. Often that makes some parts of Sydney very inaccessible for affordable housing.

In the regions, we've tried to create new pathways for particular types of homes and accommodation that can help with those spikes in particular types of industries moving to and from regional towns. If I take our renewable energy zones, we've recently created a temporary housing class called "construction worker accommodation". It's really there to help construction workers find a place to live while they're building these renewable energy projects, but also while balancing out the need for homes in those towns, whether they're on the periphery of renewable energy zones or within them, to have that long-term housing stock there for people who are going to be there into the future. That planning pathway allows for temporary housing to be delivered very quickly, to be done in conjunction and to give councils a lot of autonomy in what that looks like. It also puts a little bit of the onus back on the construction companies who are delivering these renewable energy projects to deliver housing alongside those projects.

When we take a look at eastern Sydney, you have a very different issue in that land values are very high. The average cost of a home, whether it's an apartment or a house itself, is exceptionally large. We've also seen the largest rental spikes anywhere in New South Wales in parts of eastern Sydney. I think it's a multi-pronged approach in eastern Sydney, and that is really about making sure that we are getting the supply of new homes built—so general supply, making sure that we are creating new spaces for people to live, but also while capturing the need for more affordable housing.

I know that you've heard from many different stakeholders today, and in the past as well, about some of the opportunities for reform in affordable housing. I will say that in the last two years this government has made exceptional strides in the affordable housing space, more so than in the last 20 years. I think that's a sign of really

good things to come. The policies to date are working, is what I would say. You would know about the infill affordable housing bonus scheme, which is a hallmark policy that Dan and his team have delivered. It is really about creating a pipeline of affordable housing for 15 years that keeps rolling on and on and on. But it's also complemented by the fact that we've got inclusionary zoning in multiple places across Greater Sydney now, particularly in eastern Sydney, through our TOD policy. We've gone with this bonus scheme, which is going to help us prop up the affordable housing need in the short term, but also that long-term pipeline of affordable housing that's coming through in the TODs.

The final thing I'll say is that I know you've received a lot of feedback around the affordable housing contribution schemes and some opportunities to perhaps look at the guidelines there. Dan and his team are actively reviewing those guidelines at the moment. We have supported multiple councils in doing low, broad-based charges, particularly Waverley and most recently in the City of Sydney. We are open to affordable housing reform. I think the Minister has been very clear that there is an opportunity for planning reform into the future, and I think affordable housing reform is a big part of that. I'll probably just leave it there.

Mrs SALLY QUINNELL: Brilliant. Does anyone else want to add anything?

The CHAIR: Sorry, Sally, could I just jump in? On that work that's being done on looking at affordable housing policy, how are you carving out essential worker housing? We have also had feedback from various people within the sector saying that key worker housing does not fit in the definition of affordable housing and that there's confusion there that then results in the lack of a bonus for developers through incentives that would otherwise be offered.

TOM LOOMES: The way the planning system works with affordable housing is it actually relies quite heavily on the ministerial guidelines for affordable housing to understand exactly what should constitute affordable housing. I think it's really important that planning mirrors the policy set by Homes NSW, which is coordinating across the Commonwealth as to how that should look and feel. The planning policy essentially mirrors that. It doesn't seek to create another definition or further complicate that. It really wants to take a management practice and say, "This is what the box should look like, the house that people live in," and it's over to the management practices of the CHPs, which is regulated and defined by Homes, so that we are working in lockstep.

The bit about essential worker housing and how does it fit into the planning system, as I said, the focus has really been on affordable housing and making sure we're relieving those pressures for low- and moderate-income people. I take your comment that often essential workers fall out of that bracket. Depending on how that essential worker is defined, some would fall in and some would fall out, and that obviously creates some discrepancies as well. I would say there have been some great examples recently of development approvals where a CHP is choosing to manage or has been conditioned—often by the development application approval or through a voluntary planning agreement that says part of the affordable housing part of this development has to be used for essential workers, so that CHP, whether it's St George Housing or City West, has to carve that out for an essential worker type.

How that's defined is still up for discussion, but I think sometimes those more definitive consents actually really can help manage that stress. You would have seen today there was an announcement about Landcom using the site at Camperdown, obviously for essential workers. They are building a build-to-rent product, which is great, and creating a reduced-rent product for those essential workers. So I think there is a role in government—beyond the specific essential worker development and housing corporations—to actually take a role through Landcom to deliver more essential worker housing, particularly in markets where there might be feasibility issues or there might not necessarily be that level of demand from the private sector.

Mrs SALLY QUINNELL: We've heard from numerous witnesses that one of the things holding it back is a lack of register for all of the affordable housing properties that are available across all forms of government and all agencies. Does one exist? If so, why doesn't anyone know about it? If not, what resources would be needed to get that happening?

EMMA NICHOLSON: I'm happy to take that question. A register in name, I suppose you could say, doesn't exist. But, in practice, community housing providers—through their regulation—are required to, at this time, self-report the amount of affordable housing and other housing that they have either through their ownership or under their management. That's managed in two ways. One is through—I'm about to get the acronym wrong. It's called the CHRIS system: the Community Housing Regulatory Information System.

Mrs SALLY QUINNELL: Well done! I don't know any different, so sure.

EMMA NICHOLSON: Each jurisdiction that's part of the national regulation for community housing has to report in through the CHRIS system. That applies in other states and territories as well. Additionally, our

New South Wales registrar has a process, I guess, of being able to align data that comes out of that system. We are doing a project at the moment over the next couple of months—it's in flight at the moment—that we'll be upgrading that IT system, including so it can far more easily produce reports but also so that it can capture the additional types of affordable housing programs that are in flight at the moment—things like the Housing Australia Future Fund-generated housing that is coming, the Accord-generated housing that's coming and other time-limited affordable housing programs councils might produce or government might produce or what have you.

So there'll be a range of additional program types to help capture that information, which will then make it able to be more easily reported. Then, between the CHRIS system and then our state registrar, we'll have a process for aligning that so that the information can be far more readily accessed. It can be found through—I'll be honest—quite a labour-intensive way at the moment. Historically, there wasn't in the past a lot of interest in affordable housing production. Over the last few years, of course, the need is so much more acute and the interest is so much greater, so the IT projects are underway to fix that.

Mrs SALLY QUINNELL: I would suggest asking councils because they've got thoughts.

EMMA NICHOLSON: Yes.

Mrs SALLY QUINNELL: We had a witness last week say to us, "This is too big for government. This is a bigger problem than government can sort out. It's too big, it's too fast, and we needed an answer last week." I'm curious as to what partnerships you're looking at or currently have with the private sector to get this happening as quickly, accurately or effectively as possible. What's currently in the pipeline?

TOM LOOMES: I can talk from a planning sense. I think maybe that's the fastest way. We know that it's a big challenge and that government cannot deliver the affordable housing across the state that's required to resolve the problem in totality, and that it really does require that partnership with the private sector. We also know that there are significant feasibility issues in delivering new homes in the state at the moment. There are macro-economic issues, there are regulatory hurdles—all of that jazz. The in-fill affordable housing bonus scheme was really about acknowledging that. It was about saying, "We need the private sector to deliver affordable housing in a way that does not impact the feasibility of delivering housing overall." That bonus scheme, which allows for a 30 per cent bonus for your floor space and your height for the delivery of up to 15 per cent of affordable housing, really was that acknowledgement. It has been incredibly popular. We anticipated that we'd probably get somewhere between 20 and 25 projects in the first year, and we've had more than 100. We are talking about a partnership planning policy that is worth its weight in gold.

The number of projects that we've got on the books right now—as in those that are under assessment or have been delivered already—is 7,000 private dwellings but 1,400 affordable housing dwellings alongside that. So we're talking about really large numbers—probably the largest number of affordable housing dwellings that we've been able to deliver in the last 10 years—through that process. I think the other bit is I'll just focus on the TOD accelerated precincts. There are eight precincts across Greater Sydney in the first instance, and there may be more in the future. That really looked at creating an affordable housing component as part of that program. We had a broad-based percentage across the precincts of a minimum of 3 per cent. It doesn't sound like a lot but, where there was a significant rezoning on particular sites, it's up to 18 per cent affordable housing, so it's quite a significant amount.

That is over to the private sector to deliver. We've got a heap of interest already, and they were only finalised in late November last year. There needs to be this delivery of privately delivered affordable housing in partnership with CHPs, alongside government investment, particularly in markets where it is feasible. That's often the places we have the most rental stress as well. Eastern Sydney, Inner West, the Northern Beaches—these places are very feasible when you look at their developable sites, but often that means that they'll get chewed up for private dwellings only. So creating a scheme where you can make something more feasible, but in exchange for affordable housing, is a great way of partnering with the private sector without undermining the general feasibility of a place.

Mrs SALLY QUINNELL: In a perfect world, we find the silver bullet today at 10 o'clock, and tomorrow we can flood the market with affordable housing and every problem is solved. Should that happen, is there a sticking point? Is there an organisation, group or community that will buckle under a huge influx of affordable housing? I'm asking firstly about community housing, but also just generally. Is there any organisation that you think, if we were to fix this, there's a group not ready for it?

EMMA NICHOLSON: I almost think the opposite.

Mrs SALLY QUINNELL: That's good. That's a good answer. Thank you.

EMMA NICHOLSON: There are a couple of reasons I say that. Historically we know that, when community housing organisations are funded, they can produce enormous amounts of housing and they can gear up. We've seen that back during the global financial crisis stimulus days. We've seen that during COVID. We've seen that—

Mrs SALLY QUINNELL: So it's like a critical mass situation.

EMMA NICHOLSON: Yes. From a capacity and a capability perspective, we really have seen our typical partners in the affordable housing and community housing space really be able to ramp up. I would also say we've done the same particularly in the teacher and police housing space. Before we got a very large endowment in the 2022-23 budget, we used to produce about six new homes a year. That first year of funding, we produced 82 homes and two extra parcels of land. So the ramp-up is, in part—it's hard work, but it's a function of money.

In terms of public sentiment, our understanding is that more and more communities are prepared to have more neighbours and also are prepared to have a wider type of housing in their communities—more interest in an understanding of social housing, affordable housing, a variety of housing needs, types of sizes of homes, formats and forms of homes. In that sense, that gives me a lot of confidence that actually everyone recognises the immense need and also really is prepared to accept that there are some real trade-offs but also incredible opportunities.

TOM LOOMES: I'd echo that as well. I think the CHP market in New South Wales is more capable and has greater capacity than any other jurisdiction across Australia, which I think is a great thing. They're also hungry for it, which is really awesome. To echo Emma's comments, the community has also shifted quite dramatically on affordable housing in the past few years. I think there was always a stigma around affordable housing, particularly certain types of affordable housing products like boarding houses, and I feel that, in all of our consultation that we've done on our planning policies, the thing that echoes through is a desire for more affordable housing, which is really interesting because five years ago people were seeking to remove certain types of dwellings from their local area because of the stigma of who was going to be within these homes.

The CHAIR: Can I just follow on from Sally's question? In this, sort of, being able to ramp up to deliver more affordable housing for key workers—if we're able to get there—two of the challenges that have been put to us by various stakeholders have been construction costs and also planning processes. The fact that a one-bedroom apartment could start at \$400,000 for the cost to produce and end up at over \$600,000 because of increases in construction costs and delays within the planning system—what would be possible? What work could the New South Wales Government be doing in this space?

EMMA NICHOLSON: Tom, do you want to start?

The CHAIR: What type of market interventions, policy—what's possible in this space?

TOM LOOMES: I think we're at a low point in the cycle for delivery of housing at the moment. The macro-economic factors are about as worse as they could get in terms of construction costs, labour availability, general land values, interest rates and all of that jazz. So I'd hate to make too much policy at the bottom, is what I would say, and I think, probably, it's right to be ambitious at the moment and think about where we actually would like to be when we're in the middle of where things are good. There are a lot of levers available to resolving some of those macro-economic issues, particularly at a Commonwealth level, but some of it is actually a waiting game—to wait until those things pass and, obviously, as those stresses start to relieve.

There are productivity gains that the construction sector can make in terms of how it's delivered housing. The Productivity Commission and others have looked at the productivity of the construction industry, and it's one of the waning productive industries in New South Wales. I think there are opportunities for them to think about how they use technology to speed up and, obviously, have fewer faults and defects in the delivery of a building, but also that would help them manage the need for particular types of construction materials as well. If we turn to the planning policy, which is my remit, this government has been very much about reducing as many of the planning barriers as possible and the inconsistency and the uncertainty of planning that has been perceived to be around for some time. I think the commitment that we've seen to things like state significant development pathways, which is where the state takes on the development assessment of these—there are 128 councils across New South Wales, and they're all doing a great job, but there's only one Department of Planning, so you don't have that level of inconsistency if you're developing a building on one side of the road to the other that might also be the LGA boundary.

I think that certainty about the type of assessment you're going to get through the SSD pathways is a great way forward. To help with the delivery of—particularly for Homes NSW and Landcom, we have what we call part 5 powers as well, which is their ability to do a review of environmental factors and self-approve certain types of developments up to a certain scale. Particularly for Landcom, that includes an affordable-housing-only development up to 75 dwellings. I think there are ways that the planning system can adapt. Creating really

streamlined pathways is obviously a great way to do that, but I think there is always opportunity for more flexibility in the system, particularly when it comes to delivering affordable housing alongside some of our health infrastructure, education infrastructure and others.

CRAIG TORRANCE: Speaking from the perspective of Teacher and Police Housing in regional and remote locations, the construction sector and the limited scale of it and the logistical challenges are a very real issue. We have been increasingly looking at modern methods of construction and working with colleagues in Homes. Our current program is a four-year program—key worker housing new supply program. Currently about 30 per cent of that program is using modern methods of construction—offsite manufacture and various different types of modulars. We're very supportive of any growth in that sector and the increased capability of the private sector to deliver homes using MMC because, in particular, in those regional and remote areas—but I think it transfers to metro just as much—there are real advantages for us.

Mrs SALLY QUINNELL: That was my next question.

The CHAIR: Is it worth going on to MMC in a bit more detail—what the Government is finding through these processes and how much time and money that has saved so far?

CRAIG TORRANCE: Sure. I can speak from the perspective of the programs that I'm delivering.

The CHAIR: Yes, that would be great.

CRAIG TORRANCE: Yes, absolutely. Across regional locations, the logistical challenges are challenging. We've gone down traditional construction approaches. We will see tenders fail increasingly. I think we've got to recognise that often we are in a very shallow market where we are sometimes competing with other colleagues in Homes to deliver houses, and the sector just is very small. We have had instances where we've gone out to market and they've failed. When we've realigned projects to focus on MMC and the design and construct approach and used the prequalified panels that have been established through the MMC pilot project that Homes are leading, we've seen, off the top of my head, I think, 40 per cent or 30 per cent savings. These are projects that wouldn't be delivered through a traditional approach.

So we've seen significant savings on our pre-tender estimates and significantly compressed delivery time frames. Given that our current program is focused on immediate demand or demand as expressed in 2022, if we're able to shrink that time frame from two to three years for delivery down to 18 months or so, that's a significant benefit. It is an area that, as I say, we've increasingly focused on because it allows us to deliver quality, climate-appropriate housing. But, really, in remote and regional areas, it's increasingly one of the few tools we have, so there is an increasing reliance on it.

EMMA NICHOLSON: I'm happy to add to that. The Government established, through Homes NSW, a Modern Methods of Construction Taskforce with industry. It's been up and running for what feels like a year or so and, in bringing all those organisations together, both the organisations that want to produce housing using MMC and suppliers of MMC but also, I guess, the types of professionals that need to certify it or support councils to incorporate it into the planning system, it's been a really terrific approach to bringing everyone to the table. I think it's quite unique nationally, the approach we've had. It includes, for example, the Building 4.0, which is a Federal Government-funded organisation that is able to bring together research capability but also co-funding for pilot projects to demonstrate new methods or new types of production.

As part of that, the taskforce and the associated housing investment that's going with it, there are a range of housing types that are being demonstrated. Single individual homes, including out in remote or isolated towns; the opportunities for secondary dwellings; as well as testing and demonstrating how MMC can work for multistorey developments. There has been supply of that nature over the years in New South Wales and elsewhere. But our Government is really, through Homes, saying, "We care about it. We want to support the industry to scale. What is the path to adoption for all the stakeholders in the ecosystem?" As more and more people see either an MMC home produced or a lovely home that you can't actually tell is MMC, more and more people are becoming more and more impressed with that kind of home. The debate around whether offsite is more expensive and whether, for some reason or other, some other part of the process is necessary—all of those sorts of questions are starting to fall away. We've had really terrific engagement through the Building Commission and also Planning on how we start to make sure all of the regulatory settings are fit for purpose so more of these kinds of homes can be produced in more places, far more quickly.

Mrs SALLY QUINNELL: It feels a little bit like alchemy. There's no house there and then a week later there's a house there. It feels like it happens too fast to be real. There's kind of a magic-ness to it. In my electorate I've got quite a few of the modular and offsite housing companies, which works because I also have all the construction workers. They can stay at home, they can build them and then they get put on a truck. I've seen them. We see them weekly, maybe, going through.

Ms LIZA BUTLER: One was delivered next door to me last week.

Mrs SALLY QUINNELL: There you go.

Ms LIZA BUTLER: And it looks amazing.

Mrs SALLY QUINNELL: It probably came from my area.

Mr STEPHEN BALI: Being probably the last one to ask questions, some of these—

The CHAIR: I've still got some; don't worry.

Mr STEPHEN BALI: —might overlap but hopefully from a slightly different perspective. The first question, and the key aspect for this inquiry, is what is a key worker or essential worker definition? As you guys have raised before, what type of legislation or regulatory suggestion should we make for changes? From what we've heard, there may be public misconception between social housing, affordable housing and market housing but, from an informed point of view, which we are hopefully all part of, there is the missing middle, as the Chair and some of the submissions that have come in have said.

Affordable housing picks up on worker housing. To wind back one second, from my perspective, the definition for a worker—I get it from the government point of view that police officers, nurses, teachers, support staff et cetera are really important. But in the local community, your cafe worker, your cleaner et cetera, from my perspective, might come under worker housing. Someone that lives in the LGA and within half an hour of their job—given that the Greater Sydney Commission previously talked about the half-hour movement. Should that be a little extra to be added in the affordable housing regulations, to come up with a definition similar to that? There could be other elements to it.

The affordable housing definition also has three criteria based on income. Should we come up with a fourth criteria to address the missing middle because, at the moment, the highest is the medium wage plus 20 per cent in the region. But we're finding that police officers or nurses et cetera that are earning the higher amount may miss out or need to leave. Once you get put into affordable housing and you go above a certain level, through getting overtime or whatever—

Mrs SALLY QUINNELL: Or a partner.

Mr STEPHEN BALI: —then arguably you need to be kicked out. Should we amend the affordable housing definition to allow for a worker definition so that if you're working in the local area or within a half an hour of your job, you won't just be removed. What should we do with that, given the focus of this inquiry? There's another inquiry on affordable housing. Should we just add a little bit to the affordable housing definition about a worker? I reckon every worker is essential and key.

EMMA NICHOLSON: What I might say is, at a policy level, like you, we are poring over the submissions and the hearings of your inquiry to really understand the breadth of perspectives around definitions and around how different programs, rules and regulations are working. It's a very live matter of interest for us at the moment. We absolutely hear our community housing partners say they probably prefer not to have a specific instruction in the affordable housing guidelines around essential workers. They say they're already trying to balance who needs the housing. We're really mindful of the different perspectives there. I think government key workers are an obvious group. We know that government is also interested in supplying housing for those people in those markets. One of the key policy elements is that it goes to access as well as affordability. Tom might want to comment on this as he mentioned one of the projects earlier. We have seen developers seek to include particular types of key workers in their developments, from an access perspective, a social licence perspective and also when they've got a dedicated interest, particularly where there might be institutional investors wanting to support a category of workers. We are seeing that kind of housing be produced without us adjusting the regulations.

The CHAIR: On that, we are seeing it happen but it seems to be done in an ad hoc way, without any strategy or planning around it. Yes, there is the social licence et cetera. What our Committee is really tasked with is how do we bake this into the planning system, so those who are earning just a bit too much to be able to access affordable housing, but cannot enter the private rental market, are addressed in a more strategic and systemic way, rather than just pilot projects and in an ad hoc way? We get that it's a challenge. But that's what we're really interested in. We know there are some things that are happening, but we're more interested in how we can really bake it into the planning system.

TOM LOOMES: To my earlier point about the New South Wales ministerial guidelines on affordable housing, I think the benefit of that approach of having guidelines that the planning system points to, that CHPs obviously have to adhere to in the management of their properties, is that it is a singular policy, rather than having the planning system say one thing. I would caution very much about the planning system leading who, what and

where, because we're all about making the planning system simpler. I think having a singular policy for affordable housing has shown the benefits of that. Absolutely, I take your point about the ad hoc approach, and it has been done in a VPA here, conditions of consent there and a pilot project there. But the benefit of a single policy for affordable housing is demonstration of probably a sound approach.

The CHAIR: What would be the risks or benefits if the ministerial guidelines were amended to have a specific reference to essential worker housing, which may be housing for workers who are earning slightly above the current income levels within affordable housing? Because we have had CHPs, property developers, investment firms and unions all talk about the challenges of this cohort not being considered eligible for affordable housing and how that impacts affordable housing developments that want to be inclusive of essential workers.

TOM LOOMES: If we leave the definition of an essential worker to the one side, because I'm so not game in that.

The CHAIR: Yes, I absolutely agree with that.

TOM LOOMES: For us, affordable housing in the purest sense is—if it's in an apartment building with private dwellings, it should look no different to the private dwelling right next door. We're very much about the fact that we want affordable housing to be the same standard. We want people to be able to enjoy that life. In terms of the essential worker component of an affordable housing building—or any building, if that was to be the case—it should look no different. It should have the same building standards.

Affordable housing in New South Wales falls into sort of two categories. You've heard about this before, but really that boarding house category, which is more for—in the planning system's mind—a sort of temporary or transient-based approach, and then the affordable housing dwelling, which I've just outlined to you. It really is a matter for the Committee to consider the essential worker housing stock and what that could look like but, in the purest vein, we want affordable housing in a private dwelling to look no different. There's sort of no real impact on the planning system if that's the approach that would be taken.

Mr STEPHEN BALI: It's just a difficult concept to get the head around. I think we're all vehemently on the same page, but people seem to get scared and run off. I'm simply saying I agree with you: affordable housing and keep it in the one, but actually just expand the definition to talk about workers. Given that everyone on this Committee—with all due respect to government employees, what I'm saying is there is more to the workforce than government employees. A worker is anyone who has a job in the local government area or within a half an hour of their job, whether you're a bus driver—because we get too caught up on, dare I say, the police.

In the inquiry, we had a police officer sitting next to a childcare worker. The average wage of a police officer is \$90,000. The average wage of a childcare worker is \$60,000. The police are quite rightly saying they can't afford to live in the Eastern Suburbs or the North Shore. What chances has a childcare worker? And that police officer has to put their child into child care at some stage. I just think we've got to simplify the system, as you agree. The second thing to look at is the police homes and the teachers' homes. If you're living in the country, is there some type of benefit apart from the government building houses, and within the funds? Do they get like a 20 per cent discount, if I read that right on page 7 of your submission?

CRAIG TORRANCE: The rent setting for teacher and police housing varies between the teacher and the police portfolios. There are some subsidies that are provided by the Department of Education, depending on location. That's to incentivise the housing, though, as homes. The Department of Education reimburses us for the full market rent of the portfolio, but the department may offer the teachers subsidies based on location.

Mr STEPHEN BALI: And that would be regardless of whether it's government-owned stock or private stock, to get to teachers or police officers—whoever.

CRAIG TORRANCE: Yes, the subsidies are separate from the THA-owned stock. For police, the rent settings are somewhat different. Again, it depends on location. But the majority of the police tenants that we have pay a percentage of their salary for rent. There are a handful of locations where it is market rent.

Mr STEPHEN BALI: The register of affordable housing that you referred to earlier, the Community Housing Regulation Information System—I was just googling before my computer died here that it's a voluntary system, and that the CHPs don't have to put all their stock onto that system. Given that possibility, I think what we're trying to work out is where the central registry in New South Wales should be and who is the best agency to hold onto it. Given that councils approve and say, "Here are 100 units and 10 of them need to be CHP," how does the government know what has been approved to date and whether they are actually being used? What's the timeline? Because some of them may be 10 years or 15 years perpetual. I think it'd be handy to have the property, the address, the term and whether they fit the definition of affordable housing that they're supposed to. Who should be the ultimate one responsible for holding that list, and how do you get that information?

EMMA NICHOLSON: At the moment, there are different organisations or regulators who have different responsibilities for tracking housing that's produced—either through their own councils program or, as you say, we've got the obligations on community housing providers. At the moment, it's self-reported in that system. But, for all the homes that are generated where there is a relationship to Homes NSW or any of our predecessor agencies on a contract, we're absolutely capturing that. In one of the IT system changes where I mentioned that other time-limited programs will be able to be reported on, that will be an additional way to be tracking—certainly for where community housing providers are associated with the home—that information. Councils do have to track it for themselves, and generally they're reporting it over to us through the community housing registrar now. Tom, I'm not sure if you wanted to comment any further on that.

TOM LOOMES: With our in-fill affordable housing bonus scheme, which is a state significant development pathway, it's the first time the state is assessing and providing approvals for affordable housing. We are tracking those numbers, and the state will have a role in compliance to make sure that they are being used for the purpose of the affordable housing in line with their conditions of consent. But that is only, as you've said, a small component of the greater whole. We know that that same scheme is being used at a local government level. When people don't meet the threshold for state significant development, they can still use that 30 per cent bonus at a local level, and we know it's been very popular in a lot of markets across Sydney.

Mr STEPHEN BALI: Maybe I'll be more direct. We haven't worked out our recommendations but, for argument's sake, let's say we make a recommendation. Do we say Homes NSW or the Department of Planning should hold the central registry and chase and make sure that we know where every single CHP is? Who should hold the registry in government and have responsibility for it?

TOM LOOMES: Planning only sees the affordable housing that it approves generally. So if a home that is already standing is being used for an affordable housing purpose because it's purchased by a CHP—it's an existing home and it's been bought—Planning wouldn't see that. So it would have to be a reporting system that sits outside of the planning system, in our view. New affordable housing comes through the planning system. It's reportable and could be input into this list. But as CHP scale up and try to use their capital to acquire more homes to build up their portfolios, we will not see that. We won't see the stuff that's already in the system as well. I think an approach which uses CHPs to report their sites on title is very important. I'm not sure who's the best place to hold that, but there are plenty of ways outside of the planning system that affordable housing can be contributed.

EMMA NICHOLSON: For example, we have around 8,400 or so—we can provide the exact numbers on notice—self-reported affordable homes in New South Wales. At the beginning of February was the most recent count. Within that, we have a bit over 3,000 homes where we have a government interest on title in relation to those affordable homes. There's some different ways that we see that information, either contracted or through the interest that we retain, and can track that currently.

The CHAIR: In terms of that list of 8,400, I imagine that number is going to decline over time though, because a number of those would have been affordable housing properties for 15 years or different time periods.

EMMA NICHOLSON: The National Rental Affordability Scheme would be the main category there. We know that CHPs are, where they can, trying to purchase those homes as they're coming off the NRAS arrangements, but that is the main program that, at scale, is nearing its completion in 2026.

TOM LOOMES: To your point as well, the 15 years is complementary to the perpetuity models that we've put in in other parts of the state. We'd like to see more affordable housing contribution schemes with more perpetuity-based models involved so that you are using the 15 years to have that sort of constant pipeline—each year, getting an additional 15 years where they need that feasibility boost. But really, while the contribution schemes start to pick up and generate enough funds to then be delivered on behalf of affordable housing or CHPs—much like the City's model, which did take 15 to 20 years to really get humming, because it needed to generate the right amount of contributions before it got going—you will see this on and off within the 15 years for a period. But hopefully that has got a long-term, sustainable basis of things coming on in perpetuity.

The CHAIR: From our standpoint, one of the really important parts of actually knowing how much affordable housing is out there and making that publicly available is for the community to understand the need to increase it. It goes to the concerns that some communities may have around social or community housing coming into their patch and actually really using it as an important and valuable tool to really sell the need for more of it because of the fairly low levels across New South Wales.

Mr STEPHEN BALI: To change to another topic and another question, sometimes when areas get rezoned, unfortunately the department zoning doesn't coincide with the section 7.11 or 7.12 contributions. I know that's more to do with IPART, but by the time the council gets their plan approved, the area's been rezoned and developers have purchased land. Then they suddenly find they've got a section 7.11 or 7.12—or whatever it is

these days—contribution, which makes the development less financially viable et cetera. Is there a way that planning can work with councils to ensure that before any zoning changes take place, there is a contributions plan in place at the time of rezoning?

TOM LOOMES: Best practice is that we'd like to see contributions planned alongside the rezoning, especially for large master plans for bigger areas. Absolutely, that would be the best case scenario. But we do know that they sometimes take time or there might be an existing section 7.11 for an area that then needs to be updated based on the rezoning. I think there is probably some greater coordination that could be done, but we'll take it on notice just as to what the existing programs are. Unfortunately, the contribution system doesn't sit in our area, but I'm happy to see what's going on within our local infrastructure contributions team and come back to you.

Mr STEPHEN BALI: Whether it is 10 per cent or 30 per cent affordable housing—or 2 per cent, or whatever they may deem it to be—it obviously impacts on the cost for perpetual versus 15 years. From my perspective and from what I'm hearing from the evidence, it's difficult to come up with a statewide plan because if you go to Western Sydney or the regions with a 30 per cent mandate for affordable housing in perpetuity, there will be no development out there for units. The selling price versus cost price would be at a loss. Going forward, should the planning instruments be flexible? What are the challenges in coming up with a percentage, since there is some discussion out there around perpetuity? We've got conflicting evidence that perpetual affordable housing doesn't work. Obviously the social sector wants it; the development sector doesn't. Have you got any case studies or actual pricing to show us how this actually works?

TOM LOOMES: You're absolutely right that the feasibility in different parts of the state impacts what the perpetuity percentage could be. I'll use our TODs as an example. You've got up to 18 per cent affordable housing contributions in Crows Nest and eastern Sydney, and in the Bankstown TOD it is 3 per cent to 4 per cent. That's an acknowledgement of the significant feasibility disparity between those two places. You have kind of nailed the different opinions. A low broad-based charge—which is 2 per cent, 3 per cent, 4 per cent—is becoming more and more common amongst councils who are establishing contribution schemes because they want to have a pipeline of contributions coming in so they can then partner with a CHP and expand.

Our view is that it's very hard as a state government to come in and dictate exactly what the correct contribution scheme is for a local area. There is a difference of feasibility from one LGA to the next, particularly when you get to central Sydney. The best approach—and I think Dan and I would continue to push this—is that councils should come up with their own affordable housing contribution schemes that acknowledge the feasibility and needs of their communities into the future. We obviously would be happy to partner with any council that is establishing them. There have been great pieces of work that have been done by councils in the past that have been abandoned for whatever reason—often the stigma of affordable housing in their local area. But picking that back up and running with it and having contribution schemes in most LGAs across the state would be a really great win. Obviously we would be happy to support them in that process.

Mr STEPHEN BALI: For the community land titles, some of that exists out in my area. This comes back across to modular housing and modern constructions. It seems to be, once again, more prevalent in Western Sydney and the regions. But given the crisis of essential workers and the lower paid workers delivering essential services, including bus drivers, cleaners et cetera, how would my friend here from Manly, James, or those across the North Shore and Eastern Suburbs kick off a community land title system? By taking the price of land out, you're only paying for the construction costs for what goes in there. That way it becomes like a shared strata for the land. Is that seen in any way as a potential partial solution—there is no silver bullet for this thing—to get more on community land titles? Is that a workable potential in the North Shore and Eastern Suburbs?

TOM LOOMES: It was a particularly prevalent form of delivery of housing in the late 1990s and early 2000s.

Mr STEPHEN BALI: Were they old caravan parks that were then converted?

TOM LOOMES: Correct. There has been a prohibition in Greater Sydney for the last, I want to say, 10 years, from a planning sense, for these types of developments—not the community land titles, but the planning aspect of it. That is something that could be up for discussion, absolutely.

Mr STEPHEN BALI: Why did the prohibition come in?

TOM LOOMES: I'm not certain. I can come back to you on notice on when that came in and some of the views on why that came in. But it's not something that we're hearing a lot from industry, for example. Often when something is a solution to some of those feasibility issues, we hear from industry about how they would change planning policy. It's not something we've heard a lot of recently. But it absolutely could be. That prohibition does not extend to outside of Sydney. We do see those types of community land title buildings and

developments occurring, particularly in places where you see downsizers moving to, particularly on the eastern seaboard. But there are not lot of those types of developments being taken up.

The CHAIR: I will go back to the representatives from NSW Health in the final time we have and then I have a few more questions for others. Hospitals are a great example of an important government development that has a range of different income levels and employees working in it. That's why I'm going to use a hospital as a case study here. If NSW Health is delivering a hospital, at what point do they engage with Homes NSW or planning to make sure that there will be sufficient affordable housing for the workforce for that hospital?

LUKE SLOANE: We could go into detail around the actual planning process. I'd have to come back through Health Infrastructure to give you that on notice. But, as part of any health project within New South Wales, there's comprehensive clinical services planning and health services planning out for a time, and Mark could probably give an oversight in this with regard to some of the stuff that he's done quite directly in the local health district. That engagement then comes across, whether it be to roads, infrastructure, transport, and then the local other utilities that are involved in supplying that. I guess, coming back to one of the earlier questions around some of those other thinkings, if there was to be a tap turned on for affordable housing otherwise, probably what I held back on saying was we'd have to understand how imminently that would affect the other utilities or infrastructure like hospitals and health services in that specific region and whether it fits in with regard to the other planning, which, I'm sure, is a consideration of planning for transport and other things as well.

Very early in the piece, we have a good oversight and work with councils on what that looks like from a development application point of view. But then the five-year planning—and that's always an ongoing thing with regard to more so the actual health of the area or community, first and foremost, and then reliance on how we actually then take housing needs going forward. I think Eurobodalla hospital will be one of those ones where we know there's a consideration for housing for health workers, definitely on the site, for development very early in the piece, and also the mandate around any hospitals going forward needing to include accommodation on hospital site—key worker accommodation—to factor in all remits.

From a health perspective, I think we've taken the approach around critical key worker vacancies, and that's been ongoing. Since, probably more so, COVID, we've talked about that. We know that, from hospital to hospital or health service to health service, there's specific cohorts, whether it be clinical or non-clinical staff, that are the key vacancy, acknowledging whether it be a nurse, doctor or enviro-technician or cleaner or other person. But we also start to factor in what does that look like from child care and any other sort of town utility that would support health and hospital. We could always get better at it, and I think, in the last two years, we've probably got much better at engaging with local council around this and our other agencies across New South Wales government. But, very early in the piece, we'd be considering that.

The CHAIR: Feel free to take this on notice. Does NSW Health have a formal policy on housing for NSW Health workers when delivering a new site like the Eurobodalla hospital?

LUKE SLOANE: In development right now. As part of this new—previously, we've delivered it where we've known there's been a need for it on site or on campus. It should be noted for the inquiry we're not just looking at it from a build perspective; we're looking at it from a rent or lease—

The CHAIR: Sure. You would have to—yes, exactly.

LUKE SLOANE: Yes, build and refurbish. We've got assets right now that might not be fit for—

The CHAIR: It would be really great to get some further information on that policy, that process—when it's going to be developed. That'd be really useful.

LUKE SLOANE: It's in development right now. So we're happy to furnish it once we've gotten to a place where we can.

The CHAIR: Great. On the flip side—a question probably to Planning or to Homes—obviously, we are having the TOD development start. In other parts of New South Wales, particularly in the inner city, there's a great number of potential developments. I think of, say, Blackwattle Bay and the amount of uplift that's going to happen on the old fish market site. Is there a process, within government, that says there's going to be so many hundreds or thousands of dwellings, units, homes going up in an area and asks: who are the essential workers that we may need to make sure we are providing affordable housing for?

TOM LOOMES: I think the Landcom development that was announced today at Camperdown probably is indicative that that work is going into the land audit that has been done across the New South Wales Government. That's, obviously, a site at Camperdown, right next to a key hospital. Obviously, they'll be targeting the key workers that are required for that hospital but also the surrounding areas as well. So I think, in the land audit process, those are the types of inputs that are being considered.

The CHAIR: But currently there isn't a policy or process within the planning system that actually asks that question.

TOM LOOMES: Not within the planning system. You do a social impact assessment through the planning system, and that, obviously, looks at the types of stresses that your development may cause but also the opportunities that it may seek to relieve, and that could be done through that process. It's not mandated, but it obviously could be done. I think that's what's led to what you've described, Chair, as a fairly ad hoc approach to delivery of key worker housing. They're the opportunities that could be considered by the Committee.

The CHAIR: Probably this has to be a final question, just because we've hit 10.30 a.m. We really appreciate the time everyone's taken with us. Obviously, there is the land audit of government-owned land, but there is a great deal of other land, whether it's council-owned land or church-owned land, which is zoned SP2. What work is happening within government to assess other landholdings that could, potentially, be unlocked for the delivery of affordable housing?

TOM LOOMES: I think there's been a number of stakeholders that have brought forward the idea of using special purpose land, SP2 land, for affordable housing. SP2 land is not just church land or Education land. It's military land—there's a variety of different types of land. So we have to be fairly consistent in how we would consider any transition of SP2 land for other purposes. But it is something we're open to, absolutely. The opportunities that the TOD has shown is that we are looking at how we can have more mixed communities, more vibrant communities that have places to work and live. That's been part of that thinking—really enmeshing both a commercial aspect, a retail aspect, with the liveable side of things. So we have looked at other types of zones and how they could accommodate housing within them. Happy to keep having the conversation about SP2.

EMMA NICHOLSON: I'm happy to add to that. In terms of councils, councils often approach us, saying, "We've got a parcel of land. We've got a car park we'd like to convert"—whatever it might be. We can play a role, either connecting them up to the local community housing provider—we can also play a role where we support them, on their behalf, to do procurement, to find the right type of community housing provider or other developer to develop that land, and we've been doing that for some time. Additionally, the Housing Australia and commonwealth investment into more social and affordable homes is absolutely generating more organisations, both councils and faith organisations, and others, to have a look at the land they've got and put together proposals. We're also then either informed about those or asked to consider how the strategic alignment for more housing opportunities can, through partnerships, be progressed. They're probably the most obvious ones, at the moment, that we're seeing.

The CHAIR: Just to clarify something on the social impact assessment of new developments, were you saying that that can consider essential workers but it's not a default that it will?

TOM LOOMES: A social impact assessment is to look at all impacts to the social fabric of a place with the new development but also the opportunities to resolve it. So, if there is a stress, as in there is not enough housing for key workers in the area, that can be something that the development seeks to ameliorate through key worker housing. That social impact assessment and the documents you have to furnish could be part of a development.

The CHAIR: But it's not necessarily mandated that it's looking at that cohort.

TOM LOOMES: Not mandated. That's the point I was trying to make. But I think that's what leads to things like VPAs and conditions of consent, when someone's offering that as part of a development in their social impact.

The CHAIR: 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 corrections. The Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We've highlighted a few, and we'll probably have a number more. We kindly ask that you return these answers within 14 days of receiving those questions. This concludes our public hearing for today. I would again like to place on record my thanks to all of the witnesses who appeared today. In addition, I'd like to thank the Committee members, Committee staff, as well as Hansard and the Department of Parliamentary Services, for their assistance in the conduct of the hearing. Thanks, everyone.

(The witnesses withdrew.)

The Committee adjourned at 10.35.