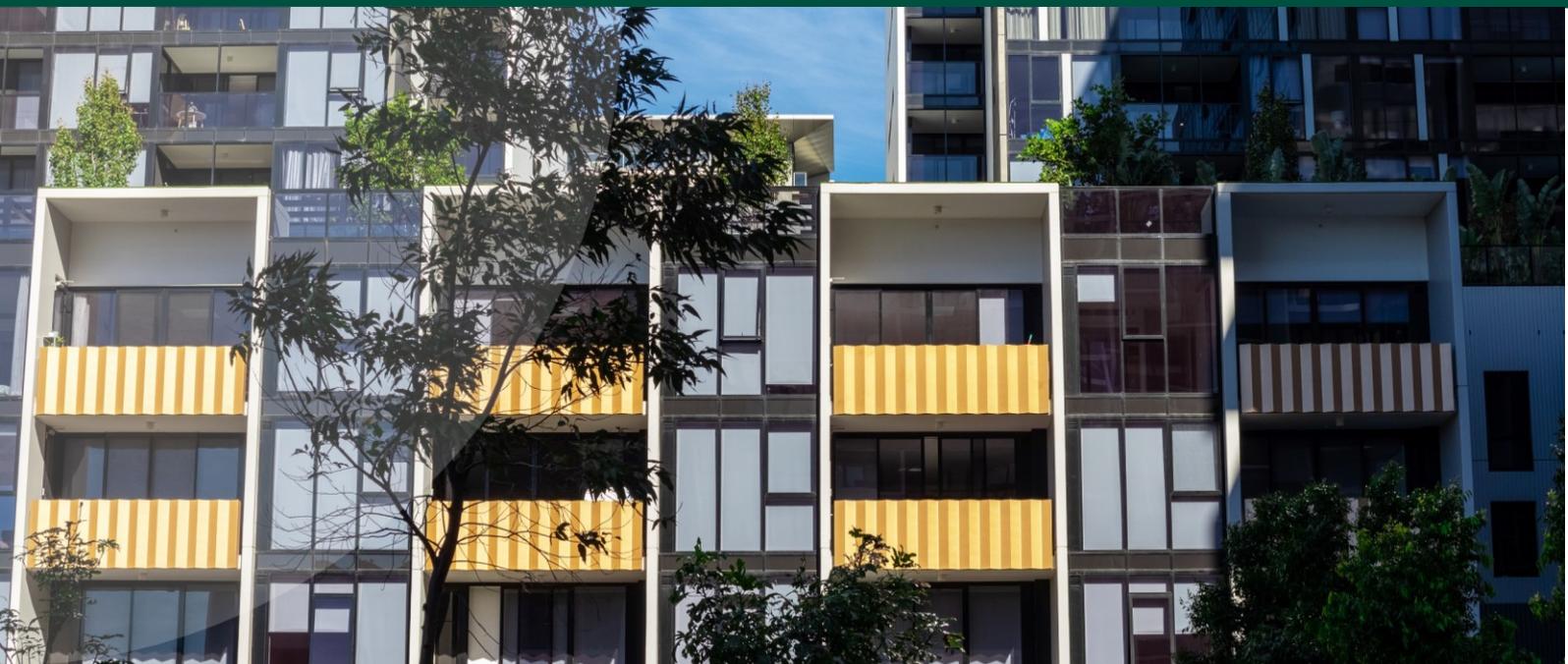


Legislative Assembly Select Committee on  
Essential Worker Housing



LEGISLATIVE  
ASSEMBLY

# Options for essential worker housing in New South Wales



Report 1/58 - June 2025

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The motto of the coat of arms for the state of New South Wales is “Orta recens quam pura nites”. It is written in Latin and means “newly risen, how brightly you shine”.

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# Membership

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## Chair's foreword

Essential workers ensure NSW's cities and regions can function. Yet, without adequate access to safe housing that is affordable, many of these workers are forced to sacrifice their wellbeing in order to deliver the services our state needs.

The Select Committee on Essential Worker Housing was established to singularly focus on the housing needs of this important cohort, and not affordable housing more broadly. While the NSW Government has been making great strides when it comes to housing reform, more needs to be done to prioritise the housing needs of essential workers to ensure they are not left behind as the NSW Government moves forward with its housing agenda. The Committee has therefore made 20 recommendations to improve essential workers' access to housing.

The inquiry confirmed that essential workers are falling into a 'missing middle' when it comes to housing policy. We heard essential workers cannot afford to rent or buy housing at market rates. Yet, many earn too much to be eligible for NSW's subsidised affordable housing. There is also simply insufficient affordable housing in the state to accommodate the number of workers, and other vulnerable groups.

Throughout the inquiry, we heard powerful first-hand accounts about how this policy gap is impacting essential workers. Essential workers are sleeping in their cars or commuting hours a day in order to deliver services their communities rely upon. The irony of homelessness workers unable to find a home while trying to support rough sleepers was not lost on us.

These struggles have carryover impacts for communities, causing critical staffing shortages in key industries. Essential workers are considering leaving the state, or their professions, because of cost-of-living pressures that include housing. Stakeholders told us regional communities are struggling to recruit workers in childcare, disability support, domestic violence, or even town planning, to name only a fraction of the impacted industries. Research submitted to the inquiry showed that significant numbers of essential workers have also been priced out of all but a handful of Greater Sydney's suburbs.

We commend the efforts the NSW Government has recently made to provide housing for essential workers. However, it is clear that the government is taking a siloed, rather than strategic, approach to essential worker housing. The isolated delivery of homes for essential workers in a few locations, while important, is not enough to address essential workers' long-term needs for housing.

While some councils, community housing providers, employers, and even developers and investors have implemented their own initiatives, we believe the scale of this problem requires a unified, whole-of-government response. Federal, state and local governments all have a role to play, and the NSW Government should be working with them to ensure essential workers' needs for housing are considered in all appropriate housing policies, instruments and initiatives.

As a starting point, we see it as critical that the Minister for Housing, through Homes NSW, coordinates the development and management of essential worker housing in NSW. This new

function should be assisted by an independent accountability board, which can oversee planning and delivery of essential worker housing.

The Committee is strongly of the view that checks need to be put in place to ensure essential workers' housing requirements are considered now and into the future and it may also be necessary to set up long-term parliamentary oversight to add an additional check to the work of Homes NSW.

Ultimately, the long-term success of these measures can be assessed by tracking improvements in community services, commute times for workers, job retention rates, and overall community stability.

To date, the housing needs of essential workers have not received the urgency it deserves, and we hope this unanimous and multi-partisan report provides the pathway for this neglect to end.

On behalf of the Committee, I thank everyone who made a submission or attended a public hearing. We received 113 submissions, heard from 99 witnesses at 5 public hearings, held across NSW, and spoke to many other people about the issue. We appreciate the time essential workers, industry representatives, community housing providers, and many others took to contribute to this inquiry, including telling their personal stories.

I also want to thank my colleagues for their commitment and collegiality throughout the inquiry. The Committee travelled across Greater Sydney and to regional NSW and spoke to a range of stakeholders to better understand the challenges and opportunities for essential worker housing in different areas of the state. I thank all Committee members and Committee staff for their important contributions throughout this process.

**Alex Greenwich MP**  
Chair

## Summary

This report addresses the critical and escalating housing challenges faced by essential workers in NSW, a situation that directly undermines the delivery of key services to our communities. Essential workers are increasingly unable to afford or find suitable housing near their workplaces. This forces them into long commutes, substandard living conditions, or to leave their roles, leading to service delivery shortfalls across the state.

### The challenge

It is becoming increasingly difficult for essential workers to find an affordable place to live. Essential workers are often in 'rental stress', where housing costs take up more than 30 per cent of their income. This means people are not able to access vital services in their communities because there are difficulties in recruiting and retaining essential workers – they move to cheaper areas, or change careers. Many essential workers have to travel long distances, which leads to fatigue and affects the quality of their work and wellbeing.

While many local councils and employers are providing their own solutions, fragmented approaches lack the scale and sustainability needed to address the systemic nature of this problem. Our inquiry heard that the problem is present in regional areas and major cities.

### Key findings

Our inquiry found eight important issues – the most significant being that no single government agency is responsible for making sure essential workers have access to affordable and suitable housing. Other key findings include:

- Essential workers need different types of housing to suit their varying needs.
- The term "essential worker" needs to be flexible based on local community needs and should focus on the need to be physically present at work. Essential workers are not only public sector workers.
- Essential worker housing could be better supported in current planning frameworks and new developments in NSW do not always consider the housing needs of existing and expected essential workers.
- There is a need to better involve the private sector to enable delivery at scale.

### Report recommendations

This report makes 20 recommendations to the NSW Government organised around five key themes:

- **Coordinated leadership by Homes NSW:** Homes NSW should lead efforts to provide housing for essential workers, supported by an independent board that provides oversight and policy guidance. In doing so, existing models like the Teacher Housing Authority can be used as a template for broader essential worker housing provision.

- **Comprehensive framework:** Homes NSW should develop a statewide plan with clear principles and minimum eligibility criteria for essential worker housing. This should be explicitly included within affordable housing guidelines and tracked by a public register. The state framework should allow local areas to adapt definitions to their needs, which can be included in local councils' affordable housing strategies.
- **Integration within existing policies:** The NSW Government should require planning processes for major developments to assess the need for essential worker housing, and strengthen inclusionary zoning policies to increase supply in well-located areas.
- **Measures to increase supply:** The NSW Government should maximise opportunities to build essential worker housing on Crown land, and consider zoning changes. The government should implement incentives, including fast-tracked planning approvals for developments that include essential worker housing.
- **Innovative solutions:** Alternative housing models like build-to-rent and shared equity schemes should be explored for their viability to be tailored to essential workers.

#### **Expected outcomes**

Implementing this report's recommendations can create a coordinated, strategic approach to essential worker housing. When considered together, the recommendations can ensure adequate supply of diverse, well-located, and high-quality housing options for essential workers.

Our report advocates for the use of existing frameworks and resources efficiently, and to avoid creating separate systems for essential worker housing. This will allow the government to start to address this issue as quickly as possible to support NSW's essential workers.

# Findings and recommendations

- Finding 1** \_\_\_\_\_ **1**
- No government agency is currently responsible for considering the housing needs of essential workers in New South Wales as a key factor influencing essential service delivery. A strategic, whole-of-government approach is required to address this gap.
- Recommendation 1** \_\_\_\_\_ **1**
- That the Minister for Housing, through Homes NSW, coordinate the development and ongoing management of essential worker housing across the state, including establishing clear targets and reporting mechanisms.
- Recommendation 2** \_\_\_\_\_ **2**
- That the NSW Government establish an independent Essential Worker Housing Accountability Board, comprised of diverse representatives, to oversee the planning, delivery and quality of essential worker housing in NSW.
- Finding 2** \_\_\_\_\_ **8**
- Essential worker housing should not be a single product but cover a wide range of options that deliver diverse, high-quality housing.
- Recommendation 3** \_\_\_\_\_ **11**
- That the NSW Government consider modernising the Teacher Housing Authority with a view to extending its functions to more essential workers.
- Recommendation 4** \_\_\_\_\_ **14**
- That Homes NSW establish a state-level framework for essential worker housing that sets clear principles and minimum eligibility criteria. This should allow local adaptation but provide consistency and flexibility in meeting the diverse housing needs of essential workers across New South Wales.
- Finding 3** \_\_\_\_\_ **14**
- Any formal definition of essential worker should only be used to allow access to additional housing options. It should focus on characteristics like commute distance and time and the requirement for the job to be performed in person, and can include non-public sector workers and employees.
- Recommendation 5** \_\_\_\_\_ **16**
- That the NSW Government amend the NSW Affordable Housing Ministerial Guidelines and related documentation to explicitly include essential worker housing within the definition of affordable housing, and consider other parts of the planning system where this could be done.
- Recommendation 6** \_\_\_\_\_ **18**
- That eligibility for essential worker housing should be determined based on a clear criterion, such as market rent exceeding 30 per cent of an essential worker's income, with rent set as a percentage of income rather than a discount on market rent.

**Finding 4** \_\_\_\_\_ **21**

Any formal definition of essential worker must be adaptable to reflect the unique needs and labour market conditions of individual communities and regions.

**Recommendation 7** \_\_\_\_\_ **21**

That the NSW Government mandate all local councils to develop and implement affordable housing strategies that incorporate specific provisions for addressing the housing needs of essential workers within their local government area.

**Recommendation 8** \_\_\_\_\_ **24**

That the NSW Government, in collaboration with local councils, undertake an audit to develop a comprehensive, publicly available register of affordable housing across the state, with a subset dedicated to essential worker housing.

**Finding 5** \_\_\_\_\_ **28**

Currently, not all employment-generating projects are required to consider the needs of their expected workforce, which often includes essential workers. This makes it harder for essential workers to access housing.

**Recommendation 9** \_\_\_\_\_ **28**

That the NSW Government amend the planning process to mandate all major developments undertake a thorough assessment of the housing needs of essential workers likely to be affected by the development, including by updating the Social Impact Assessment guidelines.

**Recommendation 10** \_\_\_\_\_ **32**

That the NSW Government develop a clear and consistent process for inclusionary zoning and review its current guidelines for affordable housing contribution schemes, taking into account feedback from local councils to ensure their effectiveness.

**Recommendation 11** \_\_\_\_\_ **34**

That the NSW Government encourage the implementation of affordable housing contribution schemes across all local government areas.

**Finding 6** \_\_\_\_\_ **40**

The NSW Government is conducting an ongoing audit of government-owned land to identify surplus sites for housing development. Homes NSW and Landcom having priority access to these sites for social, affordable, essential worker and market housing projects will support the delivery of essential worker housing.

**Recommendation 12** \_\_\_\_\_ **41**

That the NSW Government prioritise evaluation of land identified through its land audit for its suitability for essential worker housing and explore options for below-market sales or long-term leases for the development of affordable housing options.

**Recommendation 13** \_\_\_\_\_ **46**

That the NSW Government consider amending the permitted uses on appropriate and well-located SP2 zoned land to include essential worker housing, where such inclusion would not

negatively impact community needs and would contribute to addressing the essential worker housing shortage.

**Recommendation 14** \_\_\_\_\_ **48**

That the NSW Government identify current opportunities to make better use of existing stock to immediately increase the supply of essential worker housing.

**Finding 7** \_\_\_\_\_ **50**

Essential workers face additional challenges securing long-term housing because of the impacts of the short-term rental market.

**Recommendation 15** \_\_\_\_\_ **50**

That the NSW Government monitor the short-term rental market to check whether it is having a negative impact on the availability of essential worker housing.

**Finding 8** \_\_\_\_\_ **51**

Delivering the necessary volume of essential worker housing critically depends on private sector investment, which in turn requires targeted incentives to ensure these projects are financially viable.

**Recommendation 16** \_\_\_\_\_ **52**

That the NSW Government, in collaboration with local councils, develop a fast-tracked planning approval process for developments that incorporate an appropriate proportion of affordable housing specifically designated for essential workers.

**Recommendation 17** \_\_\_\_\_ **53**

That the NSW Government continue to explore and review floor space ratio or height bonuses for developments that include an appropriate level of essential worker housing, with a view to incentivising developers to contribute to essential worker housing supply.

**Recommendation 18** \_\_\_\_\_ **55**

That the NSW Government investigate opportunities for tax exemptions or concessions for institutional investors in essential worker housing and advocate to the Federal Government to facilitate superannuation fund investment in this sector.

**Recommendation 19** \_\_\_\_\_ **59**

That the NSW Government continue to monitor the effectiveness of alternative housing models, such as build-to-rent, to facilitate the provision of essential worker housing.

**Recommendation 20** \_\_\_\_\_ **65**

That the NSW Government investigate opportunities to support shared equity schemes tailored for essential workers and review the implementation of the Commonwealth shared equity schemes to ensure that essential workers are eligible for future government-run shared equity programs.



# Chapter One – Establishing coordinated leadership for essential worker housing

## Chapter summary

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- 1.1 This chapter advocates for establishing coordinated, strategic oversight of essential worker housing to address the current fragmented approach, which undermines service delivery across NSW. It discusses:
- First, that the NSW Government designate Homes NSW as the lead agency responsible for developing and managing essential worker housing across the state, supported by an independent Essential Worker Housing Accountability Board for oversight.
  - Second, that essential worker housing strategies encompass diverse, high-quality solutions across the full housing continuum.
  - Finally, that the government modernise and expand the Teacher Housing Authority to serve as a template for broader essential worker housing provision.

## Ensuring strategic oversight of essential worker housing

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### Summary

Essential workers across NSW struggle to find affordable housing, directly impacting vital community services. Currently, no single government body is responsible for essential worker housing, leading to a fragmented response. This report strongly recommends a coordinated, whole-of-government effort. We propose Homes NSW leads the development and management of essential worker housing across NSW, and that the NSW Government also establishes an Essential Worker Housing Accountability Board. This aims to align policies, use resources efficiently, and systemically meet the housing needs of these crucial workers, especially in regional areas.

### Finding 1

**No government agency is currently responsible for considering the housing needs of essential workers in New South Wales as a key factor influencing essential service delivery. A strategic, whole-of-government approach is required to address this gap.**

### Recommendation 1

**That the Minister for Housing, through Homes NSW, coordinate the development and ongoing management of essential worker housing across the state, including establishing clear targets and reporting mechanisms.**

## Recommendation 2

**That the NSW Government establish an independent Essential Worker Housing Accountability Board, comprised of diverse representatives, to oversee the planning, delivery and quality of essential worker housing in NSW.**

- 1.2 Finding suitable, secure, and affordable homes near their jobs is a major challenge for essential workers across NSW. This is more than just a housing affordability problem, but a problem that directly impacts the essential services our communities rely on. When essential workers cannot live reasonably close to where they work, there are a variety of negative effects: schools struggle to retain teachers, hospitals face shortages of nurses, emergency services find it difficult to recruit staff, and local businesses cannot find key employees.
- 1.3 Our inquiry found that the limited existing measures to support housing these vital workers are not enough to tackle the scale and urgency of this problem. There needs to be a clear, state-led plan that recognises the link between quality housing and reliable service delivery. Otherwise, the safety and wellbeing of essential workers are at risk and communities suffer from a decline in service quality and longer waiting times.
- 1.4 There was a widespread agreement that NSW urgently needs a coordinated strategy for essential worker housing. We recommend that a key step is to appoint Homes NSW as the lead agency. This would create a single point of accountability, allowing the NSW Government to make sure that all efforts are coordinated, carried out efficiently, and are directed to the areas that need help the most. It will also help to establish a consistent approach across the state to address the issues that are caused by essential workers not being able to access suitable housing near their places of work.
- 1.5 In developing essential worker housing policies, we stress the importance of these being part of the bigger picture, working hand-in-hand with other government policies. Importantly, and as addressed throughout the report, they need to be properly connected to existing subsidised housing programs. This will ensure a coherent approach that maximises overall impact on this pressing issue.

### **Challenges for essential workers create direct service delivery shortfalls for the broader community**

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- 1.6 A diverse range of essential service sectors provided compelling evidence illustrating the need for affordable and accessible housing for essential workers. This issue is not merely a personal hardship for essential workers, but creates a cascading effect, negatively impacting service delivery and undermining the overall stability of communities.<sup>1</sup>

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<sup>1</sup> Peter Remfrey, Chair, Police Bank, [Transcript of evidence](#), 25 October 2024, p 2; Aaron Jones, Political Coordinator, United Workers Union, [Transcript of evidence](#), 3 December 2024, p 11; Nicky Sloan, CEO, Community Industry Group, [Transcript of evidence](#), 3 December 2024, p 38; Pat Gooley, Secretary, Police Association of NSW, [Transcript of evidence](#), 7 February 2025, p 23.

### *Impact on essential workers*

- 1.7 We heard that many essential workers are experiencing rental stress. The high cost of housing means many essential workers struggle to find affordable accommodation, with rental costs often exceeding 30 per cent of their gross household income.<sup>2</sup>
- 1.8 The scarcity of affordable, liveable housing near their workplaces forces essential workers to choose housing they can afford, far from their jobs. Numerous submissions detailed the struggles of essential workers, who often must commute significant distances from areas where they can afford to live.<sup>3</sup>
- 1.9 Essential workers explained how they are adversely affected by long commutes, in both their personal and professional lives.<sup>4</sup> Fatigue and insufficient rest can ultimately compromise the quality of services they provide.<sup>5</sup>

#### **Case study: No housing for mental health workers in Wagga Wagga**

During a public hearing, we heard compelling testimony from headspace NSW about accommodation challenges faced by early career mental health professionals.

One candidate from Melbourne, after accepting a position, was forced to withdraw four weeks later due to being unable to secure affordable housing. This left this crucial role vacant for months.

Another striking example involved a 25-year-old intern psychologist in Wagga Wagga who spent her initial three months of employment sleeping in a friend's garage because she could not find a place to live.

A third young psychologist endured a 173-kilometre commute each way from her parents' home for two months. When overcome by exhaustion, she resorted to sleeping in her car or finding last-minute Airbnb accommodation.<sup>6</sup>

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<sup>2</sup> For example, [Submission 4](#), Tweed Shire Council, p 1; [Submission 19](#), p 1; [Submission 21](#), Northern Beaches Council, p 1; [Submission 28](#), Shoalhaven City Council, p 4; [Submission 35](#), Sutherland Shire Council, p 1; [Submission 94](#), Health Services Union (HSU), pp 3 and 9; [Submission 95](#), New South Wales Nurses and Midwives' Association, pp 5-8; [Submission 101](#), New South Wales Teachers Federation, pp 6-7.

<sup>3</sup> For example, [Submission 81](#), Catholic Schools Parramatta Diocese, p 3; [Submission 87](#), Police Association of NSW, p 10; [Submission 94](#), p iv; [Submission 95](#), pp 6, 9; [Submission 98](#), The Salvation Army, p 12.

<sup>4</sup> For example, [Submission 100](#), Unions NSW, p 7; Xaviera McGuffin, Member, New South Wales Nurses and Midwives' Association, [Transcript of evidence](#), 3 December 2024, p 10; Angelika Zubrecky, Mother Teresa Primary Westmead, Catholic Schools Parramatta Diocese, [Transcript of evidence](#), 6 February 2025, p 9.

<sup>5</sup> [Submission 88](#), The University of Sydney, p 5; Daniel Jackson, [Transcript of evidence](#), 25 October 2024, p 2; Daniel Peric, Research and Policy Official, Transport Workers' Union of NSW, [Transcript of evidence](#), 25 October 2024, p 20; Xaviera McGuffin, [Evidence](#), 3 December 2024, p 15. See also [Submission 12](#), Uniting NSW.ACT, p 1; [Submission 100](#), p 9.

<sup>6</sup> Shane Thomas, Manager, headspace Wagga Wagga, Relationships Australia Canberra and Regions, [Transcript of evidence](#), 7 February 2025, p 48.

*Impact on service delivery*

- 1.10 The housing challenges confronting essential workers invariably lead to direct shortfalls in service delivery across the state.
- 1.11 We received evidence that housing instability and unaffordability are causing essential workers to leave their jobs and communities. Some move to different regions or interstate, and others abandon their sectors entirely.<sup>7</sup>
- 1.12 This worsens existing skills shortages and creates significant recruitment and retention challenges for essential services.<sup>8</sup> For example, Paula Martin, Interim Director, Business Illawarra, observed that in their region workers are relocating to more affordable areas or facing 'unmanageable commutes'. She told us local businesses are 'forced to scale back their operations, reduce hours, or offer higher wages... industries like health and education have reported difficulty filling vacancies, exacerbating regional service gaps.'<sup>9</sup>
- 1.13 The inability of essential workers to reside in or near the communities they serve has particularly negative consequences for sectors where community ties and local knowledge are crucial for effective service delivery, such as policing.<sup>10</sup>
- 1.14 We heard that regional communities face unique challenges. Representatives from Uniting NSW.ACT and headspace National told us that access to affordable and suitable housing is a major challenge for attracting and retaining staff in regional, rural, and remote areas.<sup>11</sup> Submissions from various councils and their peak body, Local Government NSW (LGNSW), also emphasised that housing scarcity in regional NSW can directly impact the ability of regional services to attract and retain staff.<sup>12</sup>

**Case study: Aged care resources diverted by staff housing shortages**

We heard that in some situations, employers are required to provide housing for their staff. With a significant shortage of housing in NSW, this can have a significant impact on essential service providers in terms of time and cost.

Nicky Sloan from Community Industry Group shared an example of an aged care provider who had to redirect critical resources away from their primary objective of caring for older people. We heard that the CEO personally furnishes rental properties for staff – equipping them with everything from linen and crockery to cutlery. She even manages moving furniture and

<sup>7</sup> [Submission 94](#), p 9; [Submission 95](#), pp 3, 7; [Submission 101](#), p 7; Princess Ventura, Regional Director, Urbis, [Transcript of evidence](#), 25 October 2024, p 45.

<sup>8</sup> [Submission 100](#), p 7; [Submission 102](#), The McKell Institute, p 14; [Submission 109](#), Dr Sophie Scamps MP, pp 2, 9; Paula Martin, Interim Director, Business Illawarra, [Transcript of evidence](#), 3 December 2024, p 28.

<sup>9</sup> Paula Martin, [Evidence](#), 3 December 2024, p 29.

<sup>10</sup> [Submission 100](#), p 10; Pat Gooley, [Evidence](#), 7 February 2025, p 24.

<sup>11</sup> Emma Maiden, Director Advocacy and External Relations, Uniting NSW.ACT, [Transcript of evidence](#), 6 February 2025, p 40; Simon Dodd, Head of Workforce Planning and Development and National Clinical Advisor, headspace National, [Transcript of evidence](#), 7 February 2025, p 48.

<sup>12</sup> For example, [Submission 39](#), Warren Shire Council, pp 3, 8 [Submission 44](#), Blue Mountains City Council, p 2; [Submission 49](#), Gunnedah Shire Council, pp 6-7; [Submission 63](#), Local Government NSW, pp 9-10; [Submission 86](#), Wagga Wagga City Council, p 5. See also: [Submission 57](#), headspace National, p 1.

preparing beds before new workers arrive. In this example, existing staff are also diverted from their care duties to handle property repairs and maintenance.

For larger organisations, these additional responsibilities incur substantial costs, with some of these organisations incurring around \$400 000 per year in extra staffing expenses solely related to managing housing. The financial burdens and the diversion of staff time and energy significantly impact these providers' bottom line. Ultimately, this pressing need to manage housing for essential workers compromises their ability to deliver high-quality care to vulnerable older people.<sup>13</sup>

### *Impact on communities*

- 1.15 Stakeholders also demonstrated how shortages of essential workers in a single industry can impact multiple essential services.<sup>14</sup> The United Workers Union noted that recruiting nurses often depends on their ability to access affordable childcare. Yet, childcare workers themselves struggle with housing costs, creating a vicious cycle that hampers recruitment and retention.<sup>15</sup> Similarly, the Police Association of NSW reported that police officers find securing childcare nearly impossible, contributing to officer shortages in regional locations.<sup>16</sup>
- 1.16 Housing shortages for essential workers can threaten community wellbeing and cohesion. Michael Regan MP, Member for Wakehurst, explained that when these workers cannot live locally, communities experience 'declining standards of care' due to increased strain on essential services:
- When essential workers cannot establish themselves in an area for the medium to long term, corporate and institutional knowledge is lost, intergenerational professional skill transfer decreases, our public service institutions are weakened and the social fabric of our communities is less coherent, as staff are not as connected or integrated within the local community.<sup>17</sup>
- 1.17 There is an urgent need for intervention and strategic oversight to address the interconnected challenges undermining sustainability of communities across NSW.

### **Councils and employers creating their own solutions lead to fragmented approaches**

- 1.18 The Committee learnt that local councils and employers have made their own solutions to address the impact of this problem on their communities and service delivery. The lack of overarching guidance on essential worker housing has led to a variety of independent initiatives.

<sup>13</sup> Nicky Sloan, [Evidence](#), 3 December 2024, p 38.

<sup>14</sup> [Submission 87](#), p 11; Aaron Jones, [Evidence](#), 3 December 2024, p 11.

<sup>15</sup> Aaron Jones, [Evidence](#), 3 December 2024, p 11.

<sup>16</sup> [Submission 87](#), p 11.

<sup>17</sup> [Submission 26](#), Mr Michael Regan MP, p 4.

- 1.19 For instance, Councillor Phyllis Miller OAM, President, LGNSW, told us that Forbes Regional Council is housing police officers and doctors for its region without assistance from government.<sup>18</sup> Similarly, Dr Sophie Scamps MP, Federal Member for MacKellar, told us that Waverley, Willoughby, and Canada Bay Councils have developed affordable rental programs specifically targeting essential workers in their respective areas.<sup>19</sup>
- 1.20 Employers are also actively trying to address housing shortages for their staff.<sup>20</sup> Sandra Gray, Employment Facilitator, Illawarra South Coast Employment Facilitator, shared that many employers she works with, from aged care facilities to businesses like Club Jervis Bay, are renting homes to sublet to their staff.<sup>21</sup> As discussed in the above case study, this leads to indirect costs for these businesses that takes from the money that can be used to provide essential services.
- 1.21 While these individual efforts are commendable, we have observed that they often lack long-term sustainability and scale required to make a widespread impact.

#### **Homes NSW is well-placed to be the central coordinator for collaborative action**

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- 1.22 We are of the view that Homes NSW is well-positioned to lead a more strategic approach to address the challenges posed by these fragmented efforts. During a public hearing, NSW Government representatives highlighted that the establishment of Homes NSW allows for improved dialogue and alignment among the varied housing efforts of government, industry and community sectors.<sup>22</sup>
- 1.23 Emma Nicholson, Acting Executive Director of Policy and Strategy, Homes NSW, described the agency as having a 'genuine remit to bring it all together and to think in a really coordinated way about housing solutions'.<sup>23</sup>
- 1.24 Other stakeholders also supported this approach and noted the potential for Homes NSW to expand its existing mandate and resources beyond current key worker housing initiatives.<sup>24</sup> We recognise that these existing programs offer a valuable foundation for broader essential worker housing policy.

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<sup>18</sup> Councillor Phyllis Miller OAM, President, [Transcript of evidence](#), 7 February 2025, pp 19-20.

<sup>19</sup> [Submission 109](#), p 6.

<sup>20</sup> [Submission 57](#), p 2; Sandra Gray, Employment Facilitator, Illawarra South Coast Employment Facilitator. [Transcript of evidence](#), 3 December 2024, p 12; Lyn Connolly, President, Australian Childcare Alliance (ACA) NSW, [Transcript of evidence](#), 7 February 2025, p 30.

<sup>21</sup> Sandra Gray, [Evidence](#), 3 December 2024, p 12.

<sup>22</sup> Emma Nicholson, Acting Executive Director, Policy and Strategy, Homes NSW and Chair, Teacher Housing Authority Board, [Transcript of evidence](#), 10 February 2025, p 15.

<sup>23</sup> Emma Nicholson, [Evidence](#), 10 February 2025, p 4.

<sup>24</sup> [Submission 111](#), Dr Ronald Silberberg AO, pp 2, 7; Michael Regan MP, [Transcript of evidence](#), 25 October 2024, p 33; Michael Carnuccio, Manager, Policy, Community Housing Industry Association NSW, [Transcript of evidence](#), 6 February 2025, p 29; Adrian Harrington, Chair of NSW Management Committee, Housing All Australians, [Transcript of evidence](#), 7 February 2025, pp 72-73.

- 1.25 In this role, Homes NSW could first coordinate the various NSW Government key worker housing initiatives that currently operate in isolation, outlined at the end of this chapter. They should then extend their focus beyond delivering housing support solely for public sector employees to actively work with industry and community sectors to develop and implement programs for all essential workers across NSW.

### **A Housing Accountability Board will provide important oversight to the NSW Government's delivery of essential worker housing**

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- 1.26 In addition to Homes NSW's role in managing essential worker housing, the Committee is of the view that NSW requires an independent Essential Worker Housing Accountability Board. The Board's primary role would be to oversee the planning, delivery and quality of essential worker housing. The Board could also provide external oversight and policy guidance to Homes NSW.
- 1.27 The Health Services Union (HSU) advocated for an independent advisory board to improve the transparency, accountability and community engagement of the NSW Government's housing commitments.<sup>25</sup> They told us an independent board could be responsible for monitoring and analysing the essential worker housing being delivered, and the government's reporting on it. As well as systemically analysing the housing being delivered, HSU advocated for the board to consult community members via public forums.<sup>26</sup>
- 1.28 We also heard that establishing a centralised board could help coordinate strategy when addressing essential workers' diverse needs for housing.<sup>27</sup> Professor Nicky Morrison told us that independent experts could help ensure that housing policies are both evidence-based and inclusive.<sup>28</sup> Professor Scott Eacott told us a centralised advisory board would allow for 'state-wide monitoring' and identification of 'areas of greatest stress'.<sup>29</sup>
- 1.29 Stakeholders told us the board could include a range of representatives, including academics, housing and industry experts, developers, representatives from local communities, and essential worker representatives.<sup>30</sup>

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<sup>25</sup> [Submission 94](#), p 2; Dr Dustin Halse, Divisional Secretary, Strategy, Research and Projects, Health Services Union, [Transcript of evidence](#), 7 February 2025, p 35.

<sup>26</sup> [Submission 94](#), p 2; Dr Dustin Halse, [Evidence](#), 7 February 2025, p 35.

<sup>27</sup> [Answers to supplementary questions](#), Professor Nicky Morrison, 17 March 2025, p 8; [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 4.

<sup>28</sup> [Answers to supplementary questions](#), Professor Nicky Morrison, 17 March 2025, p 8.

<sup>29</sup> [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 4.

<sup>30</sup> [Submission 94](#), p 2; [Answers to supplementary questions](#), Professor Nicky Morrison, 17 March 2025, p 8; [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 4.

## Accounting for the diverse essential worker housing needs

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### Summary

Essential worker housing strategies must offer diverse solutions beyond affordable rentals, including pathways to homeownership and innovative intermediate models. Furthermore, ongoing monitoring of housing quality, liveability—including location, design, and integration into mixed-tenure communities—is vital to ensure dwellings meet workers' needs and provide lasting benefit.

### Finding 2

**Essential worker housing should not be a single product but cover a wide range of options that deliver diverse, high-quality housing.**

- 1.30 Homes NSW and the Essential Worker Housing Accountability Board should ensure that the state's essential worker housing strategy is responsive to the needs of this workforce. This means essential worker housing options should be diverse in type, but also be well-located, high-quality, and developed in perpetuity wherever possible.

### An effective strategy should offer diverse housing solutions tailored to various needs

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- 1.31 An effective essential worker housing policy should move beyond current approaches by offering a range of solutions across the housing continuum, reflecting different income levels and tenure arrangements to meet the diverse needs of essential workers. Submissions from the University of Sydney and the Southern Sydney Regional Organisation of Councils (SSROC) highlighted the importance of a comprehensive policy approach that addresses the full spectrum of housing requirements.<sup>31</sup> Dr Catherine Gilbert noted the need to match specific products to the varied circumstances of essential workers.<sup>32</sup>
- 1.32 Throughout the inquiry, the Committee heard that many essential workers fall into a gap – earning too much to qualify for affordable housing but not enough to afford market rents.<sup>33</sup> The Committee is of the view that adopting a housing continuum approach would help identify and address the needs of these moderate-income essential workers.
- 1.33 Several stakeholders also highlighted the need for the government response to provide pathways to homeownership. This could be through intermediate housing options, like shared equity schemes, or other forms of housing that bridge the gap between renting and owning.<sup>34</sup> Stakeholders like the Catholic

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<sup>31</sup> [Submission 85](#), Southern Sydney Regional Organisation of Councils, pp 3-4, 11; [Submission 88](#), pp 10-11.

<sup>32</sup> Dr Catherine Gilbert, Planning and Housing Researcher, University of Sydney, [Transcript of evidence](#), 6 February 2025, p 32.

<sup>33</sup> For example, [Submission 24](#), People with Disability Australia, pp 3-4; [Submission 103](#), United Workers Union, pp 4-5, 9-10; [Submission 111](#), p 9; Jack de Groot, CEO, Catholic Schools Parramatta Diocese, [Transcript of evidence](#), 6 February 2025, p 9; Michael Carnuccio, [Evidence](#), 6 February 2025, p 23; Max Douglass, Policy Analyst, The McKell Institute, [Transcript of evidence](#), 7 February 2025, p 53.

<sup>34</sup> For example, [Submission 26](#), p 1; Professor Scott Eacott, Housing Affordability and the Teacher Shortage Research Program, UNSW Sydney, [Transcript of evidence](#), 6 February 2025, p 31; Melina Morrison, CEO, Business Council of Co-operatives and Mutuals (BCCM), [Transcript of evidence](#), 6 February 2025, p 51.

Schools Parramatta Diocese and the Western Sydney Leadership Dialogue told us that the government could also consider other targeted grants and subsidies for essential workers wanting to purchase a home.<sup>35</sup>

- 1.34 In this strategy, the NSW Government should recognise the importance of increasing the supply of existing social and affordable housing. This will address the needs of essential workers who are eligible but unable to access such housing due to limited availability while also addressing concerns that targeted housing initiatives may detract from support for other vulnerable populations.<sup>36</sup>
- 1.35 Amanda Bailey, Head of Advocacy and Communications, Faith Housing Australia, while emphasising the importance of increasing housing supply across the continuum, stressed the importance of continued investment in supporting low-income individuals who lack market solutions before focusing on tailored responses for essential workers.<sup>37</sup> SSROC also explained that affordable rental housing is currently the main product available to assist essential workers, and that 'support targeting essential workers should occur as part of broader investment in social and affordable housing'.<sup>38</sup>

### **Monitoring the quality and liveability of essential worker housing**

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- 1.36 Homes NSW and the Essential Worker Housing Accountability Board should monitor the quality and liveability of all essential worker housing options as part of their oversight functions. This would ensure that housing meets appropriate standards and effectively supports the wellbeing and work requirements of essential workers.
- 1.37 Key elements of these standards consistently emphasised by stakeholders include ensuring that essential worker housing options are well-located, high-quality and developed in perpetuity wherever possible. We also heard that the government should work to integrate essential worker housing within mixed-tenure communities to enhance social outcomes.

#### *Well-located housing*

- 1.38 To be most effective, essential worker housing must be strategically located. This means properties should be situated not only near workplaces to reduce commutes, but also close to public transport, schools, childcare, and other community amenities.<sup>39</sup> Well-located housing directly addresses the core challenge of essential workers being forced to live far from their jobs due to affordability constraints.

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<sup>35</sup> [Submission 67](#), Western Sydney Leadership Dialogue, p 10; [Submission 81](#), p 6.

<sup>36</sup> [Submission 85](#), pp 4-5, 7; [Submission 88](#), pp 9-10; Nicky Sloan, [Evidence](#), 3 December 2024, p 39.

<sup>37</sup> Amanda Bailey, Head of Advocacy and Communications, Faith Housing Australia, [Transcript of evidence](#), 25 October 2024, p 23.

<sup>38</sup> [Submission 85](#), p 11.

<sup>39</sup> For example, [Submission 21](#), p 3; [Submission 67](#), p 9; [Submission 100](#), p 13.

- 1.39 In support of well-located homes, some stakeholders called for facilitating more mixed-use developments of essential worker housing.<sup>40</sup> This ensures that these residences are functionally integrated within vibrant local hubs.

*High-quality and suitable design*

- 1.40 The quality, design and amenity of the housing are also important and essential worker housing should be more than basic shelter. We learnt about the importance of providing appealing housing that meets workers' aspirations, and its relevance in retaining those workers. Dr Catherine Gilbert explained that because many essential workers can seek employment in more affordable locations, offering 'tenure and a housing product that is appealing' is key to their retention.<sup>41</sup>
- 1.41 We heard that this also means providing varied sizes of homes. For example, including one-, two-, or three-bedroom apartments that suit singles, couples and families, rather than predominantly studios or overly large homes.<sup>42</sup>
- 1.42 To enable this, the Committee for Sydney suggested that developing purpose-built guidelines could ensure essential worker housing remains well-designed while allowing for efficient delivery.<sup>43</sup> A number of other stakeholders supported the development of guidelines that provide design standards around essential worker housing development.<sup>44</sup>

*In-perpetuity developments*

- 1.43 A crucial long-term consideration is ensuring that these housing initiatives provide enduring benefits for essential workers. The NSW Government should investigate and implement mechanisms that ensure homes provided for essential workers remain available and affordable for this cohort over successive generations, rather than being lost to the market after initial occupants leave.
- 1.44 A significant concern raised by many stakeholders was that current affordable housing frameworks often result in time-limited solutions. Blacktown City Council argued that while incentives facilitate the creation of relevant units, there is often a limit on the time the properties are required to be available as affordable housing, so the opportunity to establish permanent solutions is lost.<sup>45</sup> The Committee notes this concern in the context of essential worker housing, particularly if policies and incentive structures follow the existing affordable housing framework that offers incentives to private developers for time-limited projects.

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<sup>40</sup> [Submission 39](#), p 12; [Submission 98](#), p 13; Kim Jones, Principal Architect, JSA Studio Architects for Sabra Company Pty Ltd, [Transcript of evidence](#), 3 December 2024, p 27.

<sup>41</sup> Dr Catherine Gilbert, [Evidence](#), 6 February 2025, p 36.

<sup>42</sup> [Submission 19](#), p 4; [Submission 55](#), Shelter NSW, p 8. Peter Conroy, Director, City Planning and Development,, [Transcript of evidence](#), 6 February 2025, p 4; Meryl Bishop, Director, City Planning, Randwick City Council, [Transcript of evidence](#), 7 February 2025, p 16.

<sup>43</sup> [Answers to supplementary questions](#), The Committee for Sydney, p 4.

<sup>44</sup> [Submission 19](#), p 5; [Submission 24](#), p 2; [Submission 96](#), Australian Childcare Alliance (ACA) NSW, p A-1; [Submission 110](#), Blacktown City Council, p 7.

<sup>45</sup> [Answers to supplementary questions](#), 21 March 2025, p 12.

- 1.45 To address this, we urge the NSW Government to prioritise pathways for the permanent development of essential worker housing in future housing policies. It is crucial to investigate how both public and private investments can be structured to deliver lasting benefits, providing a permanent, sustainable solution to essential worker housing shortages.

#### *Mixed tenure communities*

- 1.46 We also heard that essential worker housing should, wherever possible, be integrated within a mixed portfolio of housing options. Essential worker housing should form a part of communities that have private market housing, as well as other forms of social and affordable housing, rather than in isolated pockets.<sup>46</sup>
- 1.47 We heard that this approach helps avoid social stigma and promotes socio-economic diversity. This then leads to better social outcomes by ensuring that essential worker housing becomes a natural part of the broader neighbourhood fabric.<sup>47</sup>
- 1.48 We were pleased to hear from representatives from the NSW Government that fostering 'more mixed communities, more vibrant communities' has been integral in recent Transport Oriented Development (TOD) schemes.<sup>48</sup> We urge that this focus be central to future policies and planning for essential worker housing.

## Modernising and expanding existing assets

### Summary

The Teacher Housing Authority is an existing subsidised housing model for essential workers, that may be a useful template that can be expanded to provide housing for more essential workers.

### Recommendation 3

**That the NSW Government consider modernising the Teacher Housing Authority with a view to extending its functions to more essential workers.**

- 1.49 The Teacher Housing Authority (THA) offers a useful precedent as an effective model for providing housing, particularly for public sector essential workers. The THA has a history of providing dedicated housing for teachers in regional and remote areas where market options are scarce.<sup>49</sup> We support the THA being expanded to provide similar housing solutions to other essential workers.

<sup>46</sup> Professor Nicky Morrison, Co-Director, Urban Transformations Research Centre, Western Sydney University, [Transcript of evidence](#), 6 February 2025, p 34.

<sup>47</sup> For example, [Submission 110](#), p 8; Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 34

<sup>48</sup> Tom Loomes, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, [Transcript of evidence](#), 10 February 2025, p 15.

<sup>49</sup> [Submission 91](#), p 4; Craig Torrance, Acting Director, Teacher and Police Housing, Homes NSW, [Transcript of evidence](#), 10 February 2025, pp 4-5.

- 1.50 During the inquiry, the Committee learnt that the THA, while effective in the past, may no longer be as beneficial as it could be in the current environment. The THA was established in 1975, under the *Teacher Housing Authority Act 1975* (the THA Act), and there appears to have been no major amendments to the THA Act since then.<sup>50</sup> This is despite the changing needs of teachers and the housing supply situation in NSW.
- 1.51 Homes NSW noted that the THA currently takes on a wider role than its legislation provides, for example, by managing police housing through memoranda of understanding.<sup>51</sup>
- 1.52 Professor Scott Eacott, an expert on teacher housing affordability, highlighted the urgent need to modernise the THA to effectively address teacher housing needs across both regional and metropolitan areas.<sup>52</sup> He told us amendments would be required to the THA Act if the THA's role was expanded to cover a broader range of essential workers.<sup>53</sup>
- 1.53 Despite its outdated elements, we heard the THA's fundamental structure provides a useful template for government-led housing provision for a specific type of essential worker.<sup>54</sup> It could be more efficient to build on this existing structure to provide housing for other essential workers, rather than creating entirely new systems.<sup>55</sup>
- 1.54 In modernising the THA, the government should consider updating its operational model and expanding its remit to encompass a broader range of public sector essential workers. This would use a proven mechanism to address critical housing needs.
- 1.55 We understand that the NSW Government is currently reviewing the THA as part of its wider evaluation of the current Key Worker Housing Program.<sup>56</sup> We recommend that these matters be considered as part of this review.

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<sup>50</sup> See legislative history of the [Teacher Housing Authority Act 1975](#).

<sup>51</sup> Craig Torrance, [Evidence](#), 10 February 2025, pp 4-5.

<sup>52</sup> [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 1.

<sup>53</sup> [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 2.

<sup>54</sup> [Submission 102](#), p 30; Greg Butler, Industrial and Research Officer, NSW Teachers Federation, [Transcript of evidence](#), 6 February 2025, p 11; [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 2.

<sup>55</sup> See [Submission 111](#), p 2; [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 2.

<sup>56</sup> [Answers to supplementary questions](#), NSW Government, 17 March 2025, p 1.

### NSW Government's existing key worker housing initiatives

Beyond the Teacher Housing Authority, the NSW Government currently has several housing initiatives for 'key workers' in the state:

Workforce	Housing type	Quantity	Managed by
Teachers	Homes owned by Teacher Housing Authority	1,380	Teacher Housing Authority, within Homes NSW
Police officers	Homes owned by Property and Development NSW	670	Teacher Housing Authority and Homes NSW
Health workers	Homes owned/leased by NSW Health	990	NSW Health (Ministry of Health/Local Health Districts)
Other key workers	Varies; owned, leased privately or leased between portfolios	N/A	Departments/agencies (e.g. DCJ, National Parks)

See [Submission 91](#), NSW Government, pp 5-6.

## Chapter Two – Developing a framework for essential worker housing in NSW

### Chapter summary

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- 2.1 This chapter advocates for the development of a robust, adaptable and effective framework for essential worker housing to move towards a cohesive and strategic approach from government. There are three considerations under this framework:
- First, that Homes NSW establish a clear state-level framework setting out key principles and minimum eligibility criteria for defining essential workers. A key recommendation is to amend policy documents to explicitly include essential worker housing within the definition of affordable housing.
  - We then recommend that local councils use the state framework to define essential workers in their communities based on local needs and develop affordable housing strategies incorporating these.
  - Finally, the NSW Government should establish a central, publicly available register of essential worker housing that is a subset of a broader affordable housing register.

### State-led framework for prioritising essential workers

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#### Summary

The NSW Government should create a statewide essential worker housing framework through Homes NSW. This should include a definition of "essential workers" broadly based on job characteristics and broader than public sector roles. This definition should be integrated into affordable housing ministerial guidelines. We recommend that the current affordable housing eligibility criteria should be amended to reflect essential workers' financial circumstances.

#### Recommendation 4

**That Homes NSW establish a state-level framework for essential worker housing that sets clear principles and minimum eligibility criteria. This should allow local adaptation but provide consistency and flexibility in meeting the diverse housing needs of essential workers across New South Wales.**

#### Finding 3

**Any formal definition of essential worker should only be used to allow access to additional housing options. It should focus on characteristics like commute distance and time and the requirement for the job to be performed in person, and can include non-public sector workers and employees.**

## **NSW Government should establish a statewide framework around essential worker housing**

- 2.2 There is a pressing need to develop a cohesive state-level framework for essential worker housing in NSW. Given the new role for Homes NSW recommended by this Committee, we consider that it would be well placed to develop such a framework. The framework should establish clear principles for the provision of essential worker housing. It should also set out broad minimum eligibility criteria for what constitutes an essential worker. However, we are also of the view that establishing a rigid statewide definition of essential worker is impractical and any framework should allow for local government to adapt the definition to their areas.
- 2.3 Some local councils have already formed their own interpretations and definitions of essential workers.<sup>57</sup> However, as Warren Shire Council highlighted, a clear definition would provide a 'framework for policymakers and urban planners to use when designing housing strategies'. This would ensure that the needs of essential workers are 'explicitly considered in housing policies, zoning decisions, and development approvals'.<sup>58</sup>
- 2.4 The Committee recognises these benefits and considers that additional guidance should be provided to local council to assist them and to create more consistency across the state. In its role as the central coordinator for essential worker housing, Homes NSW should therefore prioritise developing a statewide framework for essential worker housing, which includes the principles and minimum criteria to define an "essential worker".
- 2.5 Therefore, the aim of the state-led framework would be to create a standardised yet adaptable system. It should ensure that essential workers can access additional housing options available if they are deemed essential in their local areas. To ensure housing is available to those essential workers most in need, the Committee is of the view that the focus of the state-level definition should be on characteristics, rather than on rigid occupational categories.
- 2.6 Inquiry participants also stressed that any definition must extend beyond public sector employees to those in private and community sectors, including auxiliary roles needed to keep essential services running.<sup>59</sup> Property Council of Australia said the definition should also give regard to 'new occupations that may emerge'.<sup>60</sup> The Committee agrees with stakeholders, including Dr Catherine Gilbert, who observed that essential workers represent a 'diverse cohort' requiring policies that recognise 'significant geographical variations'.<sup>61</sup>

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<sup>57</sup> [Submission 63](#), p 15.

<sup>58</sup> [Submission 39](#), p 7.

<sup>59</sup> For example, [Submission 4](#), p 2; [Submission 88](#), pp 6-7; Jack de Groot, [Evidence](#), 6 February 2025, p 14; Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 30.

<sup>60</sup> [Submission 61](#), Property Council of Australia, p 2.

<sup>61</sup> Dr Catherine Gilbert, [Evidence](#), 6 February 2025, p 32.

- 2.7 Stakeholders told us that the NSW Government can consider the following characteristics of essential work in setting minimum eligibility criteria and state definition:
- The requirement for physical presence rather than remote work, and therefore needing to live close to their workplace<sup>62</sup>
  - The requirement to respond at short notice (to be 'on call') or shift workers<sup>63</sup>
  - The provision of services critical to community functioning<sup>64</sup>
  - Inclusivity beyond traditionally recognised frontline occupations.<sup>65</sup>
- 2.8 We note that the NSW Government has provided a definition of 'essential workers' which differed from the more commonly used 'key worker' terminology that is currently used to refer to a cohort of public sector workers who obtain housing assistance:
- 'Essential worker'** describes a broad range of workers who provide services considered essential to the community and which may include government and non-government workers.<sup>66</sup>
- 2.9 In this report the Committee advocates that a similar definition, encompassing both public and non-public sectors, should be included within NSW's policy and legislative framework.

## Essential worker housing should be integrated into affordable housing definitions

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### Recommendation 5

**That the NSW Government amend the NSW Affordable Housing Ministerial Guidelines and related documentation to explicitly include essential worker housing within the definition of affordable housing, and consider other parts of the planning system where this could be done.**

- 2.10 To effectively facilitate the development of essential worker housing, this specific housing category must be clearly defined within existing planning instruments.
- 2.11 During the inquiry, the Committee learnt that essential workers can fall into a policy gap when it comes to housing. We received overwhelming evidence that essential workers are struggling to afford market-rate homes.<sup>67</sup> Yet, we also heard that considerations under the existing income criteria mean many essential

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<sup>62</sup> For example, [Submission 18](#), Murrumbidgee Council, pp 1-2; [Submission 61](#) p 2; [Submission 88](#) p 6; [Submission 98](#), p 10.

<sup>63</sup> [Submission 21](#), p 2; [Submission 55](#), p 13; [Submission 74](#), Randwick City Council, p 3; [Submission 88](#), p 6.

<sup>64</sup> [Submission 9](#), Port Macquarie Hastings Council, p 2; [Submission 71](#), Mallee Family Care, p 3; [Submission 80](#), Uralla Shire Council, p 1; [Submission 88](#), p 6.

<sup>65</sup> [Submission 4](#), p 2; Councillor Zoë Baker, Mayor, North Sydney Council, [Transcript of evidence](#), 7 February 2025, p 3.

<sup>66</sup> [Submission 91](#), p 4

<sup>67</sup> For example, [Submission 24](#), pp 3-4; [Submission 40](#), Australian College of Midwives ACM, p 4; [Submission 57](#), pp 1-2; [Submission 88](#), pp 3-5; [Submission 95](#), p 5; [Submission 100](#), p 12; [Submission 101](#), pp 6-7; [Submission 103](#), pp 4-5, 9-10.

workers are not eligible for affordable housing as defined in NSW's key legislation and policy.<sup>68</sup>

- 2.12 The Committee also notes that essential workers have only limited recognition as a group in need of housing in key policy documents, including the *NSW Affordable Housing Ministerial Guidelines* (the Affordable Housing Guidelines) and the *State Environmental Planning Policy (Housing) 2021* (the Housing SEPP).
- 2.13 To address this, we recommend the NSW Government consider incorporating a broad, flexible definition of "essential worker" into key policy and legislative instruments. This approach should integrate with and expand the existing affordable housing framework, broadening the definition or scope of 'affordable housing' to specifically encompass housing for essential workers.
- 2.14 A key advantage of this approach is that it allows for any frameworks or planning instruments for affordable housing, particularly at local government level, to be used to provide essential worker housing. Consequently, developer incentives and bonuses currently linked to affordable housing could be readily extended or modified to support this goal. The United Workers Union told us that essential worker housing can be built into existing programs, either as 'an additional overlay or coupled with increased incentives' especially in areas facing essential worker shortages.<sup>69</sup>
- 2.15 Such an extension can stimulate investment and increase the overall housing supply targeted at essential workers who are currently not able to access affordable or market rate housing.
- 2.16 The Committee suggests a hierarchical model for this definition:
- An overarching definition embedded in primary legislation or instrument.
  - More detailed specifications within subsidiary instruments, allowing for nuanced application.
- 2.17 The government may consider defining essential workers in one or more of the following documents, which currently guide the provision of affordable housing in NSW:
- The *Environmental Planning and Assessment Act 1979* (the EP&A Act), which provides the overarching framework and definition for affordable housing which enables the regulations or other environmental planning instruments to give further detail,<sup>70</sup>

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<sup>68</sup> [Submission 30](#), Catholic Diocese of Maitland-Newcastle, p 2; [Submission 81](#), p 2; [Submission 88](#), pp 8-9; [Answers to supplementary questions](#), Link Wentworth, 13 November 2024, p 2; [Answers to supplementary questions](#), Bridge Housing, 15 November 2024, p 2; [Answers to supplementary questions](#), Faith Housing Australia, 15 November 2024, p 1.

<sup>69</sup> [Submission 103](#), p 7.

<sup>70</sup> See [Environmental Planning and Assessment Act 1979](#) s 1.4.

- The Environmental Planning and Assessment Regulation 2021 and the Housing SEPP, which build on the definition in the EP&A Act to further prescribe qualities of affordable housing,<sup>71</sup> and
  - The Affordable Housing Guidelines which contain more detailed provisions for implementation.<sup>72</sup>
- 2.18 A similar approach should be taken to incorporate the term "essential worker" into the planning system through an overarching Act, regulation, SEPP, or guidelines so that essential worker housing is consistently considered when delivering housing in NSW.
- 2.19 Councillor Phyllis Miller OAM, President, LGNSW, supported such a method of integration. She explained that while there is a distinct and 'parallel' need for essential worker housing, it needs to be 'calibrated with the policy framework for affordable housing as a whole' to prevent negative consequences for other vulnerable households.<sup>73</sup>
- 2.20 In making our recommendation to allow access to essential worker housing, we note that the intention is not to reduce the social and affordable housing options for other vulnerable groups.
- 2.21 We note that some stakeholders specifically supported including essential worker housing in the Affordable Housing Guidelines. Anglicare suggested that this would 'help prioritise housing solutions that enable essential workers to live near their workplaces'.<sup>74</sup> Similarly, SGCH, while not advocating for 'essential worker housing' as a new category of subsidised rental housing, proposed that the guidelines could be amended to increase affordable housing availability for eligible essential workers by 'including an appropriate definition of essential/key workers in the guidelines that can be adopted across sectors'.<sup>75</sup>

## **The state framework should align the eligibility criteria with the needs of essential workers**

### **Recommendation 6**

**That eligibility for essential worker housing should be determined based on a clear criterion, such as market rent exceeding 30 per cent of an essential worker's income, with rent set as a percentage of income rather than a discount on market rent.**

- 2.22 The NSW Government should define essential worker housing in legislation and policy with eligibility criteria that accurately reflects the financial realities of essential workers. This means thoroughly evaluating how base incomes, overtime earnings, and potential rent structures affect housing affordability. The objective

<sup>71</sup> For example, [Environmental Planning and Assessment Regulation 2021](#) s 82; [State Environmental Planning Policy \(Housing\) 2021](#) s 13.

<sup>72</sup> Communities and Justice, [NSW Affordable Housing Ministerial Guidelines 2023/24](#), June 2023, viewed 12 May 2025.

<sup>73</sup> Councillor Phyllis Miller OAM, [Evidence](#), 7 February 2025, pp 18-19.

<sup>74</sup> [Answers to supplementary questions](#), Anglicare, 17 March 2025, p 1.

<sup>75</sup> [Answers to supplementary questions](#), SGCH, 18 March 2025, p 1.

is to address barriers that currently prevent many essential workers from accessing affordable housing.

*Income limits*

- 2.23 The Committee learnt that a disconnect exists within current affordable housing frameworks. While the existing income-based eligibility criteria are not designed to exclude essential workers, stakeholders observed that the practical application of income limits forms the primary barrier to essential workers accessing affordable housing.<sup>76</sup>
- 2.24 The University of Sydney explained that essential worker occupations that can earn too much to be eligible could include 'Registered Nurses and Midwives, Teachers, Police Officers and Emergency Services workers', particularly past their early career stage.<sup>77</sup> Similarly, community housing provider (CHP), Link Wentworth, told us that 'no' police constables or single teachers and 'very few' couples with two incomes were eligible.<sup>78</sup>

	Eligibility for affordable housing in Sydney and NSW <sup>79</sup>		
	Annual salary	Single	Couple
Minimum wage worker	\$45,906	Yes	Yes
Student nurse (max)	\$55,037	Yes	In Sydney <sup>80</sup>
Registered nurse (min)	\$69,810	Yes	No
Police constable (min)	\$80,733	No	No
School teacher (min)	\$85,000	No	No
Registered nurse (max)	\$98,015	No	No

- 2.25 A number of stakeholders argued that raising the current affordable housing limits would be necessary to ensure essential workers have access.<sup>81</sup> Bridge Housing told us raising income limits specifically for essential workers was the 'most impactful adjustment' that could be made to the guidelines to accommodate essential workers.<sup>82</sup>

<sup>76</sup> [Submission 30](#), p 2; [Submission 81](#), p 2; [Submission 88](#), pp 8-9; [Answers to supplementary questions](#), Link Wentworth, 13 November 2024, p 2; [Answers to supplementary questions](#), Bridge Housing, 15 November 2024, p 2; [Answers to supplementary questions](#), Faith Housing Australia, 15 November 2024, p 1.

<sup>77</sup> [Submission 88](#), pp 8-9.

<sup>78</sup> [Answers to supplementary questions](#), Link Wentworth, 13 November 2024, p 2.

<sup>79</sup> Adapted from [Submission 58](#), Community Housing Industry Association NSW, pp 4-5. Up-to-date details on affordable housing eligibility are available via the NSW Government website: NSW Government, [Renting Affordable Housing](#), viewed 14 May 2025.

<sup>80</sup> Adapted from [Submission 58](#), pp 4-5. See also: NSW Government, [Renting Affordable Housing](#), viewed 14 May 2025.

<sup>81</sup> [Submission 30](#), p 3; [Submission 70](#), North Sydney Council, p 6; [Answers to supplementary questions](#), Link Wentworth, 13 November 2024, p 2; [Answers to supplementary questions](#), Bridge Housing, 15 November 2024, p 2; [Answers to supplementary questions](#), Southern Cross Housing, 15 January 2025, p 2; [Answers to supplementary questions](#), Anglicare Sydney, 17 March 2025, p 2.

<sup>82</sup> [Answers to supplementary questions](#), Bridge Housing, 15 November 2024, p 2.

### *The impact of overtime*

- 2.26 Some stakeholders also drew attention to the impacts of essential workers' overtime payments on income-based eligibility.<sup>83</sup> The Committee for Sydney noted an essential worker might be 'bumped' out of eligibility if overtime or loading for night shifts is included in their gross salary.<sup>84</sup>
- 2.27 The Committee for Sydney gave the example of a nurse who earns \$80 000 per year, but who works night or weekend shifts and is no longer eligible.<sup>85</sup> They suggested calculating salary over a longer period, to prevent short-term pay increases caused by overtime distorting essential workers' income.<sup>86</sup>

### *Rent setting as a discount on market*

- 2.28 The Committee recommends that any eligibility criteria set rent as a percentage of income, rather than a discount on market rates. While the Committee received mixed evidence about the risks and benefits of these approaches, we were persuaded by the arguments that income-based rents can help ensure essential workers are not put in rental stress.<sup>87</sup>
- 2.29 Stakeholders explained that the current guidelines allow for both approaches, with CHPs choosing to either charge rent based on income, or as a percentage of the rent that would be charged if it was leased on the market.<sup>88</sup> Southern Cross Housing told us setting rent based on market rates can provide greater investment confidence, because the amount of money being charged as rent is clear.<sup>89</sup> However, the Committee for Sydney explained that, in high-cost areas like the Northern Beaches or Inner Sydney, 80 per cent of market rent is likely to still be unaffordable for essential workers or low- to moderate-income-families.<sup>90</sup>

## **The role of local councils in prioritising essential worker cohorts**

### **Summary**

Local councils are best placed to identify essential workers vital to their communities and should adapt state definitions to local needs. The NSW Government should mandate that all councils develop and implement affordable housing strategies that specifically address essential worker housing needs in their areas. These strategies should build upon existing council planning responsibilities, such as Local Housing Strategies, with state support and resources to ensure consistent and effective local implementation.

<sup>83</sup> [Submission 69](#), The Committee for Sydney, p 4.

<sup>84</sup> [Submission 69](#), p 4.

<sup>85</sup> [Submission 69](#), p 4.

<sup>86</sup> Estelle Grech, [Evidence](#), 7 February 2025, p 54.

<sup>87</sup> [Submission 41](#), City of Sydney Council, p 13; [Submission 107](#), Lighthouse Infrastructure, p 2; [Answers to supplementary questions](#), Southern Cross Housing, 15 January 2025, p 2; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 1.

<sup>88</sup> [Submission 41](#), p 13; [Submission 69](#), p 4.

<sup>89</sup> [Answers to supplementary questions](#), Southern Cross Housing, 15 January 2025, p 2.

<sup>90</sup> [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 1.

#### **Finding 4**

**Any formal definition of essential worker must be adaptable to reflect the unique needs and labour market conditions of individual communities and regions.**

#### **Recommendation 7**

**That the NSW Government mandate all local councils to develop and implement affordable housing strategies that incorporate specific provisions for addressing the housing needs of essential workers within their local government area.**

#### **Local councils are best placed to identify essential workers in their communities**

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- 2.30 The state-level definition and framework could incorporate a provision that allows local councils to refine the definition of essential workers based on their local needs. An official or agreed definition at the state level would provide clarity to councils and facilitate a consistent application across local government areas (LGAs).
- 2.31 A number of stakeholders told us that the statewide definition should be developed in consultation with local councils.<sup>91</sup> The Committee heard that councils are best placed to identify which workers are essential to the functioning of their specific communities.<sup>92</sup>
- 2.32 Under a localised approach, councils could identify workers integral to maintaining 'core functions' of their LGA.<sup>93</sup> The range of professions considered essential can therefore vary significantly between locations, reflecting genuine local needs rather than standardised categories.
- 2.33 By allowing local councils to nominate who their essential workers are, this approach acknowledges the perspective, shared by organisations like Unions NSW, that 'all workers are essential'.<sup>94</sup> The Committee is of the view that this can better address the risk associated with a rigid statewide definition that may unintentionally exclude essential workers who genuinely need housing support.

#### **Local affordable housing strategies should include essential worker housing strategies**

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- 2.34 The Committee is of the view that incorporating essential worker housing provisions into affordable housing strategies creates a structured approach that builds on existing council responsibilities and planning mechanisms.

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<sup>91</sup> [Submission 48](#), Tamworth Regional Council, p 2; [Submission 85](#), p 6; [Submission 63](#), p 15.

<sup>92</sup> For example, [Submission 19](#), pp 3-4; [Submission 63](#), p 15; Dr Ronald Silberberg AO, [Evidence](#), 3 December 2024, p 30.

<sup>93</sup> Daniel Peric, [Evidence](#), 25 October 2024, p 19.

<sup>94</sup> [Submission 100](#), p 5.

- 2.35 Urbis argued that including essential worker housing in existing strategic planning documents would ensure that it is considered within broader urban planning frameworks.<sup>95</sup> This holistic approach prevents fragmentation of housing policies and promotes consistency with other planning objectives at the local council level.
- 2.36 Local councils already have a significant impact on housing outcomes through their planning functions. Their existing responsibilities in developing and implementing housing policies provide a natural foundation for essential worker-specific provisions. Professor Scott Eacott stated that their existing planning responsibilities should explicitly address essential worker housing needs, 'through key strategies, incentives for developers, and partnering with not-for-profit housing providers to deliver innovative housing projects'.<sup>96</sup>
- 2.37 We heard that many councils are required to have a Local Housing Strategy (LHS).<sup>97</sup> Michael Carnuccio, Manager Policy, Community Housing Industry Association NSW, described an opportunity to refine this to consider essential worker housing:
- Local councils, at least in the metropolitan area, but a lot in regional areas, need to do local housing strategies. That is a mechanism through which they can look at needs. They can become more sophisticated ... There are examples of how those things can fit into existing strategic planning processes without having to create a whole new one.<sup>98</sup>
- 2.38 Similarly, SSROC also noted that councils' LHS could be the 'vehicle for transparently using the common definition of essential workers' to understand their housing needs.<sup>99</sup>
- 2.39 The Committee notes that the NSW Government's *Local Housing Strategy Guideline* (the LHS Guideline) already provides that councils should consider key worker housing needs in preparing the LHS. Under step 1.3.2, councils should consider:
- ...the sources of employment for very low, low or moderate income earners who perform an important service within an area, but are unable to live nearby due to price constraints.<sup>100</sup>
- 2.40 The LHS Guideline further directs councils to specifically assess 'local' or 'key' workers, including their travel-to-work distances and time and undersupply of affordable housing for this cohort, to be included as part of the demographic information in the LHS.<sup>101</sup>

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<sup>95</sup> [Submission 59](#), Urbis, p 17.

<sup>96</sup> [Answers to supplementary questions](#), Professor Scott Eacott, 10 March 2025, p 4.

<sup>97</sup> Michael Carnuccio, [Evidence](#), 6 February 2025, p 23; Councillor Phyllis Miller OAM, [Evidence](#), 7 February 2025, p 20.

<sup>98</sup> Michael Carnuccio, [Evidence](#), 6 February 2025, pp 23-24.

<sup>99</sup> [Submission 85](#), p 7.

<sup>100</sup> NSW Government, [Local Housing Strategy Guideline](#), 2018, viewed 26 May 2025, p 8,

<sup>101</sup> NSW Government, [Local Housing Strategy Guideline](#), 2018, viewed 26 May 2025, p 27.

## **The assessment of essential worker housing needs in council housing strategies should be formalised**

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- 2.41 Despite the framework provided in the LHS Guideline for identifying essential worker housing needs, the Committee found significant variations in how councils address the issue. While some councils have developed comprehensive affordable housing strategies, we heard that their existence is 'few and far between'.<sup>102</sup>
- 2.42 The Committee learnt that a number of councils, including Shoalhaven City Council and the North Sydney Council, have developed specific affordable housing strategies or schemes.<sup>103</sup> Other councils may incorporate affordable housing elements into broader housing strategies, including in their LHS.<sup>104</sup>
- 2.43 While we commend these councils for developing their own affordable housing strategies, we are concerned that these inconsistent approaches will likely lead to differing outcomes for essential workers across different LGAs.
- 2.44 Importantly, under the current approach, it is also difficult to know the extent to which the existing affordable and local housing strategies provide for the needs of essential workers specifically. Better guidance at the state level would ensure all councils take a structured approach to essential worker housing, which will promote clarity and consistency across all LGAs.
- 2.45 The LHS Guideline clearly establishes that councils already have responsibility for considering key worker housing needs. Our recommendation to mandate affordable housing strategies with essential worker provisions would formalise and strengthen this existing function, rather than creating an entirely new responsibility.
- 2.46 However, the Committee also recognises that there may be a need for implementation to vary, based on council size, resources, and existing planning instruments. To achieve the aims of our recommendation, councils could be required to create a separate Affordable Housing Strategy. Alternatively, they could incorporate structured affordable housing strategies into existing documents or plans, such as LHS or Local Environmental Plans.
- 2.47 We also appreciate LGNSW's submission that councils operate in a 'financially constrained environment'.<sup>105</sup> We therefore advocate that, in mandating affordable housing strategies for all councils, the NSW Government provide them with adequate resources to complete this, regardless of the form taken.

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<sup>102</sup> James White, Research and Strategic Knowledge Manager Urbis, [Transcript of evidence](#), 25 October 2024, p 44.

<sup>103</sup> For example, [Submission 21](#), p 2; [Submission 105](#), City of Parramatta, p 2; Gordon Clark, Manager, Strategic Planning, [Transcript of evidence](#), 3 December 2024, p 2; [Answers to supplementary questions](#), North Sydney Council, 5 March 2025, p 2; [Answers to supplementary questions](#), Randwick City Council, 10 March 2025, p 1; [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 1.

<sup>104</sup> [Submission 63](#), p 12.

<sup>105</sup> [Submission 63](#), pp 12, 27.

## Tracking essential worker housing

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### Summary

A publicly available statewide register of all affordable housing – with a subset for essential workers – is crucial for tracking supply, demand, and effective planning.

### Recommendation 8

**That the NSW Government, in collaboration with local councils, undertake an audit to develop a comprehensive, publicly available register of affordable housing across the state, with a subset dedicated to essential worker housing.**

- 2.48 A robust and comprehensive data-driven approach should underpin the delivery of diverse types of essential worker housing.
- 2.49 Reliable data allows for the accurate identification of which essential workers need housing assistance, where these needs are most pressing, and the current availability of suitable homes. This understanding is critical to ensure that interventions are well-targeted and effectively meet demand. The Committee is of the view that the lack of robust data to monitor affordable housing in NSW could impact the successful implementation of essential worker housing initiatives.
- 2.50 We insist that a key component of this data-driven strategy is the establishment of a comprehensive register of essential worker housing. Given our recommendation for essential worker housing to be incorporated into the affordable housing framework, this register should be a subset of a more general register of affordable housing in NSW. This approach will help us understand the overlap between general affordable housing and dedicated essential worker housing, thereby ensuring efficient planning, delivery and allocation of resources.
- 2.51 LGNSW advocated for an essential worker housing register to be integrated 'within a comprehensive centralised transparent register of all subsidised housing' and that the NSW Government should maintain this register. They explained it would be inefficient for councils to maintain separate local registers of affordable and essential worker housing.<sup>106</sup>

### There is no publicly available register of affordable housing in NSW

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- 2.52 Stakeholders told us there is currently no centralised database to record available affordable housing properties across the state.<sup>107</sup> There is also no agency responsible for making sure that committed affordable housing is built and used by qualified tenants appropriately.

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<sup>106</sup> [Answers to supplementary questions](#), Local Government NSW (LGNSW), 10 March 2025, pp 4-5.

<sup>107</sup> [Submission 28](#), p 12; [Submission 41](#), p 30; [Submission 107](#), p 3; Adrian Harrington, [Evidence](#), 7 February 2025, p 65.

- 2.53 A lack of data can hinder strategic planning, and makes it difficult to assess the effectiveness of affordable housing initiatives.<sup>108</sup> Stakeholders told us that the absence of a register also makes it difficult to monitor developer commitments, including whether approved affordable housing is being occupied by qualified tenants.<sup>109</sup>
- 2.54 We heard it is difficult to gather even basic details about affordable housing in NSW – including the number and location of properties in the system.<sup>110</sup> While Homes NSW told us there are currently 9 801 affordable housing properties in NSW, the NSW Government confirmed there is 'no comprehensive database of affordable housing in NSW'.<sup>111</sup> In the absence of a single register, we learnt that a number of councils manually track the delivery of affordable housing. We heard this is highly resource intensive and potentially prone to data gaps.<sup>112</sup>

### **A public register of essential worker housing should be managed by Homes NSW**

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- 2.55 Inquiry participants overwhelmingly supported the establishment of a comprehensive, publicly available register of all affordable housing across the state.<sup>113</sup> A dedicated subset of essential worker housing could be used in conjunction with data available through councils' affordable housing strategies to track essential workers' access to and need for affordable housing.
- 2.56 Such a register, ideally managed by Homes NSW, would allow for the ongoing monitoring of different affordable housing solutions and a clear evaluation of their effectiveness over time. While Homes NSW currently maintains the NSW Housing Register for social housing applicants, a distinct system is needed for affordable housing.
- 2.57 SSROC argued that a centralised register would offer numerous benefits, including providing a clear map of where affordable and essential worker housing currently exists and where it is most needed.<sup>114</sup> They explained that:

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<sup>108</sup> For example, [Submission 28](#), p 12; [Submission 105](#), p 5; [Answers to supplementary questions](#), LGNSW, 10 March 2025, p 5; [Answers to supplementary questions](#), Southern Sydney Regional Organisation of Councils (SSROC), 7 March 2025, p 3.

<sup>109</sup> For example, [Submission 70](#), p 6; [Submission 107](#), p 3; [Answers to supplementary questions](#), Randwick City Council, 10 March 2025, p 3.

<sup>110</sup> [Answers to supplementary questions](#), Randwick City Council, 10 March 2025, p 3.

<sup>111</sup> [Answers to questions on notice](#), Homes NSW, 31 March 2025, p 1; [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 2.

<sup>112</sup> For example, [Submission 70](#), p 6; [Submission 105](#), p 5; [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 2; [Answers to supplementary questions](#), North Sydney Council, 5 March 2025, p 3; [Answers to questions on notice](#), North Sydney Council, 28 February 2025, p 1; [Answers to supplementary questions](#), Randwick City Council, 10 March 2025, pp 2-3; [Answers to supplementary questions](#), City of Parramatta, 14 March 2025, p 1-2; [Answers to supplementary questions](#), Sutherland Shire Council, 11 March 2025, pp 1-2; [Answers to supplementary questions](#), Blacktown City Council, 21 March 2025, p 15;.

<sup>113</sup> [Submission 28](#), pp 12-13; [Submission 41](#), pp 7, 30; [Submission 105](#), p 5; [Submission 55](#), p 8; [Submission 107](#), p 3; [Answers to supplementary questions](#), LGNSW, 10 March 2025, pp 4-5; [Answers to supplementary questions](#), SSROC, 7 March 2025, p 3; Mark Nutting, Strategic Planning Manager, Southern Sydney Regional Organisation of Councils, [Transcript of Evidence](#), 7 February 2025, p 11.

<sup>114</sup> [Answers to supplementary questions](#), SSROC, 7 March 2025, p 3.

This would help to provide a regional picture that identifies spatial gaps in service provision for cohorts of essential workers and trends in service delivery levels over time relative to the numbers of essential workers living in market housing.<sup>115</sup>

- 2.58 Shoalhaven City Council also emphasised that accurate tracking is critical to determine whether initiatives and programs designed to boost the supply of essential worker housing have worked, and determine the 'need for new or additional measures'.<sup>116</sup>

### **There are various existing mechanisms through which affordable housing data can be collected**

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- 2.59 Stakeholders suggested that data on developers' affordable or essential worker housing commitments could be tracked via the NSW Planning Portal.<sup>117</sup> This Portal already includes a mandatory field for specifying whether a development is 'affordable'.<sup>118</sup>
- 2.60 Once housing is delivered, we also heard that the quantity and location for CHP-managed properties could be tracked by the NSW Registrar of Community Housing.<sup>119</sup> SSROC told us that with a clear definition of 'essential workers,' CHPs could supply the Registrar with information on essential workers living in CHP-managed housing. CHPs could provide 'anonymised aggregate survey data on the number and type of essential workers' and other residents in their properties.<sup>120</sup>
- 2.61 The NSW Government agreed that Homes NSW is the best authority to manage a register of affordable housing. They noted that work is underway to better track available and committed affordable housing across the state.<sup>121</sup> However, there are some barriers to gathering data that might need to be addressed in order to deliver a comprehensive register.
- 2.62 The NSW Government and other stakeholders noted it will be important to protect the privacy of residents in affordable and essential worker housing when reporting on available housing.<sup>122</sup> For example, the NSW Government noted the location of police housing is 'highly sensitive'.<sup>123</sup> We agree that this is an important consideration and would support any created register being implemented with necessary privacy protections.

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<sup>115</sup> [Answers to supplementary questions](#), SSROC, 7 March 2025, p 3.

<sup>116</sup> [Submission 28](#), p 12.

<sup>117</sup> [Submission 28](#), p 13; [Answers to supplementary questions](#), LGNSW, 10 March 2025, p 5; [Answers to supplementary questions](#), Blacktown City Council, 21 March 2025, p 15.

<sup>118</sup> [Answers to supplementary questions](#), Blacktown City Council, 21 March 2025, p 15.

<sup>119</sup> [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 2; [Answers to supplementary questions](#), SSROC, 7 March 2025, p 3.

<sup>120</sup> [Answers to supplementary questions](#), SSROC, 7 March 2025, p 3.

<sup>121</sup> [Answers to questions on notice](#), Homes NSW, 31 March 2025, p 1; [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 2.

<sup>122</sup> [Answers to supplementary questions](#), Blacktown City Council, 21 March 2025, p 15; [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 3; [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 3.

<sup>123</sup> [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 3.

2.63 The Committee was pleased to hear that Homes NSW is looking to improve reporting for affordable housing and CHPs.<sup>124</sup> As part of this process, we recommend that the NSW Government consider how the reporting system can be enhanced to capture data on committed and delivered essential worker housing. This improved process could include capturing data from CHPs on essential workers in their properties, as well as what essential worker housing is available and where.

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<sup>124</sup> [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 2.

## Chapter Three – Integrating essential workers into existing housing policies

### Chapter summary

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- 3.1 The state-level framework for essential worker housing, including its definition of an "essential worker" (as developed in state policy documents and local government affordable housing strategies), should be integrated into existing planning policies.
- 3.2 As an initial step, the NSW Government must identify specific points within the current planning system to embed this definition, ensuring essential workers are formally considered. We recommend focusing on two key areas for this intervention:
- Reforming the planning process for major employment-generating projects so that a thorough assessment of the housing needs of the essential workers required for their operation is conducted, including through enhanced Social Impact Assessments.
  - Revising the framework around mandatory inclusionary zoning and affordable housing contribution schemes to significantly increase the supply of affordable homes suitable for essential workers, particularly in high-demand areas in proximity to employment centres and transport corridors.

### Planning for essential worker housing in major projects

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#### Summary

Major infrastructure projects that bring jobs to an area do not include adequate planning for where these expected workers will live, both during construction and when the project is complete. As a result, these projects can worsen local essential workers' access to housing by increasing the unmet demand for affordable, well-located homes. Social Impact Assessments should require major developments to plan housing for the expected employees so that major infrastructure boosts the supply of local housing, rather than reducing it.

#### Finding 5

**Currently, not all employment-generating projects are required to consider the needs of their expected workforce, which often includes essential workers. This makes it harder for essential workers to access housing.**

#### Recommendation 9

**That the NSW Government amend the planning process to mandate all major developments undertake a thorough assessment of the housing needs of**

**essential workers likely to be affected by the development, including by updating the Social Impact Assessment guidelines.**

- 3.3 Stakeholders drew our attention to the fact that the state's major employment-generating developments are not considering the housing needs of prospective workers.<sup>125</sup>
- 3.4 We acknowledge stakeholders' concerns and, in the case of government projects, emphasise this as an example of insufficient planning from the NSW Government when it comes to housing its own essential workers. When new projects attract an influx of staff it can make it more difficult for local essential workers to secure housing.
- 3.5 We consider this an important and urgent area of reform that can be readily implemented by using the existing Social Impact Assessment process, which is already mandatory for many large-scale developments. We recommend that a comprehensive assessment of worker needs be an integral part of such development assessments going forward.
- 3.6 Further, we also note that there would be a benefit for major residential developments that deliver a significant number of homes to include an evaluation of whether a portion of the homes in these developments are being provided for essential workers.

**Major developments can worsen local essential workers' access to housing**

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- 3.7 Major employment-generating projects, or 'State significant projects', play a vital role in NSW's growth. These include large-scale urban or industrial ventures often classified as State significant development (SSD) and critical infrastructure works designated as State significant infrastructure (SSI).<sup>126</sup> The Committee is concerned that many of these developments are being built without a proper consideration for where the expected workforce will live.<sup>127</sup>
- 3.8 The current planning framework requires that significant state projects, including SSDs and many SSIs, undergo a Social Impact Assessment (SIA).<sup>128</sup> An SIA is designed to evaluate the potential social consequences of a development on the community, which can include assessing the effects of an incoming workforce.<sup>129</sup>

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<sup>125</sup> [Submission 25](#), Eurobodalla Shire Council, p 2; [Submission 63](#), pp 8, 19-20; [Submission 28](#), p 10; Gordon Clark, [Evidence](#), 3 December 2024, p 8.

<sup>126</sup> See NSW Department of Planning and Environment, [Social Impact Assessment Guideline for State Significant Projects](#), July 2021, viewed 3 June 2025. Provisions around what may be declared an SSD or an SSI can be found in Division 4.7 and Division 5.2 of the [Environmental Planning and Assessment Act 1979](#) respectively.

<sup>127</sup> [Submission 25](#), p 2; [Submission 28](#), p 10; [Submission 53](#), Mid-Western Regional Council, pp 1-2; [Submission 63](#), pp 8, 19; [Submission 80](#), p 2; [Submission 84](#), Singleton Shire Council, p 2; Gordon Clark, [Evidence](#), 3 December 2024, p 8.

<sup>128</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 1.

<sup>129</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 1; Planning, [Social Impact Assessment](#), viewed 22 May 2025.

- 3.9 We are disappointed that the current guidelines around SIAs do not consistently ensure that there is a thorough analysis of the housing impact on essential workers, or that appropriate mitigation strategies are in place. Shelter NSW noted that some employment-generating projects do not reach the threshold for a SSD or SSI, and do not require a SIA. As a result, these projects might face less scrutiny, despite their impact on local housing markets.<sup>130</sup>
- 3.10 The Committee was made aware of recent hospital developments that failed to consider the needs of workers.<sup>131</sup> Eurobodalla Council gave the example of the new Eurobodalla Regional Hospital, which was projected to require 300 to 400 construction workers and 500 operational staff. They told us the council had advocated for worker accommodation to be built as part of the project, but this was not included.<sup>132</sup> Similar issues were raised in relation to the Shoalhaven Hospital, outlined in the case study below.
- 3.11 We also note the particular concerns of regional councils about the impact of Renewable Energy Zones (REZs) or mines on local housing markets.<sup>133</sup> Significantly, Mid-Western Regional Council told us that a new REZ had already brought 850 people into their LGA. Their commissioned research projected a housing shortage of 1 515 dwellings in the region by 2026, linked to the new energy infrastructure.<sup>134</sup>

#### Case study: Shoalhaven Hospital

A key example of the impacts of the current situation was provided during the Committee's visit to the South Coast, where the local Shoalhaven Hospital is being redeveloped.<sup>135</sup> The expanded hospital is expected to require 665 jobs.<sup>136</sup> However, we heard the new employees were 'uncatered for as part of the housing market'.<sup>137</sup>

The Committee heard that the Shoalhaven area is already facing considerable housing and essential worker shortages.<sup>138</sup> According to Homelessness NSW's 2024 data, the rental vacancy rate is under two per cent.<sup>139</sup> The CEO of the Community Industry Group, Nicky Sloan, told us local homelessness services

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<sup>130</sup> [Submission 55](#), pp 14-15.

<sup>131</sup> [Submission 25](#), p 2; [Submission 28](#), p 10; James Ruprai, Acting CEO, Shoalhaven City Council, [Transcript of evidence](#), 3 December 2024, p 8; Gordon Clark, [Evidence](#), 3 December 2024, p 8.

<sup>132</sup> [Submission 25](#), p 2.

<sup>133</sup> [Submission 51](#), Upper Hunter Shire Council, p 1; [Submission 53](#), pp 1-2; [Submission 63](#), pp 8, 19-20; [Submission 73](#), Lachlan Shire Council, p 1; [Submission 80](#), p 2; [Submission 84](#), p 2.

<sup>134</sup> [Submission 53](#), pp 1-2.

<sup>135</sup> [Submission 28](#), p 10; James Ruprai, [Evidence](#), 3 December 2024, p 8; Gordon Clark, [Evidence](#), 3 December 2024, p 8; NSW Government, [Shoalhaven District Memorial Hospital Redevelopment](#), viewed 22 May 2025.

<sup>136</sup> [Answers to supplementary questions](#), Shoalhaven City Council, 17 January 2025, p 1.

<sup>137</sup> James Ruprai, [Evidence](#), 3 December 2024, p 7.

<sup>138</sup> For example, Diane Lang, Member, New South Wales Nurses and Midwives' Association, [Transcript of evidence](#), 3 December 2024, p 14; Sandra Gray, [Evidence](#), 3 December 2024, pp 12-13; John Wells, Sabra Company Pty Ltd, [Transcript of evidence](#), 3 December 2024, p 22; Nicky Sloan, [Evidence](#), 3 December 2024, pp 38-39.

<sup>139</sup> Homelessness NSW, [Housing and Homelessness Dashboard](#), viewed 22 May 2025.

workers were living in their cars, while retirement units were being used to house aged care workers.<sup>140</sup>

Sandra Gray, from the Illawarra Shoalhaven Employment Facilitator, told us it was 'essential' that housing is resolved before the hospital opens. She told us developments like the Shoalhaven and the Moruya hospital, were 'putting pressure on a market that is already not coping'.<sup>141</sup>

### **The planning processes for major developments must require housing consideration for essential workers**

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- 3.12 Shoalhaven City Council highlighted that adequate forward planning can prevent developments negatively impacting local housing markets.<sup>142</sup> We recommend strengthening the planning processes to explicitly embed the consideration of essential worker housing needs within the assessment framework for all significant employment-generating developments, particularly SSDs and SSIs.
- 3.13 Shoalhaven City Council told us that early planning would ensure buildings such as the new hospital have sufficient staff to operate. They stated it would avoid a situation where 'hundreds of millions of dollars' is invested in infrastructure, without any ability to draw qualified staff due to housing.<sup>143</sup>
- 3.14 Similarly, the Community Housing Industry Association stated that workforce accommodation strategies should be required for employment-generating developments. They argued that these plans should demonstrate how the needs of potential employees will be addressed 'without detrimentally affecting' existing availability and affordability in the community.<sup>144</sup>
- 3.15 The Committee was pleased to hear that a formal policy for accommodating NSW Health workers in new hospitals is underway.<sup>145</sup> However, we stress that this kind of strategic planning is required for all major employment-generating developments and not only hospitals. The NSW Government should also ensure that similar considerations are in place for non-government developments.

### **Major employers should explore opportunities to deliver housing for their workers**

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- 3.16 Beyond requiring a strategic plan, stakeholders told us major government and non-government employment-generating developments could explore options to provide housing for their workers on site or nearby.<sup>146</sup>

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<sup>140</sup> Nicky Sloan, [Evidence](#), 3 December 2024, p 38.

<sup>141</sup> Sandra Gray, [Evidence](#), 3 December 2024, p 15.

<sup>142</sup> James Ruprai, [Evidence](#), 3 December 2024, p 8.

<sup>143</sup> James Ruprai, [Evidence](#), 3 December 2024, p 8.

<sup>144</sup> [Submission 58](#), p 6.

<sup>145</sup> Luke Sloane, Deputy Secretary, Rural and Regional Health, NSW Health, [Transcript of evidence](#), 10 February 2025, p 14; [Answers to questions on notice](#), NSW Health, 10 March 2025, p 1.

<sup>146</sup> [Submission 4](#), pp 3-4; [Submission 34](#), Central NSW Joint Organisation, p 6; [Submission 44](#), pp 3-4; [Submission 58](#), p 6.

- 3.17 Stakeholders suggested practical solutions that might help deliver this housing, including allowing essential worker housing as ancillary use and building housing for workers that could be repurposed for essential worker housing when construction is complete.<sup>147</sup>
- 3.18 For example, the Committee for Sydney and Blacktown City Council told us that land use zoning allows housing to be delivered on-site for some major infrastructure.<sup>148</sup> The NSW Government explained that housing can be built on-site for workers and visitors on some major infrastructure sites like hospitals or education facilities.<sup>149</sup>
- 3.19 We learnt that Blacktown City Council has used ancillary zoning allowances to build worker housing as part of their health and education precinct.<sup>150</sup>
- 3.20 The Committee was pleased to hear that Homes NSW is taking opportunities of major infrastructure projects, such as hospitals, to deliver more social and affordable housing to at-need communities.<sup>151</sup> We also note the recent announcements that housing would be required for construction workers tied to REZ infrastructure.<sup>152</sup>
- 3.21 We encourage the NSW Government to continue taking steps to maximise delivery of both in-perpetuity and appropriate temporary housing for construction workers and permanent staff tied to major infrastructure projects. This will ensure these developments do not increase unmet demands for essential worker housing.

## Leveraging inclusionary zoning

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### Summary

Inclusionary zoning, which requires or encourages developers to include affordable housing in new projects, is a vital tool for increasing housing for essential workers. Affordable housing contribution schemes are a key mechanism, using developer levies or in-kind provisions, to provide more essential worker housing in developments. The NSW Government should create a clear framework for inclusionary zoning and promote wider adoption to enhance well-located housing for essential workers.

### Recommendation 10

**That the NSW Government develop a clear and consistent process for inclusionary zoning and review its current guidelines for affordable housing**

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<sup>147</sup> [Submission 58](#), p 6; [Submission 84](#), p 3; [Submission 110](#), p 8.

<sup>148</sup> [Submission 69](#), p 4; [Submission 110](#), p 8.

<sup>149</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 2.

<sup>150</sup> [Submission 110](#), p 7.

<sup>151</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 1.

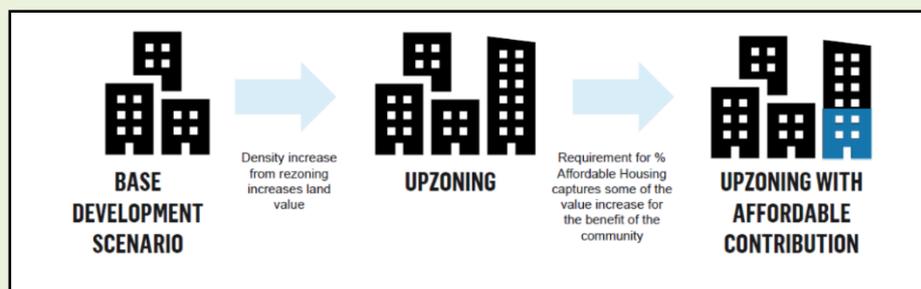
<sup>152</sup> Planning, [Construction workers accommodation](#), viewed 22 May 2025; Minister for Energy and Climate Change, Minister for Planning and Public Spaces, [Green light to fast-track construction worker housing in regional NSW](#), media release, 17 December 2024, viewed 22 May 2025.

**contribution schemes, taking into account feedback from local councils to ensure their effectiveness.**

- 3.22 Throughout the inquiry, several stakeholders suggested inclusionary zoning as another underutilised opportunity to deliver more affordable housing for essential workers, close to key transport corridors and employment hubs.<sup>153</sup>
- 3.23 Inclusionary zoning requires affordable housing to be built with market housing. Stakeholders emphasised that it could be used to deliver housing in already developed areas, which might otherwise be unaffordable for essential workers.<sup>154</sup>
- 3.24 For example, Catholic Schools Parramatta Diocese told us that requiring 10 to 15 per cent inclusionary zoning in areas like Western Sydney might help bridge the affordability gap for local essential workers.<sup>155</sup> Similarly, the University of Sydney explained that inclusionary zoning can help reduce inequality between suburbs through the provision of affordable housing.<sup>156</sup>
- 3.25 We agree with these stakeholders and recommend that the NSW Government develop a clear and consistent framework for inclusionary zoning, with a view to prioritising and including essential worker housing in areas wherever possible.

#### Inclusionary zoning

Inclusionary zoning is a form of planning intervention that mandates or incentivises developers to produce affordable housing. When inclusionary zoning is mandatory, developers are required to produce or contribute an affordable housing percentage in order to obtain development approval.<sup>157</sup>



*Inclusionary zoning via an affordable housing contribution scheme tied to upzoning. Source: Planning NSW, [Guideline for Developing an Affordable Housing Contribution Scheme](#), February 2019, viewed 10 May 2025, p 18.*

<sup>153</sup> For example, [Submission 63](#), p 13; [Submission 71](#), p 6; [Submission 79](#), City West Housing, p 7; [Submission 81](#), pp 1, 5; [Submission 85](#), p 13; [Submission 88](#), p 11; [Submission 95](#), pp 4, 11.

<sup>154</sup> [Submission 81](#), p 5; [Submission 88](#), p 11; [Submission 95](#), p 4.

<sup>155</sup> [Submission 81](#), p 5.

<sup>156</sup> [Submission 88](#), p 11.

<sup>157</sup> Australian Housing and Urban Research Institute (AHURI), [What is Inclusionary zoning, and how does it help deliver affordable housing](#), 29 August 2023, viewed 4 June 2025.

- 3.26 We note that the NSW Government, through its Transport Oriented Development (TOD) program, have created an inclusionary zoning system for the first time in NSW history which is implemented through a state planning instrument. The inclusion of provisions for affordable housing in the state-led rezonings for the TOD program, have been the first time that the NSW Government has utilised inclusionary zoning for affordable housing and have provided an example for local government on how inclusionary zoning can be incorporated into future rezonings that councils undertake.<sup>158</sup>

### **Affordable housing contribution schemes can be better utilised to provide more affordable homes for essential workers**

#### **Recommendation 11**

**That the NSW Government encourage the implementation of affordable housing contribution schemes across all local government areas.**

- 3.27 Stakeholders consistently suggested that there are opportunities to improve the process around council-led affordable housing contribution schemes (AHCS) so that more councils can implement these and deliver affordable homes, including for essential workers.<sup>159</sup>

#### **Affordable housing contribution schemes**

Affordable housing contribution schemes are council-led policies that require eligible developments to contribute to affordable housing in an LGA.<sup>160</sup> The schemes set out the required contribution, the sites within a council area where the contribution applies and how it will be collected. AHCS might apply across an LGA, but are usually limited to specific areas.<sup>161</sup>

Depending on the scheme, developers wishing to build within these areas might be required either to contribute a certain percentage of floor space to affordable housing, or make an equivalent monetary contribution to the council.<sup>162</sup> If the council receives a cash contribution, this is used to fund affordable housing.

Councils' AHCS need to be approved by the NSW Government Department of Planning, Housing and Infrastructure before being implemented. The NSW Government has also developed guidelines to assist councils in developing a scheme.<sup>163</sup>

<sup>158</sup> Tom Loomes, [Evidence](#), 10 February 2025, pp 5-6, 13

<sup>159</sup> [Submission 19](#), p 6; [Submission 41](#), pp 15-16; [Submission 63](#), pp 16-17; [Submission 68](#), City of Newcastle, p 2; [Submission 69](#), p 5; [Submission 84](#), p 2; [Submission 85](#), pp 13-14; [Submission 88](#), p 12.

<sup>160</sup> Planning, [Housing SEPP](#), accessed 4 June 2025.

<sup>161</sup> [Submission 41](#), p 16; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2; [Answers to supplementary questions](#), LGNSW, 10 March 2025, p 4.

<sup>162</sup> NSW Government, [Guideline for Developing an Affordable Housing Contribution Scheme](#), February 2019, pp 18, 23.

<sup>163</sup> NSW Government, [Guideline for Developing an Affordable Housing Contribution Scheme](#), February 2019, viewed 22 May 2025.

- 3.28 We acknowledge that there is significant potential for the NSW Government to streamline the processes around AHCS, to enable more councils to adopt them. The NSW Government should also consider how AHCS can specifically support essential worker housing, either through in-kind dwellings or targeted use of monetary contributions.
- 3.29 The City of Sydney highlighted that, in the absence of significant direct public funding, AHCS offer a transparent and efficient mechanism for delivering affordable housing at scale.<sup>164</sup> Their scheme has generated close to \$400 million for affordable housing and requires developments to provide three per cent of residential floor space (or one per cent for non-residential) for this purpose, either as actual housing units or as monetary contributions.<sup>165</sup>

#### *Barriers to uptake*

- 3.30 Despite their proven effectiveness, as of March 2025, fewer than ten councils in NSW operated active schemes.<sup>166</sup> Stakeholders identified several barriers, including<sup>167</sup>:
- Significant delays in setting up a scheme, including the time taken by the Department of Planning, Housing and Infrastructure (DPHI);<sup>168</sup>
  - The resource-intensive process of demonstrating a 'viable' contribution rate;<sup>169</sup>
  - Restrictive requirement that contributions be tied to rezoning.<sup>170</sup>
- 3.31 In particular, we heard DPHI's delays in approving a scheme has made it difficult for many councils to implement them.<sup>171</sup> The Committee for Sydney stated that some proposals had taken 'several years' to be finalised.<sup>172</sup> The City of Parramatta explained that this 'unknown timeframe for the NSW Government's review and approval of draft schemes' is a 'key barrier for councils implementing an AHCS'.<sup>173</sup>

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<sup>164</sup> [Submission 41](#), p 15.

<sup>165</sup> [Submission 41](#), p 15; [Answers to Supplementary Questions](#), City of Sydney Council, 17 March 2025, pp 4-5.

<sup>166</sup> New South Wales, Legislative Assembly, [Parliamentary Debates](#), 26 March 2025 (Paul Scully, Minister for Planning and Public Spaces).

<sup>167</sup> [Submission 41](#), p 16; [Submission 63](#), p 13; [Submission 85](#), pp 13-14; [Submission 88](#), p 11; [Answers to supplementary questions](#), LGNSW, 10 March 2025, pp 1-4; [Answers to supplementary questions](#), SSROC, 7 March 2025, pp 1-3.

<sup>168</sup> [Submission 55](#), p 14; [Submission 85](#), p 13; [Submission 63](#), p 16; [Answers to supplementary questions](#), City of Parramatta, 14 March 2025, p 1; [Submission 105](#), p 4; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2; [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, pp 3-4.

<sup>169</sup> [Submission 63](#), p 16; [Submission 85](#), p 13.

<sup>170</sup> [Submission 41](#), p 16; [Submission 63](#), p 16; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2.

<sup>171</sup> [Submission 63](#), p 16; [Submission 85](#), p 13; [Submission 105](#), p 4; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2; [Answers to supplementary questions](#), City of Parramatta, 14 March 2025, p 1.

<sup>172</sup> [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2.

<sup>173</sup> [Submission 105](#), p 4; [Answers to supplementary questions](#), City of Parramatta, 14 March 2025, p 1.

- 3.32 We also recognise that the expertise and resourcing required to test and develop contribution plans is an issue.<sup>174</sup> Liverpool City Council suggested the NSW Government develop standardised schemes to support local implementation.<sup>175</sup>

*Improving the scheme design: flat-rate vs rezoning tied contributions*

- 3.33 Beyond improving the approval processes, a key theme from stakeholders was the need for more flexible and broad-based contribution models. Currently, the guidelines can restrict AHCS to specific areas undergoing rezoning, limiting their reach.<sup>176</sup> The City of Sydney's area-wide, flat-rate approach was cited as an effective model, enabling consistent and predictable contributions across the entire LGA.<sup>177</sup>
- 3.34 A number of stakeholders advocated for the option to apply low, flat-rates LGA-wide, with the flexibility to introduce higher rates in areas benefiting from upzoning.<sup>178</sup> We heard these schemes may be particularly suitable in LGAs where rezoning is not possible.<sup>179</sup>
- 3.35 Stakeholders told us the contributions can be phased in over time to avoid sudden impacts on housing supply or affordability and to give developers adequate notice.<sup>180</sup>
- 3.36 We were pleased to hear that the NSW Government is aware of these concerns and is preparing an updated AHCS guidelines to streamline implementation and provide greater clarity to councils.<sup>181</sup> We understand that, while the guidelines do not recommend area-wide schemes, the government has supported such approaches in the past.<sup>182</sup>
- 3.37 Given the demonstrated benefits of AHCS, we recommend that the NSW Government continue to work with councils to expand the use of these schemes. In particular, the adoption of low, flat-rate contributions, as implemented by the City of Sydney, should be encouraged, with clear guidelines and support for councils implementing this approach. This will help increase the supply of housing for essential workers and other affordable housing across NSW.

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<sup>174</sup> [Submission 28](#), p 7; [Submission 68](#), p 2; [Answers to supplementary questions](#), SSROC, 7 March 2025, p 1; [Answers to supplementary questions](#), LGNSW, 10 March 2025, p 2; [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 4.

<sup>175</sup> [Submission 19](#), p 6.

<sup>176</sup> [Answers to Supplementary Questions](#), The Committee for Sydney, 11 March 2025, p 2; [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 1.

<sup>177</sup> [Submission 41](#), p 16; [Submission 63](#), pp 16-17; [Answers to supplementary questions](#), LGNSW, 10 March 2025, p 4; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2.

<sup>178</sup> [Submission 41](#), p 17; [Submission 63](#), p 16; [Submission 85](#), pp 13-14; Mark Nutting, [Evidence](#), 7 February 2025, p 15; [Answers to supplementary questions](#), The Committee for Sydney, 11 March 2025, p 2.

<sup>179</sup> [Answers to supplementary questions](#), City of Sydney Council, 17 March 2025, p 4; [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 1.

<sup>180</sup> [Submission 69](#), p 5; Benjamin Pechey, Executive Manager, Strategic Planning and Urban Design, [Transcript of Evidence](#), 7 February 2025, p 13.

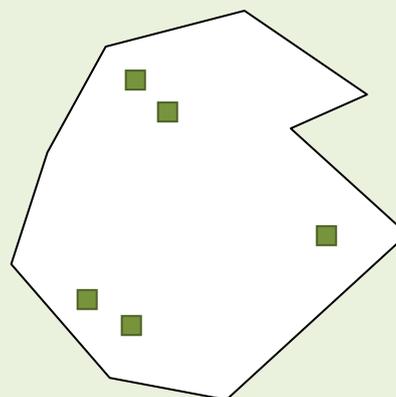
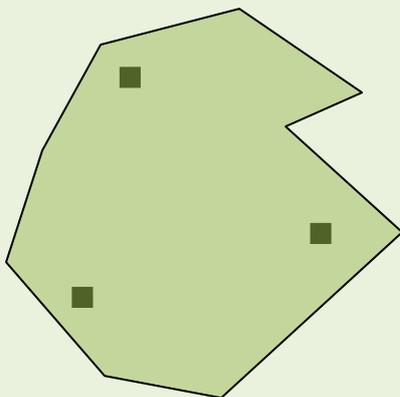
<sup>181</sup> [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 1.

<sup>182</sup> [Answers to supplementary questions](#), NSW Government, 14 March 2025, p 2.

### Applying an affordable housing contribution rate

■ **Example 1: LGA-wide low, flat-rate (e.g. 1-3% floor-space ratio), with site-specific rate tied to rezoning (where possible)**

■ **Example 2: Site-specific rate tied to rezoning (e.g. 10-15% FSR)**



Councils have adopted two contrasting approaches to applying mandatory contribution rates. The first applies a set, LGA-wide rate that all applicable developments must pay, while retaining the option to require a higher contribution in specific areas if rezoning occurs. The second uses the opportunity of 'upzoning' in specific areas of an LGA to require developers to pay higher contributions for any new development in that area.

### The NSW Government should maximise the affordable housing contributions tied to state-led rezoning

- 3.38 Stakeholders told us that the NSW Government should also be maximising affordable housing and essential worker housing for state-led rezonings.<sup>183</sup> We heard that both the TOD program and the low- and mid-rise housing reforms (LMH reforms) could have benefitted from higher in-perpetuity affordable housing requirements.<sup>184</sup>
- 3.39 We agree with stakeholders that the NSW Government should be maximising opportunities to deliver essential worker and affordable housing attached to rezoning. While commending the NSW Government's recent steps to increase housing supply, it is important that the delivery of affordable and essential worker housing in its housing reforms is maximised.

<sup>183</sup> [Submission 21](#), pp 1, 3, 5; [Submission 63](#), pp 19, 27; [Submission 85](#), p 15; Councillor Zoë Baker, [Evidence](#), 7 February 2025, p 4.

<sup>184</sup> [Submission 21](#), pp 1, 3; [Submission 43](#), Professor Nicky Morrison, p 4; [Submission 63](#), pp 17, 18; [Submission 85](#), pp 14-15.

*Low- and mid-rise housing reforms (LMH reforms)*

- 3.40 Stakeholders were particularly critical of the missed opportunity to include affordable housing in the LMH reforms, which were introduced in stages between July 2024 and February 2025.<sup>185</sup> These reforms updated the Housing SEPP to permit higher density across certain residential areas in NSW, with additional density in key regions like Greater Sydney, the Central Coast and the Illawarra-Shoalhaven.<sup>186</sup>
- 3.41 Stakeholders expressed their disappointment that the LMH reforms did not include a mandatory affordable housing component, despite the added density.<sup>187</sup> LGNSW and SSROC told us the reforms could become 'the most significant lost opportunity for affordable housing in decades.'<sup>188</sup>
- 3.42 Northern Beaches Council told us that the LMH reforms are 'more than doubling' building heights in the town centre precincts, without requiring affordable housing. They advocated for a minimum five per cent affordable housing contribution rate on all land subject to state-led uplift via planning reforms.<sup>189</sup>
- 3.43 The Committee expects that the reforms recommended in this report will allow for greater consideration to be given to providing essential worker housing in future planning reforms. This is particularly the case in high-cost areas.

*Transport Oriented Development (TOD) program*

- 3.44 The Committee received more mixed evidence about the TOD program. The TOD program commenced in 2024, introducing new planning controls around key transport hubs to allow more density.<sup>190</sup> As part of this program, the NSW Government announced that up to 15 per cent of new housing in eight key precincts ('Tier 1') would be affordable housing, delivered in perpetuity.<sup>191</sup> A rate of two per cent was set for 31 other precincts ('Tier 2').<sup>192</sup>
- 3.45 We heard the TODs could help deliver well-located affordable housing across Greater Sydney.<sup>193</sup> However, stakeholders also called for higher mandatory inclusionary zoning requirements.<sup>194</sup>

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<sup>185</sup> [Submission 21](#), pp 1, 3; [Submission 63](#), p 18; [Submission 85](#), pp 14-15.

<sup>186</sup> NSW Planning, [Low and Mid-Rise Housing Policy](#), viewed 10 May 2025.

<sup>187</sup> [Submission 21](#), pp 1, 3; [Submission 63](#), p 18; [Submission 85](#), pp 14-15.

<sup>188</sup> [Submission 63](#), p 18; [Submission 85](#), pp 14-15.

<sup>189</sup> [Submission 21](#), pp 1, 3.

<sup>190</sup> NSW Government, [Transport Oriented Development Program](#), December 2023, viewed 28 May 2025.

<sup>191</sup> NSW Government, [Transport Oriented Development Program](#), p 5.

<sup>192</sup> NSW Government, [Transport Oriented Development Program](#), p 10.

<sup>193</sup> [Submission 30](#), p 2; [Answers to supplementary questions](#), 11 March 2025, p 3; [Answers to supplementary questions](#), 17 March 2025, p 2.

<sup>194</sup> [Submission 20](#), Housing Now! Alliance, p 6; [Submission 28](#), p 7; [Submission 43](#), p 4; [Submission 63](#), p 17; [Submission 85](#), p 14; [Submission 88](#), p 12; Councillor Zoë Baker, [Evidence](#), 7 February 2025, p 4.

- 3.46 LGNSW noted that the actual contribution rates in Tier 1 areas 'fall far short' of the originally promised 15 per cent, and that two per cent for Tier 2 zones is too low.<sup>195</sup> The University of Sydney described the two per cent requirement for Tier 2 zones as 'minimal' and criticised 'up to' 15 per cent target for Tier 1 as creating uncertainty about the actual amount to be delivered.<sup>196</sup>
- 3.47 Housing Now! emphasised the need for greater certainty around the phasing in of higher contribution rates attached to TOD precincts. They told us the NSW Government should increase affordable housing requirements 'to at least 10%' over time.<sup>197</sup>
- 3.48 The Catholic Diocese of Maitland Newcastle suggested the government could mandate that this increased percentage includes a requirement for essential worker housing.<sup>198</sup>
- 3.49 We agree with this view and further encourage the NSW Government to specifically address essential worker housing needs in future TOD programs.
- 3.50 We also note that the TOD program is designed to deliver housing over a 15 year period to deliver affordable housing as part of the developments rather than an in-kind contribution, to be maintained in perpetuity and managed by a registered CHP. In the TOD Tier 2 areas, the NSW Government has committed to increasing the affordable housing rate over time to a published schedule. In the TOD Tier 1 areas, the NSW Government finalised rezonings which include a minimum 3% base rate for affordable housing but which also include higher affordable housing rates to be required on key sites, of up to 18%.<sup>199</sup>

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<sup>195</sup> [Submission 63](#), p 17.

<sup>196</sup> [Submission 88](#), p 11.

<sup>197</sup> [Submission 20](#), p 6.

<sup>198</sup> [Submission 30](#), p 2

<sup>199</sup> Tom Loomes, [Evidence](#), 10 February 2025, p 13.

## Chapter Four – Increasing supply of well-located housing options for essential workers

### Chapter summary

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- 4.1 Chapter three of this report detailed the importance of ensuring essential worker housing considerations are integrated in existing housing policies and planning systems. While this is a key first step, addressing essential workers' need for housing will rely on more well-located and suitable homes being built across NSW. Increasing the supply of essential worker housing will also help ensure their housing needs are addressed without negatively impacting other vulnerable groups who rely on social or affordable housing.
- 4.2 This chapter will investigate key approaches to increasing the housing supply for essential workers:
- Optimising the use of government-owned land and SP2-zoned land to deliver essential worker housing.
  - Facilitating 'meanwhile use' of land and buildings to provide timely, temporary, or transitional housing solutions.
  - Minimising the impacts of short-term rental accommodation (STRA) and ensuring the stock of transitional housing (such as boarding houses) is not lost.
  - Implementing incentives designed to encourage and support the development of housing specifically tailored for essential workers.

### Making better use of government-owned land

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#### Summary

The NSW Government should be maximising opportunities to provide essential worker housing on government-owned land, particularly vacant Crown land. Transferring these assets to Homes NSW or Landcom would allow these agencies to develop well-located essential worker housing for rent or sale to essential workers. This land could also be sold or leased at below-market rates to developers to produce essential worker built-to-rent housing or mixed-used developments with a substantial portion of essential worker housing.

#### Finding 6

**The NSW Government is conducting an ongoing audit of government-owned land to identify surplus sites for housing development. Homes NSW and Landcom having priority access to these sites for social, affordable, essential worker and market housing projects will support the delivery of essential worker housing.**

## Recommendation 12

**That the NSW Government prioritise evaluation of land identified through its land audit for its suitability for essential worker housing and explore options for below-market sales or long-term leases for the development of affordable housing options.**

- 4.3 The Committee heard that there are opportunities to make better use of government owned land to deliver essential worker housing.<sup>200</sup> There was broad consensus that selling or leasing government land at below-market rates would help deliver more essential worker housing.<sup>201</sup>
- 4.4 Stakeholders explained that using government land either reduces or removes a substantial cost factor in new residential developments – that of the land.<sup>202</sup> This could help address the impact of other development costs to deliver well-located and in-perpetuity housing to essential workers at below market rates.
- 4.5 Anglicare indicated reduced-cost access to land may be particularly beneficial for CHPs, who often cannot compete for land with private developers when it is sold on the public market.<sup>203</sup> City of Sydney Council told us the cost of land in Sydney accounts for a 'significant proportion' of the cost of developing affordable housing. They noted that they have sold significant amounts of council land at a discount to CHPs to help facilitate affordable housing in their LGA.<sup>204</sup>
- 4.6 The University of Sydney explained that government land may be particularly suitable for innovative solutions, like 'new housing types and tenure models'.<sup>205</sup> Similarly, New South Wales Nurses and Midwives' Association told us the government could prioritise housing types that are not ordinarily developed by the private sector, including larger family units close to hospitals.<sup>206</sup>
- 4.7 The Committee for Sydney told us that if government is committed to delivering social and affordable housing (including essential worker housing) 'the most efficient, socially-just and practical outcome is to provide a substantial proportion of affordable housing' on well-located government land.<sup>207</sup>
- 4.8 The Committee agrees that the NSW Government should evaluate the suitability of surplus government land for essential worker housing. In the first instance, this land should be offered to Homes NSW or Landcom to develop housing, with a portion dedicated to essential workers. The NSW Government could also

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<sup>200</sup> [Submission 32](#), Ballina Shire Council, p 2; [Submission 39](#), p 24; [Submission 41](#), p 22; [Submission 43](#), pp 4-5; [Submission 29](#), Lake Macquarie City Council, p 3; [Submission 61](#), p 3; [Submission 102](#), p 18.

<sup>201</sup> For example, [Submission 65](#), Aware Super, p 2; [Submission 74](#), p 5; [Submission 102](#), p 18; [Submission 43](#), pp 4-5; [Submission 63](#), p 21; [Submission 103](#), p 8.

<sup>202</sup> [Submission 59](#), p 11; [Submission 102](#), p 19; [Submission 100](#), p 18.

<sup>203</sup> [Submission 82](#), Anglicare Sydney, p 9.

<sup>204</sup> [Submission 41](#), p 23.

<sup>205</sup> [Submission 88](#), p 14.

<sup>206</sup> [Submission 95](#), p 12.

<sup>207</sup> [Submission 69](#), p 7.

consider below-market sales or leases to CHPs, councils or developers specifically for the development of affordable housing.

#### **There are opportunities to use government land to develop essential worker housing**

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- 4.9 Councils and other stakeholders highlighted surplus Crown land across regional NSW and in Sydney that could be used for essential worker housing.<sup>208</sup> We heard the NSW Government is a 'significant landowner' in central Sydney,<sup>209</sup> and holds under-utilised assets across regional NSW.<sup>210</sup> The NSW Government reported that its land audit has also identified at least 44 sites suitable for housing.<sup>211</sup>
- 4.10 We heard there is an opportunity to use these assets for essential worker housing by transferring land to other agencies, such as Homes NSW. Professor Nicky Morrison explained there is an opportunity for these assets to be 'earmarked' specifically for essential worker housing through partnerships with government agencies. She stated that land could be made available at below-market rates to Landcom, Aboriginal Housing or the Land and Housing Corporation to help facilitate new essential worker housing.<sup>212</sup>
- 4.11 Stakeholders gave the example of the commitment for Landcom to develop 400 new build-to-rent apartments for essential worker housing.<sup>213</sup> Blue Mountains City Council observed the NSW Government's plans to build 400 essential worker homes demonstrated the NSW Government's commitment to building housing for essential workers. They also stressed it was 'imperative' that similar developments be considered outside of metropolitan Sydney.<sup>214</sup>
- 4.12 City of Sydney Council told us the NSW Government could also transfer surplus government land to CHPs at a significant discount for use as affordable housing.<sup>215</sup> Aware Super argued that when the NSW Government releases land for development, they should consider reducing acquisition costs for providers of affordable housing, including essential worker housing.<sup>216</sup>
- 4.13 Given the opportunities to deliver housing for essential workers, many stakeholders advocated for the government to require a substantial minimum percentage of affordable and essential worker housing when making government land available for private development.<sup>217</sup>

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<sup>208</sup> [Submission 21](#), pp 4-5; [Submission 74](#), pp 4-5; [Submission 16](#), Griffith City Council, p 2; [Submission 32](#), p 2; [Submission 86](#), p 8; Beth Morris, Acting Manager, Strategic Planning, Sutherland Shire Council, [Transcript of evidence](#), 7 February 2025, p 8.

<sup>209</sup> [Submission 41](#), p 22. See also [Submission 21](#), pp 4-5; [Submission 74](#), pp 4-5; Beth Morris, [Evidence](#), 7 February 2025, p 8.

<sup>210</sup> [Submission 16](#), p 2; [Submission 32](#), p 2; [Submission 86](#), p 8.

<sup>211</sup> [Submission 91](#), pp 8-9.

<sup>212</sup> [Submission 43](#), pp 4-5.

<sup>213</sup> [Submission 44](#), p 3; [Submission 69](#), p 8;

<sup>214</sup> [Submission 44](#), p 3.

<sup>215</sup> [Submission 41](#), p 24.

<sup>216</sup> [Submission 65](#), p 2.

<sup>217</sup> [Submission 88](#), p 14; [Submission 70](#), p 5; [Submission 26](#), pp 2, 12.

- 4.14 We were pleased to hear that Homes NSW and Landcom have the first and second choices, respectively, of the land being identified in the NSW Government's land audit. The NSW Government also explained that Homes NSW is using its powers to acquire Crown land for housing, with a portion dedicated to essential worker housing.<sup>218</sup>
- 4.15 We agree with stakeholders that opportunities for affordable and essential worker housing should be maximised in all developments on government-owned land, including those of Homes NSW and those in partnership with the private sector.

#### *Council land*

- 4.16 We heard there may also be opportunities for the NSW Government to partner with local councils to produce more essential worker housing in their LGAs.<sup>219</sup> This includes both Crown land and council-owned sites. We encourage the NSW Government to continue to collaborate with councils to explore these opportunities.
- 4.17 Some councils explained that they have sites suitable for essential worker housing.<sup>220</sup> Councils including Liverpool City Council and Uralla Shire Council noted that state support, such as incentives or funding, is needed to make discount-to-market housing projects viable.<sup>221</sup> North Sydney Council highlighted a partnership they had with Homes NSW to explore using council land for affordable housing. The Committee considers that this approach could be adapted for a similar development of essential worker housing.<sup>222</sup>
- 4.18 Local government stakeholders also drew our attention to surplus Crown land in their LGAs that they want to use for essential worker housing.<sup>223</sup> Griffith City Council advocated for vacant Crown land to be made available to councils at no cost for essential worker housing.<sup>224</sup> Similarly, the Riverina and Murray Joint Organisation recommended that state government-owned land could be vested in local councils for affordable housing.<sup>225</sup>

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<sup>218</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, pp 1-2.

<sup>219</sup> [Submission 49](#), p 9; [Submission 76](#), Riverina and Murray Joint Organisation, p 3; [Submission 19](#), p 5.

<sup>220</sup> [Submission 80](#), p 2; Councillor Zoë Baker, [Evidence](#), 7 February 2025, pp 2, 8.

<sup>221</sup> [Submission 19](#), p 5; [Submission 80](#), p 2.

<sup>222</sup> [Answers to supplementary questions](#), North Sydney Council, 5 March 2025, p 2; Councillor Zoë Baker, [Evidence](#), 7 February 2025, p 2.

<sup>223</sup> [Submission 32](#), p 2; [Submission 16](#), p 2.

<sup>224</sup> [Submission 16](#), p 2.

<sup>225</sup> [Submission 76](#), p 3.

### **Leasing government-owned land can facilitate the development of essential worker housing**

- 4.19 Stakeholders also told us that Government land could also be leased, rather than sold, to facilitate essential worker housing.<sup>226</sup> The Committee for Sydney explained there was 'significant strategic merit' in the government holding onto its landholdings. In particular, they explained that this can ensure the government has the flexibility to use this land for other purposes later and can benefit from future land value uplifts.<sup>227</sup>
- 4.20 As with below-market sales, we heard that long-term leases could help make building essential worker housing economically viable.<sup>228</sup> Urbis explained that leasing federal, state or local land to developers can 'significantly reduce land acquisition costs' and make it feasible to build essential worker housing. They told us this collaboration could help the NSW Government 'establish a sustainable pipeline of essential worker housing'.<sup>229</sup>
- 4.21 The McKell Institute told us that government land could be leased to institutional investors to facilitate new built-to-rent properties. They suggested that these could be built in strategic locations, close to hospitals or schools, and leased exclusively to essential workers. Once the institutional investor has re-couped an agreed upon amount, the build-to-rent property could be retained by the government for in-perpetuity use as essential worker housing.<sup>230</sup>

#### *Community land trusts*

- 4.22 Another innovative solution suggested by stakeholders was the use of long-term leases on government land to develop essential worker housing via 'community land trusts' (CLTs).<sup>231</sup> A CLT is a land management system where land is legally separated from the buildings on it and managed by a trust. Homeowners are able to buy and sell the dwellings at the discretion of the trust, with the land remaining in single ownership.
- 4.23 The Committee heard that CLTs can offer a housing solution where the NSW Government could serve as trustee, leasing sites at minimal rates to enable essential worker housing development. Under this model, essential workers could own their dwellings while the trust retains ownership of the land, which can significantly reduce housing costs.<sup>232</sup>
- 4.24 The Australian Community Land Trust Network, a peak body for CLTs, argued that CLTs could provide a form of permanent affordable home ownership for essential workers, bridging the gap between affordable housing and market-rate properties.<sup>233</sup> Similarly, the McKell Institute told us CLTs could allow essential workers to purchase a home at below-market rate. They referred to research

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<sup>226</sup> [Submission 102](#), p 18; [Submission 69](#), p 8; [Submission 59](#), p 11; [Submission 39](#), pp 14-15; [Submission 26](#), p 13.

<sup>227</sup> [Submission 69](#), p 8.

<sup>228</sup> [Submission 59](#), p 11; [Submission 102](#), p 19; [Submission 100](#), p 18.

<sup>229</sup> [Submission 59](#), p 11.

<sup>230</sup> [Submission 102](#), p 18.

<sup>231</sup> [Submission 39](#), p 15; [Submission 71](#), p 6; [Submission 81](#), p 2; [Submission 100](#), p 18; [Submission 102](#), p 15.

<sup>232</sup> See [Submission 102](#), p 15.

<sup>233</sup> [Submission 112](#), Australian Community Land Trust Network (ACLTN), pp 2, 5.

from the Australian Housing and Urban Research Institute that suggested CLTs could reduce the capital cost of an apartment by up to 25 per cent.<sup>234</sup>

- 4.25 We heard that facilitating CLTs will require policy support, as well as the NSW Government identifying and allowing land to be used for the CLT.<sup>235</sup>

#### **Treasury policy is limiting the use of government-owned land for affordable housing**

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- 4.26 During the inquiry, we heard that there may be a need to amend government policy for the sale or lease of Crown land to facilitate essential worker housing on government-owned land. Stakeholders referred specifically to Treasurer's Direction 92.2 which requires a government agency to get market value for Crown land whenever it is sold or transferred between government agencies.<sup>236</sup>

- 4.27 The NSW Government confirmed this also applies to leasing government land, as well as Crown land compulsorily acquired by Homes NSW. They told us that any proposal for a below-market transfer, lease or sale requires approval from the Treasurer.<sup>237</sup>

- 4.28 Michael Regan MP expressed concern that the rule might prevent the NSW Government from ensuring developments on Crown land include a substantial percentage of affordable housing. He noted, the 'market value' does not appear to include consideration of the impact a 15 to 30 per cent minimum affordable housing contribution has on the value of the land.<sup>238</sup>

- 4.29 The Committee for Sydney similarly noted the need for innovation in valuing the benefits of providing affordable housing in well-located areas. They argued that value of this land is not just thought of in terms of its financial value, but also economic and social value:

We need to be able to easily quantify the value of an ambulance officer being able to within 10 minutes of a hospital, or the value of cleaners living within a reasonable distance from their workplaces.<sup>239</sup>

- 4.30 This direction has also impacted councils' development of affordable housing on Crown land in their LGA. LGNSW provided the example of Griffith City Council, who were charged full market rate to purchase Crown land owned by the NSW Land and Housing Corporation, substantially increasing the costs of developing affordable housing on the site.<sup>240</sup>

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<sup>234</sup> [Submission 102](#), pp 16-17

<sup>235</sup> [Submission 102](#), p 17; [Submission 112](#), pp 6-7.

<sup>236</sup> [Submission 26](#), p 13; [Answers to supplementary questions](#), NSW Government, 25 February 2025, pp 1-2; See also [Submission 63](#), pp 21, 33,-34; The Treasury, [TD92-2 TD88-2 TD89-1 Treasurer's Directions Sale or Lease of Government Assets](#), viewed 23 May 2025.

<sup>237</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, pp 1-2.

<sup>238</sup> [Submission 26](#), p 13.

<sup>239</sup> [Submission 69](#), p 7.

<sup>240</sup> [Submission 63](#), pp 21, 33-34.

## Changing permitted uses on Special Purpose zoned land

### Summary

Zoning restrictions currently prevent providing essential worker housing on some well-located 'Special Purpose' land. Amending these rules could unlock land, which includes sites owned by faith-based organisations. However, any changes to zoning rules must carefully consider potential negative impacts on community functions and that the benefits to essential workers outweigh these.

### Recommendation 13

**That the NSW Government consider amending the permitted uses on appropriate and well-located SP2 zoned land to include essential worker housing, where such inclusion would not negatively impact community needs and would contribute to addressing the essential worker housing shortage.**

### Zoning restrictions prevent the use of well-located land for essential worker housing

- 4.31 Stakeholders told us zoning restrictions are preventing the use of well-located land for essential worker housing. We heard there are opportunities to unlock land for essential worker housing by changing zoning restrictions on 'Special Purpose' (SP1 and SP2) zoned land.<sup>241</sup> In particular, stakeholders told us that a number of faith-based organisations owned well-located land zoned 'SP2 – Places of Worship', but cannot use these for essential worker housing because of land-use restrictions.<sup>242</sup>
- 4.32 For example, Faith Housing Australia told us that NSW has close to 2 500 sites zoned as 'places of worship,' including 747 within 800 meters of a train station.<sup>243</sup> They provided an example of school land in Bankstown, owned by the Catholic Diocese, which the Diocese wishes to use for housing. Faith Housing Australia told us 260 apartments for essential workers could be built on the two sites.
- 4.33 Similarly, the Salvation Army told us that they, as well as other faith-based charities, have land that they cannot do anything with 'other than church spaces'. They explained this land is 'well located' and includes sites in metropolitan areas 'where land is at a premium'.<sup>244</sup>
- 4.34 Faith Housing Australia explained that many of their members would like to build housing on this land, including for essential workers. However, the only way to do so currently is via a time-consuming planning proposal, done individually for each site.<sup>245</sup>

<sup>241</sup> [Submission 55](#), p 14; [Submission 59](#), p 18; [Submission 62](#), Urban Taskforce, p 7; [Submission 113](#), Faith Housing Australia, pp 4-6; [Submission 88](#), pp 12-13; Cheri Erai-Collins, Salvos Housing State Manager (NSW, QLD, ACT), The Salvation Army, [Transcript of evidence](#), 6 February 2025, p 46; Princess Ventura, [Evidence](#), 25 October 2024, p 41; [Answers to questions on notice](#), Anglicare Sydney, 4 March 2025, p 1.

<sup>242</sup> [Submission 113](#), p 4; Cheri Erai-Collins, [Evidence](#), 6 February 2025, p 46; [Answers to questions on notice](#), Anglicare Sydney, 4 March 2025, p 1.

<sup>243</sup> [Submission 113](#), pp 4-5.

<sup>244</sup> Cheri Erai-Collins, [Evidence](#), 6 February 2025, p 46.

<sup>245</sup> Amanda Bailey, [Evidence](#), 25 October 2024, p 24.

- 4.35 We also heard there is some precedent for permitting housing on these sites.<sup>246</sup> While residential developments are not currently permitted on SP2 zoned land, Shelter NSW explained that many of these sites, if zoned for education, hospitals or public places of worship, already allow seniors housing.<sup>247</sup>
- 4.36 Opportunities for changing zoning restrictions are not limited to places of worship. Urbis told us amending permitted uses on SP1 and SP2 zoned land could facilitate building housing on land used for community services, hospitals, educational institutions, amongst other uses. They suggested that the NSW Government could review land use restrictions in specific areas, prioritising locations near major community services like hospitals, schools and transport hubs.<sup>248</sup>
- 4.37 At the same time, a few stakeholders highlighted the need for some caution, rather than changing the planning controls for all SP1 or SP2-zoned land.<sup>249</sup> We heard changing permitted uses can inflate the value of the land and cause it to lose some of its purpose.<sup>250</sup>
- 4.38 Blacktown City Council noted that much of this land is serving important community functions, which are important to preserve.<sup>251</sup> They also told us it is important that any new housing is attached to appropriate amenities and infrastructure.<sup>252</sup> Similarly, while supporting easing planning controls to permit housing, Anglicare Sydney noted it is important to ensure the land retains its 'core purpose,' such as community outreach or ministry.<sup>253</sup>
- 4.39 The University of Sydney suggested that the NSW Government could consider exemptions to permit housing, but only 'where the residential development is for the purpose of affordable workforce housing in perpetuity.'<sup>254</sup>
- 4.40 The Committee was pleased to hear that the NSW Government is 'open' to permitting housing on SP2-zoned land where this may be appropriate considering the surrounding urban context.<sup>255</sup> We recommend that the NSW Government explore opportunities to allow residential development on SP2-zoned land, for the purposes of essential worker housing. However, in changing the permitted uses on this land, the Committee strongly recommends that consideration be given to ensuring this does not impact community needs.

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<sup>246</sup> [Submission 55](#), p 14; Amanda Bailey, [Evidence](#), 25 October 2024, p 24.

<sup>247</sup> [Submission 55](#), p 14.

<sup>248</sup> [Submission 59](#), p 18.

<sup>249</sup> [Submission 88](#), pp 12-13.

<sup>250</sup> [Submission 88](#), pp 12-13; [Answers to questions on notice](#), Blacktown City Council, 21 March 2025, pp 7-8.

<sup>251</sup> [Answers to questions on notice](#), Blacktown City Council, 21 March 2025, pp 7-8.

<sup>252</sup> Peter Conroy, [Evidence](#), 6 February 2025, p 7; [Answers to questions on notice](#), Blacktown City Council, 21 March 2025, pp 7-8.

<sup>253</sup> [Answers to questions on notice](#), Anglicare Sydney, 4 March 2025, p 1.

<sup>254</sup> [Submission 88](#), p 13.

<sup>255</sup> Tom Loomes, [Evidence](#), 10 February 2025, p 15.

## Maximising the use of existing homes

### Summary

There is a need for short-term solutions to address the current shortage of housing for essential workers. While increasing housing stock through planning reform is an important long-term goal, it may be many years before these reforms produce new housing for essential workers. Better regulation of short-term rental accommodation, ensuring existing low-cost accommodation is protected and exploring opportunities for 'meanwhile use', are likely to provide immediate opportunities to increase the housing supply for essential workers while long-term solutions are developed.

### Temporary use of existing stock and land can provide short-term solutions

#### Recommendation 14

**That the NSW Government identify current opportunities to make better use of existing stock to immediately increase the supply of essential worker housing.**

- 4.41 The temporary use of vacant buildings and land, commonly referred to as 'meanwhile use', presents an immediate opportunity to increase essential worker housing supply while longer-term solutions are developed.
- 4.42 We received evidence that housing capacity exists in properties that are currently sitting vacant and could be suitable for temporary essential worker housing.<sup>256</sup> However, Anglicare highlighted that current 'processes to seek approvals for such a change in use are complex, time-consuming, and subject to regulatory hurdles'.<sup>257</sup>
- 4.43 A number of stakeholders noted that this includes various government-owned assets across health, transport and other departments that are left unused despite their potential to provide immediate housing relief.<sup>258</sup> Simone Parsons, Chief Operating Officer, Bridge Housing, argued 'regardless if it's a re-use and there's a refurbishment, no government assets should be left empty'.<sup>259</sup>
- 4.44 The NSW Government told us that they introduced a streamlined process for 'meanwhile use' in December 2024.<sup>260</sup> These changes allow relevant agencies and housing providers to use suitable existing buildings for temporary housing for up

<sup>256</sup> [Submission 28](#), p 8; Margaret Maljkovic, Chief Customer Officer, Link Wentworth, [Transcript of evidence](#), 25 October 2024, p 11; Simone Parsons, Chief Operating Officer, Bridge Housing, [Transcript of evidence](#), 25 October 2024, p 14; Simon Miller, CEO, Anglicare Sydney, [Transcript of evidence](#), 6 February 2025, p 45; Emma Maiden, [Evidence](#), 6 February 2025, p 45.

<sup>257</sup> [Answers to supplementary questions](#), Anglicare Sydney, 17 March 2025, p 1.

<sup>258</sup> For example, [Submission 5](#), Mrs Trisha Dawson, p 1; [Submission 39](#), p 14; Simone Parsons, [Evidence](#), 25 October 2024, p 14; Gordon Clark, [Evidence](#), 3 December 2024, p 5.

<sup>259</sup> Simone Parsons, [Evidence](#), 25 October 2024, p 14.

<sup>260</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 4. See also: Minister for Homelessness, Minister for Housing, Minister for Planning and Public Spaces, Minister for Women, Minister for the Prevention of Domestic Violence and Sexual Assault, [Planning changes to speed up 'Meanwhile Use' accommodation](#), media release, 16 December 2024, viewed 28 May 2025.

to five years without the lengthy Development Application (DA) process that previously served as a barrier.<sup>261</sup>

- 4.45 Regional councils provided particularly strong evidence of untapped potential in their communities. Gunnedah Shire Council told us many regional areas are likely to have 'vacant commercially owned buildings in and around their CBD'.<sup>262</sup> Similarly, Warren Shire Council suggested that 'old schools, unused administrative buildings, or even decommissioned military facilities' could be converted into essential worker housing.<sup>263</sup>
- 4.46 We also heard that there is potential for 'meanwhile use' of vacant land to deliver temporary essential worker housing.<sup>264</sup> Southern Cross Housing gave the examples of 'RTA land, or Transport for NSW land' as well as land being held but not developed by private developers.<sup>265</sup> Similarly, Shoalhaven City Council told us there are blocks of Transport NSW-owned land in their LGA, which are being held onto for a potential highway expansion. They suggested these might be able to be used to deliver temporary accommodation for 5-20 years.<sup>266</sup>
- 4.47 However, Shoalhaven City Council experienced lengthy delays and other challenges when trying to use Transport for NSW land. This included being told they would have to pay market rate for use of the land. They told us there is 'no framework around meanwhile use'.<sup>267</sup>
- 4.48 The Committee acknowledges that meanwhile use cannot replace the need for permanent housing solutions. However, we agree with stakeholders that it represents an immediate opportunity to increase essential worker housing with less capital investment.
- 4.49 We hope that the recent reforms can address these concerns, and further recommend that the NSW Government consider opportunities to develop a comprehensive framework that specifically identifies and facilitates the meanwhile use of properties and vacant land for essential worker housing.

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<sup>261</sup> [Answers to supplementary questions](#), NSW Government, 25 February 2025, p 4; Minister for Homelessness, Minister for Housing, Minister for Planning and Public Spaces, Minister for Women, Minister for the Prevention of Domestic Violence and Sexual Assault, [Planning changes to speed up 'Meanwhile Use' accommodation](#), media release, 16 December 2024, viewed 23 May 2025.

<sup>262</sup> [Submission 49](#), p 9.

<sup>263</sup> [Submission 39](#), p 14.

<sup>264</sup> Gordon Clark, [Evidence](#), 3 December 2024, p 5; Eric Coulter, Deputy CEO, Southern Cross Housing, [Transcript of evidence](#), 3 December 2024, p 20.

<sup>265</sup> Eric Coulter, [Evidence](#), 3 December 2024, p 20.

<sup>266</sup> Gordon Clark, [Evidence](#), 3 December 2024, p 5.

<sup>267</sup> Gordon Clark, [Evidence](#), 3 December 2024, p 5.

## Short-term rentals and redevelopment of low-cost housing may reduce existing affordable options for essential workers

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### Finding 7

**Essential workers face additional challenges securing long-term housing because of the impacts of the short-term rental market.**

### Recommendation 15

**That the NSW Government monitor the short-term rental market to check whether it is having a negative impact on the availability of essential worker housing.**

- 4.50 The inquiry heard evidence about how the increasing use of short-term rental accommodation (STRA) and redevelopment of existing low-cost units is directly impacting the availability of affordable housing for essential workers.
- 4.51 We heard that the conversion of residential properties into short-term rentals has emerged as a significant factor reducing the availability of long-term housing in many communities.<sup>268</sup> Unions NSW identified that STRA creates 'another barrier to home ownership especially in highly sought after areas where they are popular'.<sup>269</sup> We heard that this trend is particularly concerning in regions with already limited housing supply.
- 4.52 James Ruprai, Acting CEO, Shoalhaven City Council, observed that the STRA market on the South Coast has had a 'marked and very significant effect on the removal of stock from the standard rental market', with vacancy rates dropping 'below 0.5 per cent, in recent years'.<sup>270</sup> This directly impacts essential workers who rely on reasonably priced rental accommodation to live near their workplaces.
- 4.53 John Engeler, CEO, Shelter NSW, further emphasised that this trend has 'seen thousands of rental properties leave the traditional rental market, forcing more and more workers to move further and further away from their own towns and places of employment'.<sup>271</sup>
- 4.54 LGNSW noted that many councils are particularly concerned about STRA impacts on their local housing markets and advocated the need for allowing councils to manage these.<sup>272</sup>
- 4.55 Beyond STRA, the City of Sydney Council also highlighted the 'loss of relatively low cost rental residential units through the redevelopment of older residential flat buildings into new, larger luxury homes'. They explained that this trend is especially concerning in Sydney's Eastern suburbs, where these ageing rental

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<sup>268</sup> [Submission 55](#), pp 9-11; [Submission 63](#), p 23; [Submission 88](#), p 10; [Submission 92](#), Walgett Shire Council, p 3; [Submission 100](#), pp 5, 27; James Ruprai, [Evidence](#), 3 December 2024, p 6; John Engeler, CEO, [Transcript of evidence](#), 7 February 2025, p 41;.

<sup>269</sup> [Submission 100](#), p 27.

<sup>270</sup> James Ruprai, [Evidence](#), 3 December 2024, p 6.

<sup>271</sup> John Engeler, [Evidence](#), 7 February 2025, p 41.

<sup>272</sup> [Submission 63](#), p 23.

units have been among the few remaining affordable housing choices for people with lower incomes in otherwise high-cost neighbourhoods.<sup>273</sup>

- 4.56 We echo the comments of these stakeholders and encourage the government to monitor the effect STRA and other activities are having on the availability of potential essential worker housing.

## Incentivising private sector investment

### Summary

Private investment in housing is vitally important to meet the needs of essential worker communities in NSW. While there is undoubtedly a role for government delivery, the NSW Government should also investigate all possible avenues to incentivise private sector investment. There is no single solution to the current housing shortage in NSW but more should be done to support private sector investment. This section sets out some of the avenues that the NSW Government should explore, including changes to the planning system, floor space ratios, and tax exemptions or changes to investment from superannuation funds.

### Finding 8

**Delivering the necessary volume of essential worker housing critically depends on private sector investment, which in turn requires targeted incentives to ensure these projects are financially viable.**

- 4.57 NSW Government representatives stated that the scale of the housing challenge demands collaboration between government and the private sector.<sup>274</sup> This underscores a critical point: to meet the pressing need for essential worker housing, private sector investment is vital. Therefore, government incentives must actively support private developers in delivering these necessary homes.
- 4.58 Despite this clear need for partnership, our inquiry heard about the challenges that impact financial viability of investment in essential worker and affordable housing developments. Urban Taskforce told us that increased costs or reductions in yield are a key cause for development applications never reaching the construction phase.<sup>275</sup>
- 4.59 Stakeholders consistently told us that incentives are crucial to overcome these hurdles. Such incentives can counteract financial risks and make essential worker housing projects feasible for private developers. While we acknowledge the NSW Government's recent efforts to stimulate housing activity, our inquiry identified further avenues.<sup>276</sup> These can better unlock private sector development and help deliver the essential worker housing that NSW urgently needs.

<sup>273</sup> [Submission 41](#), p 19.

<sup>274</sup> Tom Loomes, [Evidence](#), 10 February 2025, p 7.

<sup>275</sup> [Submission 62](#), p 5.

<sup>276</sup> Adam Leto, CEO, Western Sydney Leadership Dialogue, [Transcript of evidence](#), 6 February 2025, p 57.

## Fast-tracked essential worker planning approvals

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### Recommendation 16

**That the NSW Government, in collaboration with local councils, develop a fast-tracked planning approval process for developments that incorporate an appropriate proportion of affordable housing specifically designated for essential workers.**

- 4.60 The Committee considers affordable and essential worker housing as a priority and therefore recommends that the government create a fast-tracked planning approval process. This should apply to developments that include a significant component of affordable housing specifically designated for essential workers. Such a process is crucial to overcome current delays that slow down the supply of these much-needed homes.
- 4.61 Local governments and CHPs told us that significant delays in the current planning system hinder the delivery of housing.<sup>277</sup> We heard there were various reasons for delays, including the complexity of planning systems and a shortage of experienced planners.<sup>278</sup>
- 4.62 City West Housing, a Sydney-based CHP, told us that on average it took four years from the purchase of land to getting planning consent and another CHP discussed waiting for two years (including pre-DA approval and consultations).<sup>279</sup> Urban Taskforce noted that wait times increase construction costs and therefore the cost of the home once built.<sup>280</sup>
- 4.63 The idea of a fast-track process for affordable housing was popular among a number of stakeholders.<sup>281</sup> Deputy CEO of Southern Cross Housing Eric Coulter said that bringing approval times down to ‘months instead of years would be of great value to any project within New South Wales’.<sup>282</sup>
- 4.64 The Committee is aware of the NSW Government’s efforts to reform this area of the planning system. In January 2025, the NSW Government launched the Housing Delivery Authority to streamline State Significant Developments.<sup>283</sup> The Committee notes that the expression of interest criteria for the Housing Delivery Authority specifically requires that a project includes a portion of affordable

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<sup>277</sup> [Submission 49](#), p 7; [Submission 76](#), p 2; Eric Coulter, [Evidence](#), 3 December 2024, p 20.

<sup>278</sup> [Submission 49](#), p 7; [Submission 76](#), p 2; Eric Coulter, [Evidence](#), 3 December 2024, p 21; James Ruprai, [Evidence](#), 3 December 2024, p 3; Paula Martin, [Evidence](#), 3 December 2024, p 33.

<sup>279</sup> Leonie King, CEO, City West Housing, [Transcript of evidence](#), 6 February 2025, pp 46-47; Eric Coulter, [Evidence](#), 3 December 2024, p 20.

<sup>280</sup> [Answers to supplementary questions](#), Urban Taskforce, 25 February 2025, pp 2-3.

<sup>281</sup> [Submission 39](#), pp 12-13; Paula Martin, [Evidence](#), 3 December 2024, p 33; [Answers to supplementary questions](#), Urban Taskforce, 25 February 2025, p 3.

<sup>282</sup> Eric Coulter, [Evidence](#), 3 December 2024, p 20.

<sup>283</sup> Minister for Planning and Public Spaces, [The Housing Delivery Authority has been launched](#), media release, 8 January 2025, viewed 5 May 2025.

housing. The Committee notes the importance of delivering essential worker housing as part of these requirements for affordable housing.<sup>284</sup>

- 4.65 Any new fast-tracked process for essential worker housing should build on such initiatives. Crucially, the NSW Government should consider how state and local government can best work together.
- 4.66 We heard councils are also working to speed up the application processing times for affordable housing.<sup>285</sup> Singleton Council, for instance, noted they prepared Affordable Housing Guidelines to speed up approvals of affordable housing but discussed the need for financial support from the state government to assist in its fast-tracking.<sup>286</sup> The NSW Government should consider how best to collaborate with councils as part of its approach to any fast-track planning process for affordable housing that has community support.

### Extending floor space ratio or height bonuses to essential worker housing

#### Recommendation 17

**That the NSW Government continue to explore and review floor space ratio or height bonuses for developments that include an appropriate level of essential worker housing, with a view to incentivising developers to contribute to essential worker housing supply.**

- 4.67 Developers can currently gain floor space and height bonuses on housing that delivers a certain proportion of affordable housing in NSW.<sup>287</sup> There are opportunities for similar bonuses to also apply to essential worker housing, given its importance in the state.
- 4.68 The NSW Government should consider extending these bonuses as a way to incentivise essential worker housing. However, it should balance the benefits of incentivising the development of additional essential worker housing with concerns from councils about the time-limited nature of the current policy.

#### In-fill affordable housing bonus provisions

In 2023, the NSW Government changed planning policy to allow developers to build higher or bigger buildings in return for including a proportion of affordable housing. The amended Housing State Environmental Planning Policy enables developers with floor space and height bonuses of 30 per cent where at least ten per cent of the dwellings are affordable for at least 15 years.

- Floor space ratio bonus – developers are able to make use of a greater proportion of space for housing.<sup>288</sup>

<sup>284</sup> Minister for Planning and Public Spaces, [The Housing Delivery Authority has been launched](#), media release, 8 January 2025, viewed 5 June 2025.

<sup>285</sup> [Submission 84](#), p 2; Malcolm McDonald, Executive Manager, Strategic & Place Planning, Northern Beaches Council, [Transcript of evidence](#), 25 October 2024, p 37; James Ruprai, [Evidence](#), 3 December 2024, p 4.

<sup>286</sup> [Submission 84](#), p 2.

<sup>287</sup> [State Environmental Planning Policy \(Housing\) 2021](#) pt 2, div 1.

<sup>288</sup> [State Environmental Planning Policy \(Housing\) 2021](#) ss 16, 17.

- Height bonus – developers are able to build higher than regulations would normally allow.<sup>289</sup>

- 4.69 Tom Loomes, Executive Director, Strategic Planning and Policy, NSW Department of Planning, Housing and Infrastructure, told us that these incentives have been hugely popular among developers attracting more than 100 projects in its first year compared to an estimate of 20 to 25. As of February 2025, there were 1 400 affordable housing dwellings under assessment or delivered. As a result, he concluded that the policy is ‘worth its weight in gold.’<sup>290</sup>
- 4.70 Some submissions described the initiative as a way to incentivise affordable housing and called for the policy to go further.<sup>291</sup> For example, Urbis called for it to incentivise housing for essential workers in the same way and The Committee for Sydney argued that bonuses should be ‘commonplace’ where affordable housing is provided.<sup>292</sup>

#### *In-perpetuity delivery*

- 4.71 Any extension of affordable housing bonuses to essential worker housing should consider arguments made around time-limited housing versus housing in perpetuity.
- 4.72 Currently, bonuses are provided for affordable housing delivered for 15 years. Some stakeholders described this as necessary due to the financial feasibility of developments. Tom Forrest, CEO, Urban Taskforce and Robert Pradolin, Executive Director, Housing All Australians discussed the financial implications for developers of not receiving capital gains if affordable housing is provided in perpetuity.<sup>293</sup>
- 4.73 However, we also heard significant concerns from academics and councils about this housing only being required to be affordable for 15 years.<sup>294</sup> After that time, the housing can become market-rate accommodation which restricts access to it for those in need.
- 4.74 In discussion about the bonus policy, Tom Loomes told the Committee that the Department of Planning, Housing and Infrastructure is creating a rolling pipeline for affordable housing for 15 years alongside long-term affordable housing through the Transport Oriented Developments (TODs).<sup>295</sup>

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<sup>289</sup> [State Environmental Planning Policy \(Housing\) 2021](#) s 18.

<sup>290</sup> Tom Loomes, [Evidence](#), 10 February 2025, p 7.

<sup>291</sup> [Submission 62](#), p 5; [Submission 3](#), Third.i.group, p 3.

<sup>292</sup> [Submission 59](#), p 12; [Submission 69](#), p 6.

<sup>293</sup> Tom Forrest, CEO, Urban Taskforce and Robert Pradolin, Executive Director, Housing for All Australians, [Transcript of evidence](#), 7 February 2025, pp 69-71.

<sup>294</sup> [Submission 110](#), p 8; [Submission 7](#), Central Coast Council, p 24; [Submission 15](#), Hornsby Shire Council, pp 2-3; [Submission 19](#), p 6; [Submission 41](#), p 20; [Submission 105](#), p 4; [Answers to supplementary questions](#), Blacktown City Council, 21 March 2025, pp 12-13.

<sup>295</sup> Tom Loomes, [Evidence](#), 10 February 2025, p 6.

## Need for further incentives to facilitate institutional and superannuation investment

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### Recommendation 18

**That the NSW Government investigate opportunities for tax exemptions or concessions for institutional investors in essential worker housing and advocate to the Federal Government to facilitate superannuation fund investment in this sector.**

- 4.75 The Committee agrees with stakeholders that the NSW Government needs to ‘think outside the box’ when it comes to incentivising investment.<sup>296</sup> Ballina Shire Council argued that at the moment current incentives available to investors are ‘typically too small to make a major difference’.<sup>297</sup>
- 4.76 A number of submissions called for further tax exemptions or concessions to be made available to make essential worker housing an attractive investment prospect for investors.<sup>298</sup> This included streamlining tax concessions for non-CHP investment into essential worker housing and revising requirements for investment returns at the federal level. We see a role for the NSW Government to further investigate these suggestions, and, where appropriate, facilitate discussions with the federal government regarding their application in NSW.
- 4.77 A current lack of clarity is also impeding institutional investment within the current system.<sup>299</sup> The NSW Government should clarify how or whether stamp duty exemptions apply to affordable and essential worker housing in instances of CHPs and investors working in partnership through a charitable trust.
- 4.78 Super funds provide a clear opportunity for investment into essential worker housing. Based on the evidence we heard, this is currently a missed opportunity.
- 4.79 The Committee acknowledges that this legislation sits at a federal level, but the NSW Government should be seeking to maximise all possible routes of investment into essential worker housing. This includes discussing opportunities with the federal government to remove regulations that disincentivise super funds from investing in affordable and essential worker housing. These discussions should also recognise that efforts need to be made to ensure that workers’ money is protected.<sup>300</sup>

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<sup>296</sup> Robert Pradolin, [Evidence](#), 7 February 2025, p 73.

<sup>297</sup> [Submission 32](#), p 2.

<sup>298</sup> For example, [Submission 65](#), p 2; [Submission 39](#), p 13; [Submission 95](#), p 4; [Submission 101](#), p 14.

<sup>299</sup> [Submission 107](#), p 3; Peter Johnston, Managing Director, Lighthouse Infrastructure, [Transcript of evidence](#), 6 February 2025, p 50.

<sup>300</sup> Natasha Watt, Senior Vice President, New South Wales Teachers Federation (NSWTF), [Transcript of evidence](#), 6 February 2025, p 14.

*Providing clarity around tax exemptions or concessions*

- 4.80 We heard that there is the potential for tax exemptions or concessions to be used to encourage investment into essential worker housing. In particular, stakeholders noted Goods and Services Tax (GST) and stamp duty.
- 4.81 Given the need to incentivise institutional investment, the NSW Government should explore these opportunities as a way to support essential worker housing options in NSW. Where these options are under federal control, such as GST, the NSW Government should advocate in this space with their federal colleagues.
- 4.82 Some stakeholders advocated for stamp duty relief for investors in affordable and essential worker housing. They argued that it would lower the upfront costs of development and therefore increase feasibility.<sup>301</sup>
- 4.83 Inquiry participants also called for changes to GST exemptions, both to provide clarity for investors and also extend the exemption to a greater number of developments in view of the public benefit they bring. Currently, CHPs are able to access GST and stamp duty concessions. Michael Carnuccio, Manager, Policy, Community Housing Industry Association NSW, told the Committee about the benefits of these exemptions in that it has enabled CHPs to ‘deliver more homes with the same amount of money than the government could’ alongside providing a social good and support to tenants.<sup>302</sup>
- 4.84 We heard that applying similar incentives to non-CHPs would encourage investment and increase the supply of essential worker housing. Aware Super argued that allowing this would reduce the development costs and increase the feasibility of essential worker housing schemes.<sup>303</sup> Housing All Australians similarly highlighted the benefit of GST exemptions, while also acknowledging the need for monitoring compliance to ‘make sure you’re getting that bang for the public buck’ and that policy changes are achieving the desired outcomes and being used correctly.<sup>304</sup>
- 4.85 We heard that even eliminating some of the confusion around tax requirements for housing for charitable purposes would increase investor confidence.<sup>305</sup> Lighthouse Infrastructure told us there is confusion around whether or not stamp duty applies to private investors partnering with CHPs to build social or affordable housing.<sup>306</sup> They explained that developers are spending money in legal fees attempting to resolve the issue, and the ambiguity alone discourages investment in affordable housing in NSW.<sup>307</sup>

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<sup>301</sup> [Submission 95](#), p 4; [Submission 39](#), p 13.

<sup>302</sup> Michael Carnuccio, [Evidence](#), 6 February 2025, p 22.

<sup>303</sup> [Submission 65](#), p 2.

<sup>304</sup> Robert Pradolin, [Evidence](#), 7 February 2025, p 73.

<sup>305</sup> [Submission 107](#), p 3; Peter Johnston, [Evidence](#), 6 February 2025, p 50.

<sup>306</sup> [Submission 107](#), p 3.

<sup>307</sup> Peter Johnston, [Evidence](#), 6 February 2025, p 50.

### *Superannuation fund investment*

- 4.86 Our inquiry heard about the potential for superannuation funds to finance essential worker housing, but also the barriers to using funds for affordable housing compared to other housing types.<sup>308</sup> Dr Ronald Silberberg outlined that superannuation funds have so far preferred to invest in retail and commercial property compared to essential worker or affordable housing.<sup>309</sup>
- 4.87 Stakeholders noted a number of potential benefits of encouraging superannuation funds to develop essential worker housing. They noted it could provide sustainable investment funding and has the potential to scale up investment.<sup>310</sup> A range of stakeholders put forward this proposal, including unions, investors, councils, think tanks and not-for-profit organisations.
- 4.88 Some unions argued in favour of industry superannuation funds being used to support housing for the essential workers in the industry they serve.<sup>311</sup> Unions NSW provided examples of innovative and cost-effective programs across Australia.<sup>312</sup> Similarly, council stakeholders also supported superannuation investment being used to meet the housing needs of certain groups.<sup>313</sup>
- 4.89 Aware Super and HESTA provide positive examples of super funds investing in essential worker or affordable housing.<sup>314</sup> Alek Misev, Head of Property, Aware Super, highlighted that their affordable essential worker housing program now has around '1,500 apartments either in the pipeline, being developed or fully operational'. These initiatives suggest that there is potential for super funds to be used to fund housing in NSW.
- 4.90 However, we also heard about the challenges of using superannuation funds to invest in essential worker housing. Lighthouse Infrastructure told us about the Australian Government's *Your Future, Your Super* reform (introduced in 2021), which included an emphasis on strong financial performance and holding funds accountable for their performance against a standardised benchmark.<sup>315</sup> They explained that the current benchmark portfolio does not include residential property, and instead incorporates commercial and retail property. This type of investment tends to perform much better than affordable housing.
- 4.91 As superannuation funds are held to a standard which does not account for low-return investments, funds risk their accreditation if they invest in affordable homes. We heard that creating an affordable housing or residential benchmarking index would encourage institutional investment. At present, there is a 'strong disincentive' for superannuation funds to invest in affordable and

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<sup>308</sup> [Submission 21](#), p 6; [Submission 81](#), p 6; [Submission 82](#), p 8; [Submission 85](#), p 9; ; [Submission 107](#), p 3; [Submission 111](#), pp 3, 21.

<sup>309</sup> [Submission 111](#), pp 4, 21.

<sup>310</sup> [Submission 71](#), p 6; [Submission 82](#), p 8; [Submission 102](#), pp 18-19.

<sup>311</sup> [Submission 101](#), p 2; [Submission 103](#), p 7.

<sup>312</sup> [Submission 100](#), pp 15-17.

<sup>313</sup> [Submission 21](#), p 6; [Submission 74](#), p 5; [Submission 85](#), p 9.

<sup>314</sup> [Submission 65](#), p 3; Alek Misev, Head of Property, Aware Super, [Transcript of evidence](#), 6 February 2025, p 49.

<sup>315</sup> Australian Government, The Treasury, [Your Future, Your Super](#), 6 October 2020, viewed 5 May 2025; [Submission 107](#), p 3.

essential worker housing as it is considered a higher risk investment for super funds.<sup>316</sup>

- 4.92 City West Housing argued that federal government policy changes to encourage superannuation investment would be in line with its policy in the Housing Australia Future Fund and commitments under the National Housing Accord, which aims to deliver social and affordable housing over the next five years.<sup>317</sup>

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<sup>316</sup> [Submission 107](#), p 3; Peter Johnston, [Evidence](#), 6 February 2025, pp 52-53.

<sup>317</sup> [Submission 79](#), p 7.

## Chapter Five – Innovative housing solutions for the missing middle

### Chapter summary

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- 5.1 Addressing the housing needs of essential workers requires exploration beyond the traditional approaches, particularly for the 'missing middle' – those whose incomes are too high for most forms of subsidised housing yet not high enough to comfortably afford suitable market-rent housing close to their work.
- 5.2 This chapter examines two key innovative housing models that should be further considered and strategically employed to bridge this gap.
- Exploring the potential of build-to-rent to significantly increase the supply of secure, long-term and affordable rental accommodation tailored for essential workers, including the discussion of build-to-rent-to-buy models.
  - Assessing the role of shared equity schemes, analysing how they can be optimised and expanded to lower barriers to homeownership for essential worker households.

### The role of build-to-rent in offering housing choices

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#### Summary

Essential workers need more secure, affordable, and well-located housing options. New models like build-to-rent and build-to-rent-to-buy can help meet this need by providing stable long-term rentals and pathways to home ownership. With the right government support and policy settings that includes safeguards, these models can deliver more homes close to jobs and services. This will especially assist workers who earn too much for affordable housing but not enough for the private market.

#### Recommendation 19

**That the NSW Government continue to monitor the effectiveness of alternative housing models, such as build-to-rent, to facilitate the provision of essential worker housing.**

- 5.3 Build-to-rent (BTR) is purpose-built, long-term rental housing which is owned by a corporation or institution and professionally managed.<sup>318</sup> The Committee heard that development of more affordable BTR could increase the supply of strategically located essential worker housing.<sup>319</sup>

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<sup>318</sup> [Submission 41](#), p 19; [Submission 111](#), p 20.

<sup>319</sup> [Submission 65](#), pp 1-2; [Submission 69](#), p 6; [Submission 94](#), p 6; [Submission 102](#), p 18.

- 5.4 We understand that BTR models can provide essential workers with stable, long-term rental options at below-market rates. Essential workers in these properties are provided stability through features such as optional five-year leases and controlled rents.<sup>320</sup>
- 5.5 We have seen the potential for government supported affordable BTR initiatives, such as the NSW Government's current essential worker housing development in Camperdown.<sup>321</sup> This development will deliver BTR units at subsidised rates in well-located areas close to employment hubs and amenities.<sup>322</sup> These units are exclusively designated as essential worker housing and serve to directly address affordability and accessibility challenges faced by essential workers.
- 5.6 The Committee notes that such government-backed BTR developments may enable sustainable supply of rental housing as the government can retain ownership and use the rental income 'to help fund a potential future additional expansion' of other essential worker housing programs.<sup>323</sup>
- 5.7 Affordable BTR models have the potential to incorporate rent-to-buy schemes, offering essential workers the opportunity to transition from renting to homeownership over time, thereby supporting long-term financial security and social mobility.<sup>324</sup>

#### **Case study: Government-funded BTR homes in Camperdown**

During our inquiry, the NSW Government announced \$450 million to deliver over 400 BTR homes for essential workers.<sup>325</sup>

NSW Premier Chris Minns stated that this plan would produce 'well-located, secure and accessible rental housing for the essential workers who keep Sydney running.'

Community consultation has commenced at the first identified site in Camperdown, which is projected to build 500 apartments, 200 of which will be offered to essential workers at a reduced rate. The homes will be close to public transport and within walking distance of major health and education precincts.

This affordable essential worker housing will be owned by the NSW Government and managed in perpetuity by a CHP.<sup>326</sup>

<sup>320</sup> Landcom, [Camperdown FAQs](#), viewed 22 May 2025

<sup>321</sup> Tom Loomes, [Evidence](#), Monday 10 February 2025, p 6.

<sup>322</sup> Landcom, [Welcome to Camperdown](#), viewed 22 May 2025

<sup>323</sup> NSW Government, [New homes, closer to jobs and services for essential workers in Sydney](#), media release, 16 June 2024, viewed 4 June 2025.

<sup>324</sup> [Submission 100](#), p 15.

<sup>325</sup> [Submission 21](#), p 6; [Submission 69](#), p 8; [Submission 95](#), p 10; [Submission 101](#), p 15.

<sup>326</sup> The Premier, Minister for Housing, Minister for Lands and Property, Minister for Planning and Public Spaces, [Build to rent homes for essential workers in Sydney take off](#), 10 February 2025, viewed 17 May 2025; Landcom, [Help shape plans for Camperdown project](#), viewed 22 May 2025, Landcom, [Welcome to Camperdown](#), viewed 22 May 2025. See also Landcom, [Camperdown FAQs](#), viewed 22 May 2025.

The Committee received positive feedback about this announcement from stakeholders, who believe it is a good investment from the government and encourage significant further development in this area.<sup>327</sup>

### Policy incentives can encourage privately developed build-to-rent to include essential worker housing

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- 5.8 Current regulations for privately developed BTR housing, unlike state-led projects, do not universally mandate provisions for affordable or essential worker housing. Consequently, private market BTR typically targets higher-income tenants and is not rent-controlled.<sup>328</sup>
- 5.9 This leads to developments that are largely unaffordable for essential workers and other lower income households.<sup>329</sup> Property Council of Australia explained that even with a 'typical affordable housing discount', most BTR units would not be 'affordable to very low to moderate income earners'.<sup>330</sup>
- 5.10 Stakeholders highlighted the need for government policies that help private BTR developments provide housing for essential workers, including by encouraging investment from institutional investors like superannuation funds.<sup>331</sup>
- 5.11 Aware Super, an industry superannuation fund actively investing in essential worker BTR, noted that they find it challenging to deliver the affordable essential worker housing component without the concessions available to CHPs, such as GST and income tax concessions.<sup>332</sup> They stated that broadening the criteria for affordable BTR concessions could make projects more feasible.<sup>333</sup>
- 5.12 Currently, BTR developers who meet certain requirements are eligible for a 50 per cent land tax discount in NSW.<sup>334</sup> Aware Super told the Committee that 'greater up-front certainty' about concession eligibility, along with simplifying the eligibility criteria, would help 'streamline' the feasibility process for developers.<sup>335</sup>
- 5.13 We acknowledge that the legislative framework around the BTR market in Australia is changing as BTR becomes more common. There have been recent changes at the federal level to support the delivery of affordable BTR through tax incentives offered to private developers that include at least ten percent affordable, discount-to-market housing in their developments.<sup>336</sup>

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<sup>327</sup> [Submission 21](#), p 6; [Submission 95](#), p 10; [Submission 100](#), p 15; [Submission 109](#), p 5.

<sup>328</sup> [Submission 41](#), p 19.

<sup>329</sup> For example, [Submission 41](#), p 19.

<sup>330</sup> [Submission 61](#), p 4.

<sup>331</sup> [Submission 101](#), p 15; [Submission 102](#), p 19; [Submission 103](#), p 7.

<sup>332</sup> [Answers to supplementary questions](#), Aware Super, 7 March 2025, p 1.

<sup>333</sup> [Answers to supplementary questions](#), Aware Super, 7 March 2025, p 1.

<sup>334</sup> [Submission 59](#), p 14.

<sup>335</sup> [Submission 65](#), p 2.

<sup>336</sup> The Treasurer and the Minister for Housing and Homelessness, [Build to rent bill paves the way for the construction of 80,000 homes](#), media release, 28 November 2024, accessed 20 May 2025

- 5.14 To amplify its potential for essential workers, we encourage the NSW Government to investigate ways to maximise opportunities to deliver more affordable BTR projects. In particular, we note that there are opportunities to couple BTR delivery with access to government land, as outlined in Chapter Four of this report.

#### **Build-to-rent policy requires safeguards against substandard living arrangements**

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- 5.15 The Committee recognises that smaller BTR dwellings, such as those in co-living developments, can be more affordable than other private BTR developments in the market. These may appeal to essential workers seeking cheaper alternatives to standard market-price housing.
- 5.16 While unsuitable for most essential workers, the Committee acknowledges that co-living may have its place in the housing continuum. We encourage the NSW Government to implement sufficient safeguards so that co-living stays affordable for essential workers who choose to live in it.
- 5.17 We heard that co-living products may offer essential workers a cheaper alternative to market priced rental housing that is 'not affordable housing in the social housing sense'.<sup>337</sup> Benjamin Pechey, Executive Manager, Strategic Planning and Urban Design at the City of Sydney Council also told us that he does not consider co-living as an affordable housing product but emphasised that it plays 'an important role in the market'.<sup>338</sup>
- 5.18 Co-living units can be considerably cheaper than alternatives because they are not required to comply with the minimum unit sizing dictated by the Apartment Design Guide (ADG).<sup>339</sup> These units tend to have significantly reduced tenant to floorspace ratios.
- 5.19 The increase in co-living developments may also be attributed to their suitability for modern methods of construction (MMC). The simple and repeated floor plans of co-living developments lend themselves to more prefabricated constructions. Such ability to contain construction to a factory reduces the cost and time required.<sup>340</sup>
- 5.20 Sabra Company, who have developed co-living units in Nowra, told us that their units may be rented out at around 25 per cent less than other one bedroom units in the area.<sup>341</sup> They told us these units could function as transitional accommodation for essential workers moving into the area.<sup>342</sup>
- 5.21 The Committee notes that the reduced cost of these co-living BTR may make them more accessible for essential workers, particularly for workers relocating to an area. However, there may be a need for safeguards to ensure that the rental

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<sup>337</sup> Kim Jones, [Evidence](#), 3 December 2024, p 24.

<sup>338</sup> Benjamin Pechey, [Evidence](#), 7 February 2025, p 16.

<sup>339</sup> Councillor Dylan Parker, Mayor, Randwick City Council, [Transcript of Evidence](#), 7 February 2025, p 16.

<sup>340</sup> Kim Jones, [Evidence](#), 3 December 2024, p 25; [Answers to supplementary questions](#), Sabra Company Pty Ltd, 30 January 2025, p 1.

<sup>341</sup> [Answers to supplementary questions](#), Sabra Company Pty Ltd, 30 January 2025, p 1.

<sup>342</sup> John Wells, [Evidence](#), 3 December 2024, pp 24, 25.

prices of these units remain below equivalent properties that do meet ADG standards.

### **Build-to-rent-to-buy models may enable a pathway to ownership**

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- 5.22 We heard that expanding the BTR product to include pathways to ownership would lead to better long-term outcomes for essential workers.<sup>343</sup> Under these schemes, often referred to as Build-to-Rent-to-Buy (BTRTB), tenants can enter into an agreement with the developer to purchase their rental home at a later date for a pre-agreed price. This provides a clear route to home ownership without the immediate pressure of a large deposit, or the difficulty of saving a deposit while renting.<sup>344</sup>
- 5.23 Unions NSW were particularly supportive of a BTRTB model that would support essential workers into home ownership, through a combination of superannuation investment and government support.<sup>345</sup>
- 5.24 We heard superannuation funds are already investing in BTRTB in Australia.<sup>346</sup> For example, AustralianSuper has held a major share of the affordable housing developer, Assemble, since 2020.<sup>347</sup> They were joined by HESTA in 2022 and have since completed a number of developments in Victoria.
- 5.25 With Assemble, tenants are given the option to purchase their homes after five years for a price agreed to at the beginning of the lease.<sup>348</sup> AustralianSuper have stated that they chose this model as it delivers 'strong long-term returns for members while also responding to the housing supply crisis'.<sup>349</sup>
- 5.26 Government-supported BTRTB schemes exist around the world – in the USA, UK and NZ.<sup>350</sup> In 2023, the ACT government supported the development of 22 affordable build-to-rent homes for vulnerable women, in a pilot scheme that gave renters the option to buy the property after ten years.<sup>351</sup> Unions NSW told the Committee that the program participants could make use of 'a savings plan and a portion of the property's capital growth' to 'build up a deposit over time'.<sup>352</sup> The Committee notes that there may be value in adapting this scheme to support essential workers.

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<sup>343</sup> [Submission 100](#), p 15.

<sup>344</sup> [Submission 100](#), p 15.

<sup>345</sup> [Submission 100](#), p 15 – 21.

<sup>346</sup> [Submission 74](#), p 5; [Submission 100](#), p 16; [Submission 111](#), p 25.

<sup>347</sup> Assemble, [Our Story](#), accessed 22 May 2025; [Submission 111](#), p 25; [Submission 74](#), p 5.

<sup>348</sup> [Submission 100](#), p 16.

<sup>349</sup> [Submission 100](#), p 16.

<sup>350</sup> [Submission 100](#), p 16.

<sup>351</sup> [Submission 100](#), p 15.

<sup>352</sup> [Submission 100](#), p 15.

- 5.27 Murrumbidgee Council noted that if 'seed funding' from the NSW Government can be made available to local councils, they can organise the construction 'on behalf of' the state government administer an essential worker BTRTB scheme.<sup>353</sup>
- 5.28 Unions NSW explained that BTRTB encourages more development than BTR, as capital is more rapidly released and able to be reinvested into new projects.<sup>354</sup>

### **There are limitations and challenges around successful implementation of build-to-rent-to-buy schemes**

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- 5.29 The Committee learnt about the need for consumer protection in regulating BTRTB developments. In the model where tenants pay a weekly non-refundable deposit contribution on top of their rent,<sup>355</sup> tenants are at risk of losing significant money if they are unable to complete the purchase within the agreed period. In some states, Rent-to-Buy is classified as a 'high-risk property investment' and it is closely regulated to prevent exploitation.<sup>356</sup> Dr Ron Silberberg expanded on the issues, clarifying that:

Rent-to-Buy schemes carry some risks for tenants if property prices fall below the agreed fixed price or the tenant is unable to obtain a home loan to proceed to purchase of the property. The title does not transfer to the tenant until the settlement of the purchase at the pre-set price.<sup>357</sup>

- 5.30 The Assemble developments in Victoria are designed so that no additional fees are incurred during the rental stage. Tenants are offered a secure five-year lease (like with standard BTR) with the option to buy at a pre-agreed price at the end of the five years. There is no obligation to purchase, so this model is able to legally operate in Victoria.<sup>358</sup>
- 5.31 The Committee urges the NSW Government to thoroughly consider such concerns should it develop policies that support large-scale BTRTB programs for essential workers.

### **Enabling pathways to ownership through shared equity schemes**

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#### **Summary**

Home ownership is important to essential workers and brings benefits to the community, but it is out of reach for many. Shared equity – a model in which essential workers own a proportion of a property and an investment partner owns the remaining portion – can create a pathway to home ownership for essential workers and has been trialled by government and not-for-profits.

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<sup>353</sup> [Submission 18](#), p 3.

<sup>354</sup> [Submission 100](#), p 15.

<sup>355</sup> PublicSquare offers this service in NSW. See PublicSquare, [A Better Path To Homeownership](#), viewed 22 May 2025

<sup>356</sup> Consumer Affairs Victoria, [High-risk property investments](#), 11 January 2021, viewed 22 May 2025; Consumer Protection WA, [High-risk property investments](#), 19 November 2024, viewed 22 May 2025.

<sup>357</sup> [Submission 111](#), p 25.

<sup>358</sup> Assemble, [Purchase Pathway](#), viewed 22 May 2025.

## Recommendation 20

**That the NSW Government investigate opportunities to support shared equity schemes tailored for essential workers and review the implementation of the Commonwealth shared equity schemes to ensure that essential workers are eligible for future government-run shared equity programs.**

- 5.32 Pathways to home ownership for essential workers in NSW are an important part of the housing puzzle. Yet, our inquiry has found that many full-time essential workers are unable to save money towards a house deposit.<sup>359</sup> We are concerned about the significant impact high housing costs and lack of access to home ownership can have on essential workers, and heard of some living far away from their workplace, choosing to leave their jobs or moving to a different area to be able to buy their own home or find affordable accommodation.<sup>360</sup> Enabling essential workers to own homes close to where they work will have significant benefits to their wellbeing and financial stability as well as the services they provide to the community.
- 5.33 We heard that shared equity schemes can allow essential workers to own a proportion of their home with another organisation owning the remaining share. This option can provide more housing security and offer financial benefits for essential workers that would otherwise be renting.<sup>361</sup> Essential workers would only need a smaller upfront deposit to access these schemes, and they can buy a larger share of their property over time.<sup>362</sup>
- 5.34 The federal government has recently announced that it will fund an expansion of shared equity. In view of this, the NSW Government should investigate how shared equity schemes can be used to benefit essential workers in NSW and address the current barriers we heard about from stakeholders. Shared equity is not a standalone solution to addressing essential workers' housing needs but the NSW Government should be seeking to maximise the opportunities for essential workers to make use of the scheme.

### Home ownership is currently unattainable for essential workers

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- 5.35 Throughout our inquiry, we heard about the importance of choice and diversity in essential worker housing policy initiatives.<sup>363</sup> The importance and benefits of home ownership for essential workers was a consistent theme in submissions and public hearings.<sup>364</sup> Housing Trust CEO Amanda Winks described it as 'the

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<sup>359</sup> [Submission 49](#), p 5; [Submission 95](#), p 7; [Submission 102](#), pp 10-13; [Submission 111](#), p 23.

<sup>360</sup> [Submission 2](#), City of Coffs Harbour, p 1; [Submission 3](#), p 7; [Submission 81](#), p 3; [Submission 95](#), p 6; [Submission 98](#), p 12; [Submission 102](#), p 31; [Submission 111](#), p 11.

<sup>361</sup> [Submission 102](#), p 11.

<sup>362</sup> [Submission 43](#), p 2.

<sup>363</sup> Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 30; Professor Scott Eacott, [Evidence](#), 6 February 2025, p 31.

<sup>364</sup> [Submission 95](#), p 6; [Submission 102](#), p 11; [Submission 100](#), p 13; [Submission 111](#), p 9; Dimi Perras, Member, Early Childhood Education and Care, United Workers Union, [Transcript of evidence](#), 3 December 2024, p 14; Lyn Connolly, [Evidence](#), 7 February 2025, p 25.

great Australian dream' and therefore a valuable part of the conversation around housing options.<sup>365</sup>

- 5.36 However, evidence also repeatedly reiterated that home ownership is extremely difficult for many essential workers in NSW. Numerous council and essential worker organisations discussed housing stress – defined by the Australian Bureau of Statistics as spending 30 per cent of gross household income on rent or mortgage payments – as a significant issue for their area or workforce.<sup>366</sup>
- 5.37 The University of Sydney's analysis of the Greater Sydney area found that 52 000 essential workers were experiencing housing stress in 2021. There was also a pattern of essential workers moving from metropolitan Sydney to outer suburbs and adjacent regional areas.<sup>367</sup>
- 5.38 Research from AHURI and the University of Sydney (cited by the McKell Institute) showed that a worker on \$1,500 a week would not be able to afford to rent or purchase a home in Sydney.<sup>368</sup>
- 5.39 In Nowra, we heard about the impact of this on essential workers, including those close to reaching retirement who are not able to find affordable accommodation close to where they live. Diane Lang, Member, New South Wales Nurses and Midwives' Association, explained:

Finding affordable accommodation for women in my age group is extremely difficult. We earn too much to get a pension, we earn too much to get a Housing Commission house, but we can't afford to buy or rent another house. I tried very hard in my early sixties to get a loan. Getting a loan at 60, impossible, so we have a lot of women in my age group who are still working. ... We do need some sort of financial support, or some sort of incentive, to enable us women who've worked our whole lives to be able to have decent accommodation close to where you want to live, and where you want to make it a home.<sup>369</sup>

### Shared equity provides a potential avenue for home ownership for essential workers

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- 5.40 As part of our inquiry, we heard about both government and not-for-profit shared equity schemes that have been available to some essential workers in NSW. Given the scale of the housing shortage and affordability issues for essential workers in NSW, some stakeholders were positive about the potential for shared equity schemes.<sup>370</sup>
- 5.41 Stakeholders agreed that shared equity schemes should either be implemented in the wider context of increasing overall housing supply or targeted to ensure that only limited candidates are eligible.<sup>371</sup> Professor Nicky Morrison and the

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<sup>365</sup> Amanda Winks, CEO, Housing Trust, [Transcript of evidence](#), 3 December 2024, p 17.

<sup>366</sup> [Submission 21](#), p 1; [Submission 28](#), p 4; [Submission 35](#), p 1; [Submission 56](#), Cessnock City Council, p 2; [Submission 94](#), p 3; [Submission 95](#), pp 5-6; [Submission 101](#), pp 6-7.

<sup>367</sup> [Submission 88](#), pp 1-2.

<sup>368</sup> [Submission 102](#), p 12.

<sup>369</sup> Diane Lang, [Evidence](#), 3 December 2024, p 11.

<sup>370</sup> [Submission 40](#), p 4; [Submission 102](#), p 28; [Submission 47](#), HOPE Housing Fund Management, pp 1-7.

<sup>371</sup> [Submission 102](#), pp 27, 29; Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 30; Dr Catherine Gilbert, [Evidence](#), 6 February 2025, pp 34-35.

McKell Institute explained that shared equity programs increases the demand for housing.<sup>372</sup> As a result, they can push house prices up in an area if the overall number of homes does not also increase to meet the new demand.

- 5.42 The McKell Institute noted that targeting shared equity programs to certain cohorts, and that a 'universally-available' program would increase demand and 'drive up prices'.<sup>373</sup>

### **The NSW Government should seek to maximise federal funding for shared equity for essential workers**

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- 5.43 Government shared equity schemes for specific groups are an opportunity to provide home ownership pathways for essential workers. Our inquiry heard that this has been popular in other countries, such as the United Kingdom.<sup>374</sup>
- 5.44 We heard there was a NSW Government shared equity scheme from 2022 to 2024, however it has now ended. Many stakeholders were positive about the potential for this or similar initiatives to provide a pathway to ownership for essential workers.<sup>375</sup> However, we also heard criteria for the former scheme were too restrictive to help essential workers access home ownership.
- 5.45 In particular, stakeholders noted that:
- The property price limit was below average for some areas.<sup>376</sup>
  - The income limits may be impractical.<sup>377</sup>
  - The definition of essential workers was too restrictive.<sup>378</sup>

#### **Former Shared Equity Home Buyer scheme in NSW**

From 2022 to 2024, the NSW Government piloted a Shared Equity Home Buyer scheme that aimed to support home ownership for certain eligible groups. Some essential worker groups were included in the policy:

- Teachers
- Early childhood educators
- Nurses and midwives
- Police officers

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<sup>372</sup> [Submission 43](#), p 2; [Submission 102](#), p 29; Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 30.

<sup>373</sup> [Submission 102](#), pp 27-29.

<sup>374</sup> [Submission 43](#), p 2; [Submission 100](#), p 16; [Submission 102](#), p 28; Professor Nicky Morrison, [Evidence](#), 6 February 2025, p 34.

<sup>375</sup> [Submission 21](#), p 3; [Submission 59](#), p 13; [Submission 102](#), pp 27-29.

<sup>376</sup> [Submission 21](#), pp 2-3; [Submission 26](#), p 15.

<sup>377</sup> [Submission 26](#), p 15; [Submission 40](#), p 4; [Submission 87](#), p 4.

<sup>378</sup> [Submission 26](#), p 6.

- Paramedics.<sup>379</sup>

In addition, eligibility for the scheme required that: the applicant is a first-time home buyer, has a maximum salary of \$97 200 for singles and \$129 500 for couples in 2023-24<sup>380</sup> and that the property price does not exceed \$950 000 in Sydney and major regional centres and \$600 000 in other regional areas.<sup>381</sup>

- 5.46 The Committee notes that the Federal Budget 2025-26 expanded the Help to Buy shared equity scheme. It made a commitment of \$800 million to lift the property price and income caps and estimates that this will enable around 40 000 Australian households into home ownership.<sup>382</sup> At the time of this report it is not clear how much of the funding will be available to support shared equity in NSW.

### Non-government schemes could be scaled up and demonstrate potential for essential worker home ownership

- 5.47 Initiatives from private and not-for-profit organisations have also provided housing to essential workers through shared equity schemes. These have the potential to add scale to the number of homes available whilst also helping essential workers attain their ambitions of home ownership.
- 5.48 One example of shared equity essential worker housing delivered on a small scale was from not-for-profit organisation HOPE Housing.<sup>383</sup> This is outlined in the case study below.

#### Case study: Hope Housing

HOPE Housing is a not-for-profit organisation that has worked in partnership with the Police Bank to provide a shared equity home ownership model for essential workers. It has so far enabled 28 essential workers to access home ownership, most of which have been in metropolitan areas.

The scheme is open to all 'key workers', has no income cap and no limit on house price.

Its aim is for essential workers to be able to live near their places of work, which benefits both the essential worker and the community. Essential workers are able to cut down on commuting times, be more involved in their community and have the opportunity to partially own their home, with the potential to increase their share of ownership over time. The essential workers also reported being more likely to stay in their profession which will support their communities and the quality of service they provide will benefit from being near their place of work, for example in responding to callouts or reduced tiredness.

<sup>379</sup> NSW Government, [NSW Shared Equity Scheme Policy Guidelines 2022](#), 1 December 2023, pp 4-5.

<sup>380</sup> Revenue NSW, [Shared Equity Home Buyer Helper](#), viewed 5 May 2025.

<sup>381</sup> NSW Government, [NSW Shared Equity Scheme Policy Guidelines 2022](#), 1 December 2023, p 10.

<sup>382</sup> Australian Government, [Budget 2025-26: Housing](#), viewed 5 May 2025.

<sup>383</sup> [Submission 47](#), pp 1-7.

HOPE Housing is seeking government investment in order to be able to scale up the number of essential workers it is able to help into home ownership.<sup>384</sup>

5.49 Emma Nicholson, Acting Executive Director, Policy and Strategy, Homes NSW, told us that they are aware of the HOPE Housing scheme and the support its model has received. She confirmed that Homes NSW welcomed a diverse approach to tackling the NSW housing crisis.<sup>385</sup>

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<sup>384</sup> [Submission 47](#), pp 1-7.

<sup>385</sup> Emma Nicholson, [Evidence](#), 10 February 2025 p 5.

## Appendix One – Terms of reference

That the Committee inquire into and report on options for essential worker housing in New South Wales, specifically:

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

## Appendix Two – Conduct of the Inquiry

### **Establishment of the Committee**

On 16 May 2024, the Legislative Assembly resolved, on the motion of the Hon Ron Hoenig MP (Leader of the House and Minister for Local Government), to appoint a Legislative Assembly Select Committee on Essential Worker Housing. The House required the Committee to report options for essential worker housing in New South Wales.

On 24 October 2024, the Legislative Assembly agreed to amend the resolution of 16 May 2024 to extend the Committee's reporting date from 7 March 2025 to 16 June 2025.

### **Adoption of the inquiry**

On 16 May 2024, the Committee resolved to conduct an inquiry into Essential Worker Housing.

### **Call for submissions**

The Committee called for submissions and wrote to key stakeholders inviting them to make a submission to the inquiry. The Committee also issued a media release on 19 June 2024 and advertised the call for submissions on the Legislative Assembly's social media accounts.

The deadline for submissions was 13 September 2024. The Committee received 113 submissions from a range of stakeholders including local councils, community housing providers, peak bodies, unions, industry stakeholders, the NSW Government, and members of the public. A list of submissions is at Appendix Three. Submissions are available on the Committee [webpage](#).

### **Site visits and stakeholder consultation**

As part of its inquiry, the Committee conducted three private briefings with academics, think tanks, local government representatives, economists, the NSW Government and other industry stakeholders in Sydney and in Nowra. The Committee thanks these stakeholders for their generosity in giving their time to assist with the inquiry process.

The Committee also conducted site visits and stakeholder meetings in the South Coast in December 2024. On 2 December, the Committee met with local council and industry stakeholders.

The Committee is very grateful to these stakeholders for taking the time to meet with the Committee, and for their contributions to the inquiry process.

### **Public hearings**

The Committee held five public hearings in:

- the Northern Beaches (25 October 2024),
- the South Coast (3 December 2024),
- Western Sydney (6 February 2025) and

- two hearings at Parliament House on 7 and 10 February 2025.

A total of 99 witnesses attended in person and via videoconference.

A list of witnesses is at Appendix Four. Transcripts of evidence taken at the hearings are available on the Committee's [webpage](#).

## Appendix Three – Submissions

<b>No.</b>	<b>Author</b>
1	Cobar Shire Council
2	City of Coffs Harbour
3	Third.i group
4	Tweed Shire Council
5	Mrs Trisha Dawson
6	Mr Michael Poyser
7	Central Coast Council
8	Mr Mitch McCabe
9	Port Macquarie Hastings Council
10	Mr Benjamin Fleming
11	Mr Chris Matthews
12	Uniting NSW.ACT
13	Mr Jayden Edwards
14	Name suppressed
15	Hornsby Shire Council
16	Griffith City Council
17	Pyrmont Action Inc
18	Murrumbidgee Council
19	Liverpool City Council
20	Housing Now! Alliance
21	Northern Beaches Council
22	National Disability Services
23	Professor Scott Eacott
24	People with Disability Australia
25	Eurobodalla Shire Council
26	Mr Michael Regan
27	Richmond Valley Council
28	Shoalhaven City Council
29	Lake Macquarie City Council
30	Catholic Diocese of Maitland-Newcastle
31	ALTRAC Light Rail
32	Ballina Shire Council

<b>No.</b>	<b>Author</b>
33	Mr Aaron Magner
34	Central NSW Joint Organisation
35	Sutherland Shire Council
36	Transport Workers' Union of New South Wales
37	Domestic Violence NSW
38	Broken Hill City Council
39	Warren Shire Council
40	Australian College of Midwives ACM
41	City of Sydney Council
42	NSW Aboriginal Land Council
43	Professor Nicky Morrison
44	Blue Mountains City Council
45	Narrabri Shire Council
46	Mr Barry Anstee
47	HOPE Housing
48	Tamworth Regional Council
49	Gunnedah Shire Council
50	Sydney YIMBY
51	Upper Hunter Shire Council
52	SGCH
53	Mid-Western Regional Council
54	Confidential
55	Shelter NSW
56	Cessnock City Council
57	Headspace National
58	Community Housing Industry Association NSW
59	Urbis
60	Tenants' Union of NSW
61	Property Council of Australia
62	Urban Taskforce
63	Local Government NSW
64	Multicultural Disability Advocacy Association of NSW Inc.
65	Aware Super
66	Orange City Council
67	Western Sydney Leadership Dialogue

<b>No.</b>	<b>Author</b>
68	City of Newcastle
69	The Committee for Sydney
70	North Sydney Council
71	Mallee Family Care
72	Bridge Housing
73	Lachlan Shire Council
74	Randwick City Council
75	Albury City Council
76	Riverina and Murray Joint Organisation
77	Woollahra Municipal Council
78	Confidential
79	City West Housing
80	Uralla Shire Council
81	Catholic Schools Parramatta Diocese
82	Anglicare Sydney
83	Campbelltown City Council
84	Singleton Council
85	Southern Sydney Regional Organisation of Councils
86	Wagga Wagga City Council
87	Police Association of NSW
88	The University of Sydney
89	Wingecarribee Shire Council
90	Queanbeyan-Palerang Regional Council
91	NSW Government
92	Walgett Shire Council
93	United Services Union
94	Health Services Union (HSU)
95	New South Wales Nurses and Midwives' Association
96	Australian Childcare Alliance (ACA) NSW
97	PSA (Public Service Association of NSW)
98	The Salvation Army
99	Housing All Australians
100	Unions NSW
101	New South Wales Teachers Federation (NSWTF)
102	The McKell Institute

<b>No.</b>	<b>Author</b>
103	United Workers Union
104	Business Council of Co-Operatives and Mutuals (BCCM)
105	City of Parramatta
106	Pacific Link Housing
107	Lighthouse Infrastructure
108	Confidential
109	Dr Sophie Scamps
110	Blacktown City Council
111	Dr Ronald Silberberg
112	Australian Community Land Trust Network (ACLTN)
113	Faith Housing Australia

## Appendix Four – Witnesses

**25 October 2024**

**Balgowlah RSL, Seaforth Function Room, Seaforth, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Tim Buskens	CEO, HOPE Housing
Peter Remfrey	Chair, Police Bank
Daniel Jackson	
Simone Parsons	Chief Operating Officer, Bridge Housing
Ian Lynch	Group CEO, Pacific Link Housing
Margaret Maljkovic	Chief Customer Officer, Link Wentworth
Daniel Peric	Research and Policy Official, Transport Workers' Union of New South Wales
Amanda Bailey	Head of Advocacy and Communications, Faith Housing Australia
Malcolm McDonald	Executive Manager Strategic & Place Planning, Northern Beaches Council
Michael Regan MP	Member for Wakehurst
Zali Steggall OAM MP	Member for Warringah
Princess Ventura	Regional Director, Urbis
James White	Research and Strategic Knowledge Manager, Urbis
Emily Lockwood	Member, Sydney YIMBY

**03 December 2024**

**Bomaderry Bowling Club, Sunrise Room, Nowra, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Cr Patricia White	Mayor, Shoalhaven City Council
James Ruprai	Acting CEO, Shoalhaven City Council
Gordon Clark	Manager, Strategic Planning, Shoalhaven City Council
Xaviera McGuffin	Member, New South Wales Nurses and Midwives' Association
Diane Lang	Member, New South Wales Nurses and Midwives' Association
Aaron Jones	Political Coordinator, United Workers Union
Dimi Perras	Member, Early Childhood Education and Care, United Workers Union

Sandra Gray	Employment Facilitator, Illawarra South Coast Employment Facilitator
Eric Coulter	Deputy CEO, Southern Cross Housing
Amanda Winks	CEO, Housing Trust
Michael Sabra	Director, Sabra Company Pty Ltd
Kim Jones	Principal Architect, JSA Studio Architects for Sabra Company Pty Ltd
John Wells	Sabra Company Pty Ltd
Dr Ronald Silberberg AO	
Paula Martin	Interim Director, Business Illawarra
Suzanne Harris	Executive Director Infrastructure and Assets , Illawarra Shoalhaven Local Health District
Nicky Sloan	CEO, Community Industry Group

**06 February 2025****Blacktown Workers Club, Sunrise Room, Blacktown, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Robert Cologna	Group Manager, City Strategic Planning, City of Parramatta
Mark Egan	City Strategy Manager, City of Parramatta
Jaime Hogan	Manager, Strategic Planning and Economic Development, Blacktown City Council
Peter Conroy	Director, City Planning and Development, Blacktown City Council
Jack de Groot	CEO, Catholic Schools Parramatta Diocese
Jake Campbell	Catherine McAuley Westmead Catholic Schools Parramatta Diocese
Angelika Zubrecky	Mother Teresa Primary Westmead Catholic Schools Parramatta Diocese
Natasha Watt	Senior Vice President, New South Wales Teachers Federation (NSWTF)
Greg Butler	Industrial and Research Officer, New South Wales Teachers Federation (NSWTF)
Dr Andy Asquith	Research Officer, Public Service Association of NSW
Robin Fletcher	Head of Service Outcomes and Improvement, SGCH
Michael Carnuccio	Manager, Policy, Community Housing Industry Association NSW
Professor Scott Eacott	Housing Affordability and the Teacher Shortage Research Program, UNSW Sydney
Professor Nicky Morrison	Co-Director, Urban Transformations Research Centre, Western Sydney University

Dr Catherine Gilbert	Lecturer in Urbanism, School of Architecture, Design and Planning, The University of Sydney
Simon Miller	CEO, Anglicare Sydney
Emma Maiden	Director Advocacy and External Relations, Uniting NSW.ACT
Leonie King	CEO, City West Housing
Jeffrey Milne	Senior Policy and Advocacy Advisor, The Salvation Army
Cheri Erai-Collins	Salvos Housing State Manager (NSW, QLD, ACT), The Salvation Army
Peter Johnston	Managing Director, Lighthouse Infrastructure
Melina Morrison	CEO, Business Council of Co-Operatives and Mutuals (BCCM)
Alek Misev	Head of Property, Aware Super
Thomas Morrison	Senior Manager, Investment Enablement, Aware Super
Adam Leto	CEO, Western Sydney Leadership Dialogue

**07 February 2025**

**Parliament House, Macquarie Room, Sydney, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
James Farrington	Director, Planning and Compliance, Hornsby Shire Council
Katherine Vickery	Manager, Strategic Land Use Planning, Hornsby Shire Council
Cr Zoë Baker	Mayor, North Sydney Council
Marcelo Occhiuzzi	Director, Planning & Environment, North Sydney Council
Beth Morris	Acting Manager, Strategic Planning, Sutherland Shire Council
Holly Mayo	Strategic Planner, Sutherland Shire Council
Cr Dylan Parker	Mayor, Randwick City Council
Meryl Bishop	Director, City Planning, Randwick City Council
Stella Agagiotis	Manager, Strategic Planning, Randwick City Council
Benjamin Pechey	Executive Manager, Strategic Planning and Urban Design, City of Sydney Council
Mark Nutting	Strategic Planning Manager, Southern Sydney Regional Organisations of Councils
Cr Phyllis Miller OAM	President, Local Government NSW
David Reynolds	Chief Executive, Local Government NSW
Pat Gooley	Secretary, Police Association of NSW
Dr Kate Linklater	Manager of Research, Police Association of NSW

Lyn Connolly	President, Australian Childcare Alliance (ACA) NSW
Chiang Lim	CEO, Australian Childcare Alliance (ACA) NSW
Mark Morey	Secretary, Unions NSW
Tom Edwards	Research and Policy Officer, Unions NSW
Dr Dustin Halse	Division Secretary, Strategy, Research and Projects, Health Services Union
Danielle Hooper	Care Service Employee, Port Macquarie, Health Services Union
Glenda Walker	Psychologist, Long Jetty, Health Services Union
John Engeler	CEO, Shelter NSW
Leo Patterson Ross	CEO, Tenants' Union of NSW
Alicia Rodriguez	NDIS Appeals Advocate / Systemic Advocate and Policy Officer, Multicultural Disability Advocacy Association of NSW
Delia Donovan	CEO, Domestic Violence NSW
Livia Stanton	Senior Advocacy and Policy Officer, Domestic Violence NSW
Simon Dodd	Head of Workforce Planning and Development and National Clinical Advisor, headspace National
Shane Thomas	Manager, headspace Wagga Wagga, , headspace National
Max Douglass	Policy Analyst, The McKell Institute
David Harding	Executive Director, Business NSW, Housing Now! Alliance
Jeremy Gill	Head of Policy, The Committee for Sydney
Estelle Grech	Policy Manager, Planning and Housing, The Committee for Sydney
Tom Forrest	CEO, Urban Taskforce
Robert Pradolin	Executive Director, Housing All Australians
Adrian Harrington	Chair of NSW Management Committee, Housing All Australians

**10 February 2025****Jubilee Room, Parliament House, Macquarie Room, Sydney, NSW**

<b>Witness</b>	<b>Position and Organisation</b>
Luke Sloane	Deputy Secretary, Rural and Regional Health, NSW Health
Mark Spittal	Chief Executive, Western NSW Local Health District, NSW Health
Tom Loomes	Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure
Dan Cutler	Director, Housing Policy and Codes, Department of Planning, Housing and Infrastructure
Craig Torrance	Acting Director, Teacher and Police Housing, Homes NSW
Graham Batten	Deputy Director, Key Worker Housing, Homes NSW
Emma Nicholson	Acting Executive Director, Policy and Strategy, Homes NSW and Chair, Teacher Housing Authority Board

## Appendix Five – Extracts from minutes

### **MINUTES OF MEETING NO 1**

TIME & DATE: 2:15PM, 18 JUNE 2024

LOCATION: MEETING ROOM 1136

#### **Members present**

Mr Greenwich (Chair), Mr Griffin, Ms Butler, Mrs Quinnell.

#### **Apologies**

Mr Bali.

#### **Officers present**

Stephanie Mulvey, Ashley Kim, Naomi Parkinson, Nicolle Gill and Elizabeth Hawken.

### **AGENDA ITEM**

#### **1. Appointment of committee**

The Committee noted the following extract from the Legislative Assembly Votes and Proceedings No. 54:

#### **Legislative Assembly Votes and Proceedings No. 54, Thursday 16 May 2024:**

#### **10 SELECT COMMITTEE ON ESSENTIAL WORKER HOUSING**

Mr Ron Hoenig moved, That:

- (1) That a Select Committee to be known as the Legislative Assembly Select Committee on Essential Worker Housing be appointed.
- (2) That the Committee inquire into and report on options for essential worker housing in New South Wales, specifically:
  - (1) Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas.
  - (2) Identify options to increase housing supply for essential workers, including but not limited to:
    - (a) planning tools and reforms
    - (b) incentives for developments on privately owned land
    - (c) opportunities within developments on government owned land
    - (d) investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity
    - (e) other related matters.
- (3) The Committee shall consist of five members, comprising:
  - (a) three government members, being Mr Stephen Bali, Mrs Sally Quinnell and Ms Liza Butler.

- (b) one opposition member
- (c) one crossbench member, being Mr Alex Greenwich.
- (4) That the opposition member be nominated in writing by the Opposition Whip to the Clerk of the Legislative Assembly by 23 May 2024.
- (5) Mr Alex Greenwich shall be the Chair of the Committee.
- (6) The Committee have leave to sit during the sitting or any adjournment of the House.
- (7) The Committee have leave to make visits of inspection within the state of New South Wales and other states and territories of Australia.
- (8) The Committee shall report by 7 March 2025.

Question put and passed.

## **2. Election of Deputy Chair**

Resolved, on the motion of Ms Butler, seconded by Mr Griffin: That Mrs Sally Quinnell be elected Deputy Chair of the Committee.

## **3. Administrative and staffing arrangements**

The Chair introduced the secretariat and outlined staffing arrangements.

## **4. Standard motions**

Resolved, on the motion of Mrs Quinnell, seconded by Mr Griffin: That unless the Committee resolves otherwise:

### **Conduct of proceedings**

1. During any committee meeting, if a division or quorum is called in the Legislative Assembly, or either House in the case of joint committees, the meeting will be suspended until the committee regains quorum.
2. Conditions for the broadcasting, filming or photography of the committee's public proceedings will be determined by the committee on a case-by-case basis. Those conditions shall be consistent with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
3. Witnesses appearing before the committee will not be represented by a member of the legal profession or other advocate.
4. Committee members can only use electronic devices unobtrusively during committee proceedings, so that they do not interfere with, or disrupt, the conduct of those proceedings.
5. Supplementary questions for witnesses, following a public hearing, shall be determined by the committee.
6. Media releases on behalf of the committee can only be made by the Chair; and where practicable, following consultation with the committee.

### **Administrative arrangements**

7. Arrangements that facilitate or support committee proceedings and activities be delegated to the chair and the committee staff, to undertake in accordance with the committee's decisions.
8. Members nominated by the committee to undertake site visits are expected, where practicable, to participate in the full itinerary.
9. The Chair and the Committee Director, through the Clerk of the Legislative Assembly, be authorised to liaise with the Speaker on approvals for committee expenditure.

### **Communications and engagement**

10. The Legislative Assembly's Engagement Team will support and promote the work of the committee. The Team will implement any agreed media and engagement strategy and coordinate the production of media and other promotional activity with the Chair.

## **5. Inquiry into options for essential worker housing in New South Wales**

### **5.1 Terms of reference**

The Committee noted the terms of reference, as referred by the House.

Resolved, on the motion of Ms Butler: That the Committee write to the Premier, asking the Government to identify their priorities in relation to this inquiry.

### **5.2 Briefing note**

The Committee noted the briefing paper prepared by the secretariat.

### **5.3 Inquiry timeline**

The Committee considered the proposed timeline for the inquiry.

### **5.4 Submissions and stakeholder invitations**

The Committee discussed potential stakeholders for the inquiry and the conduct of the public hearings.

Committee considered the list of proposed stakeholders to invite to make submissions and to give evidence at the public hearing.

Resolved, on the motion of Mrs Quinnell:

- That the Committee invite public submissions until Friday 13 September 2024.
- That the Committee write to the stakeholders listed in Attachment E inviting them to make a written submission by Friday 13 September 2024.
- That any Member circulate to the Committee and the secretariat any proposed additional stakeholders by Monday 24 June 2024 at 4pm.

### **5.5 Chair's media release**

The Committee considered the Chair's draft media release.

## **6. Private briefing**

The Committee considered holding private briefings as an initial step in the inquiry process.

Resolved, on the motion of Mr Griffin, that the Committee hold private briefings with the following bodies:

- Unions NSW
- Committee for Sydney
- Local Government NSW
- Homes NSW
- Urban Taskforce
- The Property Council

## **7. Next meeting**

The Committee adjourned at 2:19pm until a time and date to be determined.

## **MINUTES OF MEETING NO 2**

TIME & DATE: 8.58AM, 20 AUGUST 2024

LOCATION: MEETING ROOM 814 AND VIDEOCONFERENCE

### **Members present**

Alex Greenwich (Chair), Sally Quinnell (Deputy Chair), Stephen Bali, Liza Butler (by videoconference), James Griffin.

### **Officers present**

Stephanie Mulvey, Ashley Kim, Naomi Parkinson, Nicolle Gill and Elizabeth Hawken.

## **AGENDA ITEM**

### **1. Confirmation of minutes**

Resolved, on the motion of Mr Griffin, seconded by Ms Butler, that the minutes of the meeting of 18 June 2024 be confirmed.

### **2. Correspondence**

#### **2.1 Sent**

The Committee noted the following correspondence sent:

- Letter to the Premier, dated 18 June 2024, regarding the Government's priorities for the inquiry.

#### **2.2 Received**

The Committee noted the following correspondence received:

- Letter from the Registrar Aboriginal Land Rights Act 1983 (NSW), dated 12 July 2024, advising the Committee that the Office of the Registrar, Aboriginal Land Rights Act (NSW) will not be making a submission to the inquiry.

- Letter from Central Coast Council, dated 18 July 2024, acknowledging receipt of the Committee's invitation to make a submission to the inquiry.
- Email from Health Services Union, dated 31 July 2024, requesting an extension on their submission deadline.
- Email from NSW Nurses and Midwives' Association, dated 12 August 2024, requesting an extension on their submission deadline.
- Email from United Services Union, dated 15 August 2024, requesting an extension on their submission deadline.
- Email, from Unions NSW, dated 15 August 2024, requesting an extension on their submission deadline.

The Committee agreed that the secretariat could accept the extension requests of the Health Services Union, NSW Nurses and Midwives' Association, United Services Union and Unions NSW on behalf of the Committee.

### **3. Inquiry into options for essential worker housing in New South Wales**

#### **3.1 Publication of correspondence from the Premier**

The Committee noted correspondence received from the Premier, dated 17 July 2024, regarding the Government's priorities for the Committee's inquiry and considered publishing the correspondence on the Committee's website.

Resolved, on the motion of Mr Griffin:

- That the Chair write back to the Premier acknowledging receipt of correspondence
- That the Committee publish the correspondence from the Premier dated 17 July 2024 on its website.

#### **3.2 Stakeholder invitations**

Resolved, on the motion of Ms Butler, that the Committee write to the University of Wollongong, inviting them to make a submission to the inquiry by 11 October 2024.

Mr Bali joined the meeting at 9.08am.

Mrs Quinnell joined the meeting at 9.11am.

#### **3.3 Private Briefing with the stakeholders**

Resolved, on the motion of Ms Butler, seconded by Mr Griffin: That the Committee admit the following representatives to brief the Committee:

- Mark Morey, Todd Pinkerton and Tom Edwards, from Unions NSW
- Estelle Grech and Eamon Waterford, from Committee for Sydney
- Darriea Turley, David Reynolds, Damian Thomas and Jane Partridge from Local Government NSW
- Tom Forrest, from Urban Taskforce
- Rose Thomson, Rob Stokes and Amanda Bailey, from Faith Housing

- Rebecca Pinkstone, Emma Nicholson and Graham Batten from Homes NSW

- 

Mark Morey, Todd Pinkerton and Tom Edwards, from Unions NSW, were admitted to the meeting at 9.11am and provided a briefing to the Committee.

Mark Morey, Todd Pinkerton and Tom Edwards left the meeting at 9.51am.

Estelle Grech and Eamon Waterford, from Committee for Sydney, were admitted to the meeting at 9.52am and provided a briefing to the Committee.

Estelle Grech and Eamon Waterford left the meeting at 10.38am.

Darriea Turley (via videoconference), David Reynolds, Damian Thomas and Jane Partridge from Local Government NSW, were admitted to the meeting at 10.39am, and provided a briefing to the Committee.

Darriea Turley, David Reynolds, Damian Thomas and Jane Partridge left the meeting at 11.21am.

Resolved, on the motion of Ms Quinnell: That the Committee also admit \*\*\* and Benjamin Gellie from Urban Taskforce to brief the Committee.

Tom Forrest, Orla Rafferty and Benjamin Gellie, from Urban Taskforce, were admitted to the meeting at 11.35am and provided a briefing to the Committee.

Tom Forrest, Orla Rafferty and Benjamin Gellie left the meeting at 12.18pm.

Rose Thomson, Rob Stokes and Amanda Bailey, from Faith Housing, were admitted to the meeting at 12.23pm and provided a briefing to the Committee.

Rose Thomson, Rob Stokes and Amanda Bailey left the meeting at 1.08pm. The Committee took a short lunch break.

Rebecca Pinkstone, Emma Nicholson and Graham Batten from Homes NSW were admitted to the meeting at 1.33pm and provided a briefing to the Committee.

Rebecca Pinkstone, Emma Nicholson and Graham Batten left the meeting at 2.23pm.

#### **4. Next meeting**

The Committee adjourned at 2.26pm until a time and date to be determined.

### **MINUTES OF MEETING NO 3**

TIME & DATE: 3.05PM, 3 SEPTEMBER 2024

LOCATION: MEETING ROOM 814 AND VIDEOCONFERENCE

#### **Members present**

In person: Mr Greenwich (Chair), Mr Griffin

By videoconference: Mrs Quinnell (Deputy Chair), Mr Bali, Ms Butler.

#### **Officers present**

Rohan Tyler, Ashley Kim, Naomi Parkinson and Nicolle Gill.

## **AGENDA ITEM**

### **1. Confirmation of minutes**

Resolved, on the motion of Mr Griffin: That the minutes of the meeting of 20 August 2024 be confirmed.

### **2. Correspondence**

#### **2.1 Sent**

The Committee noted the following correspondence sent:

- Letter to the Premier, dated 20 August 2024, acknowledging receipt of letter regarding the Government's priorities for the Committee's inquiry.

#### **2.2 Received**

The Committee noted the following correspondence received:

- Email from Blacktown City Council, dated 26 July 2024, requesting an extension for its submission to the inquiry.
- Letter from Blacktown City Council, dated 20 August 2024, providing the Committee with a draft submission to the inquiry.
- Email from the NSW Teachers Federation, dated 26 August 2024, requesting an extension for its submission to the inquiry.
- Email from the Public Service Association of NSW, dated 2 September 2024, requesting an extension for its submission to the inquiry.

The Committee agreed to the extension requests from Blacktown City Council, the NSW Teachers Federation and the Public Service Association of NSW.

### **3. Inquiry into options for essential worker housing in New South Wales**

The Committee considered matters discussed at the informal briefing, as well as the forward work program for the inquiry, including possible locations for site visits and regional hearings.

Resolved, on the motion of Mr Bali:

- That the Committee hold private briefings with representatives from certain property developers, economists and banks on matters related to the inquiry.
- That the secretariat circulate a draft list of stakeholders to be invited to brief the Committee, and that the Committee provide input into the draft stakeholder list and approve it via return e-mail.
- Resolved, on the motion of Mrs Quinnell:
- That the Committee conduct public hearings on:
  - 25 October 2024, in the Northern Beaches area
  - 2 and 3 December 2024, in the South Coast region
  - 10 December 2024, at Parliament House.
- That the secretariat canvass members' availabilities for an additional hearing in the Western Sydney region.

#### **4. Next Meeting**

The meeting adjourned at 3.32pm until a time and date to be determined.

#### **MINUTES OF MEETING NO 4**

**TIME & DATE: 10.29AM, 4 OCTOBER 2024**

**LOCATION: MEETING ROOM 814 AND VIDEOCONFERENCE**

#### **Members present**

In person: Mr Greenwich (Chair) and Mr Bali.

By videoconference: Mrs Quinnell (Deputy Chair), Mr Griffin and Ms Butler.

#### **Officers present**

Stephanie Mulvey, Ashley Kim, Naomi Parkinson, Nicolle Gill and Elizabeth Hawken

#### **AGENDA ITEM**

##### **1. Confirmation of minutes**

Resolved, on the motion of Mr Bali, seconded by Mr Griffin: That the minutes of the meeting of 3 September 2024 be confirmed.

##### **2. Correspondence**

The Committee noted the following correspondence received:

- Email, dated 20 September 2024, from Matthew Lennartz, Head of Strategic Projects and Government at Meriton, declining the request to provide a private briefing.

The Committee noted the list of extension requests received and agreed to by the Chair.

##### **3. Inquiry into options for essential worker housing in New South Wales**

###### **3.1 Extension of reporting date**

The Committee discussed extending the reporting deadline for its inquiry.

Resolved, on the motion of Mr Bali:

- That the House's resolution of 16 May 2024 be amended to extend the reporting deadline to 16 June 2025, to be actioned by the secretariat.
- That the Chair write to the Leader of the House to advise formally of the Committee's decision to seek a resolution of the House to amend the reporting deadline.

The Committee asked the secretariat to circulate details of any related inquiries currently being conducted by the Legislative Council or Legislative Assembly.

Resolved, on the motion of Ms Butler, seconded by Mr Griffin: That the Committee reschedule the Parliament House public hearing on 10 December 2024 to take place around February 2024 instead.

The Committee noted that the secretariat will canvass members' availabilities for additional public hearings in early 2025.

### **3.2 Submissions**

The Committee considered accepting and publishing submissions received.

Resolved, on the motion of Mr Griffin:

- That the Committee publish submissions numbered 1-13, 15-35, 37-53, 55-75, 77, 79-90 in full.
- That the submissions numbered 54 and 78 remain confidential to the Committee and not be published.
- That the Committee publish submission number 14 in part with the author's name suppressed.
- That the Committee publish submission number 36 with reference to [certain information] on page 9 redacted.
- That the Committee publish submission number 76 with the whole of Appendices to the Attachment on pages 53-64 redacted.

### **3.3 Northern Beaches public hearing - 25 October 2024**

The Committee considered potential witnesses to be invited to give evidence at the public hearing in the Northern Beaches on 25 October 2024.

Resolved, on the motion of Mr Griffin:

- That the Committee invite the witnesses listed at Attachment F to give evidence at a public hearing on 25 October 2024.
- That any Member circulate to the Committee and the secretariat any proposed additional stakeholders by Wednesday 9 October 2024 at 2pm.

The Committee also discussed the Chair and Mr Griffin filming a video to promote the public hearing in the Northern Beaches.

### **3.4 South Coast public hearing - 2 & 3 December 2024**

The Committee discussed the structure of the regional visit and travel arrangements. Resolved, on the motion of Mr Griffin:

- That the Committee seek funding approval from the Speaker to undertake regional hearings and site inspections in South Coast in December 2024.
- That the Committee authorise the Chair and secretariat to make arrangements for the regional hearings and site inspections.

## **4. Private briefings with stakeholders**

The Committee considered admitting the following representatives to brief the Committee:

- Kate Romano and Jock Rice-Ward, from Lendlease
- Peter Johnston and Adrian Harrington, from Lighthouse Infrastructure

- Florian Caillon, from Third.i Group
- Marty Green and Jameson Coombs, from Westpac
- Nicole Gurrán and Catherine Gilbert, from the University of Sydney
- Tim Buskens, Jessica Ellerm and Peter Remfrey, from HOPE Housing Fund Management

Resolved, on the motion of Ms Butler: That the Committee admit representatives, as listed in the agenda, to brief the Committee.

Mrs Quinnell joined the meeting at 10.54am.

Kate Romano and Jock Rice-Ward, from Lendlease, were admitted to the meeting at 10.58am and provided a briefing to the Committee.

Kate Romano and Jock Rice-Ward left the meeting at 11.50am.

Peter Johnston and Adrian Harrington, from Lighthouse Infrastructure, were admitted to the meeting at 11.52am and provided a briefing to the Committee.

Peter Johnston and Adrian Harrington left the meeting at 12.39pm. Mr Griffin and Ms Butler left the meeting at 12.40pm.

The Committee took a lunch break at 12.40pm and resumed at 1.34pm.

Florian Caillon, from Third.i Group, was admitted to the meeting at 1.35pm and provided a briefing to the Committee.

Florian Caillon left the meeting at 2.13pm.

Marty Green and Jameson Coombs, from Westpac, were admitted to the meeting at 2.26pm and provided a briefing to the Committee.

Marty Green and Jameson Coombs left the meeting at 3.19pm.

The Committee took a short break at 3.19pm and resumed at 3.28pm.

Nicole Gurrán and Catherine Gilbert, from the University of Sydney, were admitted to the meeting at 3.28pm and provided a briefing to the Committee.

Nicole Gurrán left the meeting at 3.59pm. Catherine Gilbert left the meeting at 4.13pm.

Tim Buskens, Jessica Ellerm and Peter Remfrey, from HOPE Housing Fund Management, were admitted to the meeting at 4.15pm and provided a briefing to the Committee.

Tim Buskens, Jessica Ellerm and Peter Remfrey left the meeting at 4.58pm.

## **5. Next Meeting**

The meeting adjourned at 5.00pm until 25 October 2024

### **MINUTES OF MEETING NO 5**

TIME & DATE: 9.31AM 25 OCTOBER 2024

LOCATION: BALGOWLAH RSL MEMORIAL CLUB, SEAFORTH

### **Members present**

Mr Greenwich (Chair), Mr Bali, Ms Butler and Mr Griffin.

### **Apologies**

Mrs Quinnell.

### **Officers present**

Stephanie Mulvey, Ashley Kim, Naomi Parkinson, Ilana Chaffey, Elizabeth Hawken and Nicolle Gill.

## **AGENDA ITEM**

### **1. Confirmation of minutes**

Resolved, on the motion of Ms Butler: That the minutes of the meeting of 4 October 2024 be confirmed.

### **2. Correspondence**

#### **2.1 Sent**

The Committee noted the following correspondence sent:

- Letter, dated 4 October 2024, to the Leader of the House the Hon. Ron Hoenig MP, requesting an amendment to the House's resolution of 16 May 2024 to extend the Committee's reporting date to 16 June 2025.

The Committee noted the Houses' resolution dated 24 October 2024 to extend the reporting date for the Committee from 7 March 2025 to 16 June 2025.

#### **2.2 Received**

The Committee noted the following correspondence received:

- Email, dated 8 October 2024, from the Business Council of Co-operatives and Mutuals, requesting an extension to the submission deadline.
- Email, dated 14 October 2024, informing the Committee that Lendlease will not be making a submission to the inquiry.
- Email, dated 15 October 2024, from Committee for Sydney, informing the Committee that they will be unable to attend the public hearing on 25 October 2024, but are interested in attending on a future date.
- Email, dated 16 October 2024, from the Catholic Diocese of Maitland-Newcastle, informing the Committee that they will be unable to attend the public hearing on the 25 October 2024.
- Email, dated 17 October 2024, from Health Services Union NSW/ACT/QLD, informing the Committee that they will not be able to attend the hearing on 25 October 2024, but are interested in attending on a future date.

### **3. Inquiry into options for essential worker housing in New South Wales**

#### **Pre-hearing deliberative meeting**

### **3.1 Submissions**

Resolved, on the motion of Mr Griffin:

- That the Committee publish submissions numbered 93-96, 98, 100-106 in full.
- That the Committee publish submission number 92 in part with the business name and Instagram handle on page 3 redacted.
- That the Committee publish submission number 97 in part with reference to the specific housing provider redacted.
- That the Committee publish submission number 99 in part with attachments from page 22 redacted, and a page inserted to list organisations that have provided letters of support.

### **3.2 Public hearing witnesses**

Resolved, on the motion of Mr Bali: That the Committee invite the witnesses listed in the notice of the public hearing for 25 October 2024 to give evidence in relation to the inquiry into options for essential worker housing in New South Wales.

### **3.3 Media orders for public hearing**

Resolved, on the motion of Ms Butler: That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 25 October 2024, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

### **3.4 Answers to questions taken on notice and supplementary questions**

Resolved, on the motion of Mr Griffin:

- That the Committee adopt the following process in relation to supplementary questions:
  - Members to email any proposed supplementary questions for witnesses to Committee staff by 4pm, Wednesday 30 October 2024;
  - Secretariat to then circulate all proposed supplementary questions to the Committee, with members to lodge any objections to questions by 4pm, Thursday 31 October 2024.
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions within 14 days of the date on which the questions are sent to witnesses.

## **4. Future work plan**

The Committee discussed holding a site visit and public hearing on the South Coast in December 2024 including a proposed itinerary. Members agreed that they would send suggestions for stakeholders to be invited to the secretariat by email.

## **5. General business**

The Committee agreed to hold a private briefing with representatives of NSW Treasury in February 2025.

The Chair adjourned the deliberative meeting at 9.55am.

**6. Public hearing – inquiry into options for essential worker housing in New South Wales**

The Chair opened the public hearing at 9.58am. Witnesses attended the public hearing in person. The Chair made a short opening statement.

The following witnesses were admitted:

Tim Buskens, Chief Executive Officer, HOPE Housing, affirmed and examined.

Peter Remfrey, Chair, Police Bank, affirmed and examined.

Daniel Jackson, affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Simone Parsons, Chief Operating Officer, Bridge Housing, affirmed and examined.

Margaret Maljkovic, Chief Customer Officer, Link Wentworth, affirmed and examined.

Ian Lynch, Group Chief Executive Officer, Pacific Link Housing, affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witness was admitted:

Daniel Peric, Research and Policy Official, Transport Workers' Union, affirmed and examined.

Evidence concluded and the witness withdrew.

The following witness was admitted:

Amanda Bailey, Head of Advocacy and Communications, Faith Housing Australia, sworn and examined.

Evidence concluded and the witness withdrew.

The following witnesses were admitted:

Malcolm McDonald, Executive Manager Strategic and Place Planning, Northern Beaches Council, affirmed and examined.

Michael Regan MP, Member for Wakehurst, affirmed and examined.

Zali Steggall OAM, MP, Member for Warringah, affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Princess Ventura, Regional Director, Urbis, affirmed and examined.

James White, Research and Strategic Knowledge Manager, Urbis, affirmed and examined.

Emily Lockwood, Sydney YIMBY, affirmed and examined.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 3.41pm.

**Post-hearing deliberative meeting**

The Chair resumed the deliberative meeting at 3.42pm.

**7. Publication orders**

Resolved, on the motion of Ms Butler: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

**8. General business**

Committee members discussed key takeaways from the public hearing.

**9. Next meeting**

The meeting adjourned at 3.56pm until a time and date to be determined.

**MINUTES OF MEETING NO 6**

TIME & DATE: 8.56AM, 3 DECEMBER 2024

LOCATION: SUNRISE ROOM, BOMADERRY BOWLING CLUB

**Members present**

Mr Greenwich (Chair), Mr Griffin, Ms Butler and Mr Bali.

**Apologies**

Mrs Quinnell.

**Officers present**

Leon Last, Ashley Kim, Naomi Parkinson and Elizabeth Hawken.

**AGENDA ITEM**

**1. Confirmation of minutes**

Resolved, on the motion of Mr Griffin: That the minutes of the meeting of 25 October 2024 be confirmed.

**2. Correspondence**

The Committee noted the following correspondence received:

- Email from the McKell Institute, dated 23 October 2024, declining the Committee's invitation to appear at a public hearing on 25 October 2024, but expressing an interest in appearing at a future date.
- Email from Sydney YIMBY, dated 7 November 2024, providing the Committee with additional documents following the public hearing on 25 October 2024.
- Email from Olivander Capital, dated 14 November 2024, declining the Committee's invitation to appear at a public hearing on 3 December 2024.
- Email from Southern Youth and Family Services, dated 14 November 2024, declining the Committee's invitation to appear at a public hearing on 3 December 2024.
- Email from Wingecarribee Shire Council, dated 18 November 2024, declining the Committee's invitation to appear at a public hearing on 3 December 2024.
- Email from Eurobodalla Shire Council, dated 18 November 2024, declining the Committee's invitation to appear at a public hearing on 3 December 2024.
- Email from Waminda, dated 20 November 2024, declining the Committee's invitation to appear at a public hearing on 3 December 2024.

### **3. Submissions received**

Resolved, on the motion of Ms Butler:

- That the Committee publish submissions numbered 107, 109-110 in full.
- That the submission number 108 remains confidential to the Committee and not be published.

### **4. Northern Beaches public hearing**

#### **4.1 Publication of answers to questions taken on notice and supplementary questions**

The Committee noted answers to questions taken on notice at the public hearing on 25 October 2024, and answers to supplementary questions.

##### **Answers to questions taken on notice**

- Transport Workers' Union, dated 30 October 2024
- Bridge Housing, dated 31 October 2024
- Northern Beaches Council, dated 1 November 2024
- Faith Housing Australia, dated 15 November 2024

##### **Answers to supplementary questions**

- Pacific Link Housing, dated 4 November 2024
- Northern Beaches Council, dated 8 November 2024
- Link Wentworth, dated 13 November 2024
- Bridge Housing, dated 15 November 2024
- Faith Housing Australia, dated 15 November 2024
- Mr Michael Regan, dated 15 November 2024
- HOPE Housing, dated 22 November 2024

Resolved, on the motion of Mr Bali: That the Committee accept the responses to questions taken on notice at the public hearing on 25 October 2024 and supplementary questions, as listed on the agenda, and publish them on its website with contact details redacted.

The Committee noted an email received from Daniel Peric, Research and Policy Official, Transport Workers' Union, dated 30 October 2024, requesting an extension to provide a response to supplementary questions.

Resolved, on the motion of Mr Griffin: That the Chair write back to Mr Peric agreeing to the Transport Workers' Union's request for an extension to provide a response to supplementary questions, until Friday 15 December 2024.

#### **4.2 Publication of correspondence from witness**

Resolved, on the motion of Mr Griffin:

- That the Committee authorise publication of correspondence from Ms Zali Stegall OAM, dated 31 October 2024, clarifying evidence given at the public hearing held on 25 October 2024.

- That the Committee provide a link to the published documents at the relevant section of the transcript.

## 5. South Coast public hearing

### Pre-hearing deliberative meeting

#### 5.1 Public hearing witnesses

Resolved, on the motion of Ms Butler: That the Committee invite the witnesses listed in the notice of the public hearing for 3 December 2024 to give evidence in relation to the inquiry into options for essential worker housing in New South Wales.

#### 5.2 Media orders for public hearing

Resolved, on the motion of Mr Bali: That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 3 December 2024, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

#### 5.3 Answers to questions on notice and supplementary questions

Resolved, on the motion of Mr Griffin:

- That the Committee adopt the following process in relation to supplementary questions:
  - Members to email any proposed supplementary questions for witnesses to Committee staff by 4pm, Thursday 5 December 2024;
  - Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to questions by 4pm, Friday 6 December 2024.
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions by 4pm, Monday 13 January 2025.

## 6. Public hearings in February 2025

The Committee considered potential witnesses to be invited to give evidence at public hearings in 2025.

Resolved, on the motion of Ms Butler:

- That the Committee hold public hearings on:
  - 6 February 2025, in Western Sydney, venue to be determined;
  - 7 and 10 February 2025, at Parliament House.
- That the Committee invite representatives from the following organisations to give evidence at the three scheduled public hearings:
  - Liverpool City Council
  - Campbelltown City Council
  - City of Parramatta
  - Blacktown City Council

- SGCH
- City West Housing
- Community Housing Industry Association NSW
- Catholic Schools Parramatta Diocese
- New South Wales Teachers Federation (NSWTF)
- Public Service Association of NSW (PSA)
- United Services Union
- Professor Scott Eacott (UNSW Sydney)
- Professor Nicky Morrison (Western Sydney University)
- The University of Sydney
- The Salvation Army
- Anglicare Sydney
- Uniting NSW.ACT
- Lighthouse Infrastructure
- Business Council of Co-operatives and Mutuals
- Aware Super
- Western Sydney Leadership Dialogue
- Hornsby Shire Council
- North Sydney Council
- Sutherland Shire Council
- Southern Sydney Regional Organisation of Councils
- Woollahra Municipal Council
- Randwick City Council
- City of Sydney Council
- Local Government NSW
- Police Association of NSW
- Health Services Union
- Unions NSW
- Australian Childcare Alliance (ACA) NSW
- Multicultural Disability Advocacy Association of NSW
- National Disability Services
- Domestic Violence NSW
- headspace National
- Shelter NSW
- Tenants' Union of NSW
- Housing Now! Alliance
- The McKell Institute
- The Committee for Sydney
- Urban Taskforce
- Third.i group
- Housing All Australians
- NSW Aboriginal Land Council
- NSW Government

- That any Member circulate to the Committee and the secretariat any proposed additional stakeholders by 4pm, Friday 13 December 2024.
- That the Committee authorise the Chair and secretariat to make arrangements for the offsite public hearing in Western Sydney.

The Chair adjourned the deliberative meeting at 9.06am.

#### **7. Public hearing - inquiry into options for essential worker housing in New South Wales**

The Chair opened the public hearing at 9.07am. Witnesses attended the public hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

Patricia White, Mayor, Shoalhaven City Council, appearing in person, was sworn and examined.

James Ruprai, Acting CEO, Shoalhaven City Council, appearing in person, was affirmed and examined.

Gordon Clark, Manager, Strategic Planning, Shoalhaven City Council, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Xaviera McGuffin, Member, New South Wales Nurses and Midwives' Association, appearing in person, was affirmed and examined.

Diane Lang, Member, New South Wales Nurses and Midwives' Association, appearing via videoconference, was affirmed and examined.

Aaron Jones, Political Coordinator, United Workers Union, appearing via videoconference, was affirmed and examined.

Dimi Perras, Member, Early Childhood Education and Care, United Workers Union, appearing via videoconference, was affirmed and examined.

Sandra Gray, Employment Facilitator, Illawarra South Coast Employment Facilitator, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Eric Coulter, Deputy CEO, Southern Cross Housing, appearing in person, was sworn and examined.

Amanda Winks, CEO, Housing Trust, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Michael Sabra, Director, Sabra Company Pty Ltd, appearing in person, was affirmed and examined.

Kim Jones, Principal Architect, JSA Studio Architects, appearing in person, was affirmed and examined.

John Wells, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Dr Ronald Silberberg, appearing in person, was sworn and examined.

Paula Martin, Interim Director, Business Illawarra, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witness was admitted:

Suzanne Harris, Executive Director, Infrastructure and Assets, Illawarra Shoalhaven Local Health District, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witness withdrew.

The following witness was admitted:

Nicky Sloan, CEO, Community Industry Group, appearing in person, was affirmed and examined.

Evidence concluded and the witness withdrew.

The public hearing concluded at 2.28pm.

#### **Post-hearing deliberative meeting**

The Chair resumed the deliberative meeting at 2.30pm.

#### **7.1 Publication orders**

Resolved, on the motion of Ms Butler: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

#### **8. Next Meeting**

The meeting adjourned at 2.31pm until a date and time to be determined.

#### **MINUTES OF MEETING NO 7**

TIME & DATE: 8.52AM, 6 FEBRUARY 2025

LOCATION: THE BALLROOM, BLACKTOWN WORKERS CLUB

#### **Members present**

Mr Greenwich (Chair), Mrs Quinnell (Deputy Chair), Mr Bali, Ms Butler and Mr Griffin.

#### **Officers present**

Leon Last, Ashley Kim, Naomi Parkinson, Elizabeth Hawken and Nicolle Gill.

#### **AGENDA ITEM**

##### **1. Confirmation of minutes**

Resolved, on the motion of Ms Butler: That the minutes of the meeting of 3 December 2024 be confirmed.

## **2. Correspondence**

The Committee noted the following correspondence received from:

- Woollahra Municipal Council, dated 16 December 2024, declining the Committee's invitation to appear at a public hearing on 7 February 2025.
- Liverpool City Council, dated 20 December 2024, declining the Committee's invitation to appear at a public hearing on 6 February 2025.
- The Lord Mayor of Sydney, dated 17 January 2025, attaching a Lord Mayoral Minute regarding the NSW Legislative Assembly Select Committee on Essential Worker Housing, passed at a City of Sydney Council meeting on 16 December 2024.
- Campbelltown City Council, dated 21 January 2025, declining the Committee's invitation to appear at a public hearing on 6 February 2025.
- Third.i Group, dated 23 January 2025, informing the Committee that Third.i are unable to attend the public hearing on 7 February 2025.
- United Services Union, dated 28 January 2025, declining the Committee's invitation to appear at a public hearing on 6 February 2025.
- National Disability Services, dated 28 January 2025, informing the Committee that NDS is unable to attend the public hearing on 7 February 2025.

## **3. Submission received**

The Committee considered the submission received from Dr Ronald Silberberg, dated 18 November 2024.

Resolved, on the motion of Mr Bali: That the Committee accept submission number 111, and publish it on its website with contact details and signature redacted.

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Resolved, on the motion of Mr Griffin: That the Committee accept Aware Super's revised submission and publish this as submission 65 on its website with contact details redacted.

## **4. Northern Beaches public hearing – Publication of the response to a supplementary question**

Resolved, on the motion of Ms Butler: That the Committee accept the response to a supplementary question from the public hearing on 25 October 2024, received from the Transport Workers' Union on 4 December 2024, and publish it on its website.

## **5. South Coast public hearing**

### **5.1 Publication of answers to questions taken on notice and supplementary questions**

The Committee considered the following answers to questions taken on notice at the public hearing on 3 December 2024, and answers to supplementary questions.

#### **Answers to questions taken on notice**

- Shoalhaven City Council, 11 December 2024.
- Southern Cross Housing, 13 December 2024.

- Community Industry Group, 20 January 2025.
- Illawarra Shoalhaven Local Health District, 21 January 2025.

#### **Answers to supplementary questions**

- Illawarra South Coast Employment Facilitator, 18 December 2024.
- United Workers Union, 20 December 2024.
- Southern Cross Housing, 15 January 2025.
- Housing Trust, 17 January 2025.
- Shoalhaven City Council, 17 January 2025.
- Illawarra Shoalhaven Local Health District, 21 January 2025.
- Sabra Company Pty Ltd, 30 January 2025.

Resolved, on the motion of Mr Griffin: That the Committee accept answers to questions taken on notice at the public hearing on 3 December 2024 and supplementary questions, as listed on the agenda, and publish them on its website with contact details redacted.

#### **6. General business**

The Committee discussed the workshop with local community stakeholders as part of the 6 February 2025 public hearing. Mr Bali thanked Committee staff, particularly the Engagement team, for their help in organising the event.

#### **7. Western Sydney Public Hearing**

##### **Pre-hearing deliberative meeting**

##### **7.1 Public hearing witnesses**

Resolved, on the motion of Mr Bali: That the Committee invite the witnesses listed in the notice of the public hearing for 6 February 2025 to give evidence in relation to the inquiry into options for essential worker housing in New South Wales.

##### **7.2 Media orders for public hearing**

Resolved, on the motion of Ms Butler: That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 6 February 2025, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

##### **7.3 Answers to questions on notice and supplementary questions**

Resolved, on the motion of Mr Griffin:

- That the Committee adopt the following process in relation to supplementary questions:
  - Members to email any proposed supplementary questions for witnesses to Committee staff by 4pm, Monday 17 February 2025;

- Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to questions by 4pm, Wednesday 19 February 2025.
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions within 14 days of receiving those questions.

The Chair adjourned the pre-hearing deliberative meeting at 9.01am.

#### **7.4 Public hearing - inquiry into options for essential worker housing in New South Wales**

The Chair opened the public hearing at 9.05am. Witnesses attended the public hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

Robert Cologna, Group Manager City Strategic Planning, City of Parramatta, appearing in person, was affirmed and examined.

Mark Egan, City Strategy Manager, City of Parramatta, appearing in person, was sworn and examined.

Jaime Hogan, Manager Strategic Planning and Economic Development, Blacktown City Council, appearing in person, was affirmed and examined.

Peter Conroy, Director City Planning and Development, Blacktown City Council, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Jack de Groot, Chief Executive Officer, Catholic Schools Parramatta Diocese, appearing in person, was affirmed and examined.

Jake Campbell, teacher at Catherine McAuley Westmead, Catholic Schools Parramatta Diocese, appearing in person, was affirmed and examined.

Angelika Zubrecky, teacher at Mother Teresa Primary Westmead, Catholic Schools Parramatta Diocese, appearing in person, was affirmed and examined.

Natasha Watt, Senior Vice President, New South Wales Teachers Federation, appearing in person, was affirmed and examined.

Greg Butler, Industrial and Research Officer, New South Wales Teachers Federation, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The Committee adjourned at 10.37am and resumed at 10.54am.

The following witness was admitted:

Dr Andy Asquith, Research Officer, Public Service Association of NSW, appearing in person, was affirmed and examined.

Evidence concluded and the witness withdrew.

The Committee adjourned at 11.20am and resumed at 11.29am.

The following witnesses were admitted:

Michael Carnuccio, Manager – Policy, Community Housing Industry Association NSW, appearing in person, was affirmed and examined.

Robin Fletcher, Head of Service Outcomes and Improvement, SGCH, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Professor Scott Eacott, Housing Affordability and the Teacher Shortage program, UNSW Sydney, appearing in person, was affirmed and examined.

Professor Nicky Morrison, Urban Transformations Research Centre at Western Sydney University, appearing in person, was affirmed and examined.

Dr Catherine Gilbert, University of Sydney, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The Committee adjourned at 1.08pm and resumed at 1.49pm.

The following witnesses were admitted:

Simon Miller, Chief Executive Officer, Anglicare Sydney, appearing in person, was sworn and examined.

Leonie King, Chief Executive Officer, City West Housing, appearing in person, was affirmed and examined.

Emma Maiden, Director Advocacy and External Relations, Uniting NSW.ACT, appearing in person, was affirmed and examined.

Cheri Erai-Collins, Salvos Housing State Manager (NSW, QLD, ACT), the Salvation Army, appearing in person, was affirmed and examined.

Jeffrey Milne, Senior Policy and Advocacy Advisor, the Salvation Army, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Thomas Morrison, Senior Manager – Investment Enablement, Aware Super, appearing in person, was affirmed and examined.

Alek Misev, Head of Property, Aware Super, appearing in person, was affirmed and examined.

Melina Morrison, Chief Executive Officer, Business Council of Co-operatives and Mutuals, appearing in person, was affirmed and examined.

Peter Johnston, Managing Director, Lighthouse Infrastructure, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The Committee adjourned at 3.23pm and resumed at 3.39pm.

The following witness was admitted:

Adam Leto, Chief Executive Officer, Western Sydney Leadership Dialogue, appearing in person, was sworn and examined.

Evidence concluded and the witness withdrew.

The public hearing concluded at 4.01pm.

#### **Post-hearing deliberative meeting**

The Chair resumed the deliberative meeting at 4.02pm.

#### **7.5 Publication orders**

Resolved, on the motion of Mrs Quinnell: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

#### **7.6 Acceptance and publication of tendered documents**

Resolved, on the motion of Mrs Quinnell: That the Committee accept and publish the opening remarks provided by Simon Miller, CEO, Anglicare Sydney.

#### **8. Next meeting**

The meeting adjourned at 4.04pm until 8.25am on 7 February 2025.

#### **MINUTES OF MEETING NO 8**

TIME & DATE: 8.31AM, 7 FEBRUARY 2025

LOCATION: MACQUARIE ROOM, PARLIAMENT HOUSE

#### **Members present**

Mr Greenwich (Chair), Mrs Quinnell (Deputy Chair), Ms Butler, Mr Bali and Mr Griffin.

#### **Officers present**

Leon Last, Ashley Kim, Naomi Parkinson, Elizabeth Hawken, Nicolle Gill and Tayla Green-Aldridge.

#### **AGENDA ITEM**

#### **1. Public Hearing**

##### **Pre-hearing deliberative meeting**

##### **1.1 Public hearing witnesses**

Resolved, on the motion of Mrs Quinnell: That the Committee invite the witnesses listed in the notice of the public hearing for 7 February 2025 to give evidence in relation to the inquiry into options for essential worker housing in New South Wales.

## **1.2 Media orders for public hearing**

Resolved, on the motion of Ms Butler: That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 7 February 2025, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

## **1.3 Answers to questions on notice and supplementary questions**

Resolved, on the motion of Mrs Quinnell:

- That the Committee adopt the following process in relation to supplementary questions:
  - Members to email any proposed supplementary questions for witnesses to Committee staff by 4pm, Monday 17 February 2025;
  - Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to questions by 4pm, Wednesday 19 February 2025.
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions within 14 days of receiving those questions.

The Chair adjourned the deliberative meeting at 8.35am.

## **1.4 Public hearing - inquiry into options for essential worker housing in New South Wales**

The Chair opened the public hearing at 8.36am. Witnesses attended the public hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

James Farrington, Director, Planning and Compliance, Hornsby Shire Council, appearing in person, was affirmed and examined.

Katherine Vickery, Manager, Strategic Landuse Planning, Hornsby Shire Council, appearing in person, was affirmed and examined.

Cr Zoë Baker, Mayor, North Sydney Council, appearing in person, was affirmed and examined.

Marcelo Occhiuzzi, Director Planning & Environment, North Sydney Council, appearing in person, was affirmed and examined.

Beth Morris, Acting Manager Strategic Planning, Sutherland Shire Council, appearing in person, was affirmed and examined.

Holly Mayo, Strategic Planner, Sutherland Shire Council, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Cr Dylan Parker, Mayor, Randwick City Council, appearing in person, was affirmed and examined.

Meryl Bishop, Director, City Planning, Randwick City Council, appearing in person, was affirmed and examined.

Stella Agagiotis, Manager, Strategic Planning, Randwick City Council, appearing in person, was affirmed and examined.

Benjamin Pechey, Executive Manager, Strategic Planning and Urban Design, City of Sydney Council, appearing in person, was affirmed and examined.

Mark Nutting, Strategic Planning Manager, Southern Sydney Regional Organisation of Councils, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The Committee adjourned at 10.08am and resumed at 10.22am.

The following witnesses were admitted:

Cr Phyllis Miller OAM, President, Local Government NSW, appearing via videoconference, was sworn and examined.

David Reynolds, Chief Executive, Local Government NSW, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Pat Gooley, Secretary, Police Association of NSW, appearing in person, was sworn and examined.

Dr Kate Linklater, Manager of Research, Police Association of NSW, appearing in person, was affirmed and examined.

Lyn Connolly, President, Australian Childcare Alliance NSW, appearing in person, was sworn and examined.

Chiang Lim, Chief Executive Officer, Australian Childcare Alliance NSW, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Mark Morey, Secretary, Unions NSW, appearing in person, was affirmed and examined.

Tom Edwards, Research and Policy Officer, Unions NSW, appearing in person, was affirmed and examined.

Dr Dustin Halse, Divisional Secretary – Research, Strategy and Projects, Health Services Union, appearing in person, was sworn and examined.

Danielle Hooper, Care Service Employee, Port Macquarie, appearing in person, was affirmed and examined.

Glenda Walker, Psychologist, Long Jetty, Health Services Union, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

John Engeler, Chief Executive Officer, Shelter NSW, appearing in person, was sworn and examined.

Leo Patterson Ross, Chief Executive Officer, Tenants' Union of NSW, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The Committee adjourned at 1.06pm and resumed at 1.40pm.

The following witnesses were admitted:

Alicia Rodriguez, NDIS Appeals Advocate / Systemic Advocate and Policy Officer, Multicultural Disability Advocacy Association of NSW, appearing in person, was affirmed and examined.

Delia Donovan, Chief Executive Officer, Domestic Violence NSW, appearing via videoconference, was affirmed and examined.

Livia Stanton, Senior Advocacy and Policy Officer, Domestic Violence NSW, appearing via videoconference, was affirmed and examined.

Simon Dodd, Head of Workforce Planning and Development and National Clinical Advisor, headspace National, appearing via videoconference, was affirmed and examined.

Shane Thomas, Manager, headspace Wagga Wagga, headspace National, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Max Douglass, Policy Analyst, the McKell Institute, appearing in person, was affirmed and examined.

David Harding, Executive Director, Business NSW, Housing Now! Alliance, appearing in person, was sworn and examined.

Jeremy Gill, Head of Policy, the Committee for Sydney, appearing in person, was affirmed and examined.

Estelle Grech, Policy Manager Planning and Housing, the Committee for Sydney, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

Tom Forrest, Chief Executive Officer, Urban Taskforce, appearing in person, was affirmed and examined.

Robert Pradolin, Executive Director, Housing All Australians, appearing in person, was affirmed and examined.

Adrian Harrington, Chair of NSW Management Committee, Housing All Australians, appearing in person, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 4.03pm.

#### **Post-hearing deliberative meeting**

The Chair resumed the deliberative meeting at 4.06pm.

#### **1.5 Publication orders**

Resolved, on the motion of Mrs Quinnell: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

#### **1.6 Acceptance and publication of tendered documents**

Resolved, on the motion of Mr Griffin: That the Committee accept and publish the following documents tendered by witnesses:

- Opening remarks provided by Cr Zoe Baker, Mayor, North Sydney Council.
- Opening remarks provided by James Farrington, Director, Planning and Compliance, Hornsby Shire Council.
- Opening remarks provided by Beth Morris, Acting Manager Strategic Planning, Sutherland Shire Council.

## **2. General business**

Resolved, on the motion of Mr Bali: That the Chair write to HOPE Housing to request a copy of HOPE Housing's 2025-26 Pre-Budget Submission on a confidential basis.

## **3. Next meeting**

The meeting adjourned at 4.08pm until 8.55am on 10 February 2025.

### **MINUTES OF MEETING NO 9**

**TIME & DATE: 9.00AM, 10 FEBRUARY 2025**

**LOCATION: JUBILEE ROOM, PARLIAMENT HOUSE**

#### **Members present**

Mr Greenwich (Chair), Mrs Quinnell (Deputy Chair), Mr Griffin, Mr Bali and Ms Butler.

#### **Officers present**

Leon Last, Ashley Kim, Naomi Parkinson, Elizabeth Hawken, Nicolle Gill and Tayla Green-Aldridge.

### **AGENDA ITEM**

#### **1. Public Hearing**

##### **Pre-hearing deliberative meeting**

##### **1.1 Public hearing witnesses**

Resolved, on the motion of Mrs Quinnell: That the Committee invite the witnesses listed in the notice of the public hearing for 10 February 2025 to give evidence in relation to the inquiry into options for essential worker housing in New South Wales.

Mr Griffin informed the Committee that he has a personal relationship with Tom Loomes, who is appearing as a witness at the hearing.

##### **1.2 Media orders for public hearing**

Resolved, on the motion of Mr Griffin: That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 10 February 2025, in accordance with the Legislative Assembly's resolution of 9 May 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

##### **1.3 Answers to questions on notice and supplementary questions**

Resolved, on the motion of Mr Bali:

- That the Committee adopt the following process in relation to supplementary questions:
  - Members to email any proposed supplementary questions for witnesses to Committee staff by 4pm, Monday 17 February 2025;

- Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to questions by 4pm, Wednesday 19 February 2025.
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions within 14 days of receiving those questions.

The Chair adjourned the deliberative meeting at 9.03am.

#### **1.4 Public hearing - inquiry into options for essential worker housing in New South Wales**

The Chair opened the public hearing at 9.06am. Witnesses attended the public hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

Luke Sloane, Deputy Secretary Rural and Regional Health, NSW Health, appearing in person, was affirmed and examined.

Mark Spittal, Chief Executive, Western NSW Local Health District, NSW Health, appearing via videoconference, was affirmed and examined.

Tom Loomes, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, appearing in person, was affirmed and examined.

Dan Cutler, Director, Housing Policy and Codes, Department of Planning, Housing and Infrastructure, appearing in person, was affirmed and examined.

Craig Torrance, A/Director, Teacher and Police Housing, Homes NSW, appearing in person, was affirmed and examined.

Graham Batten, Deputy Director, Key Worker Housing, Homes NSW, appearing in person, was affirmed and examined.

Emma Nicholson, Executive Director, Strategy, Policy and Regulation, Homes NSW, appearing in person, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 10.34am.

#### **Post-hearing deliberative meeting**

The Chair resumed the deliberative meeting at 10.40am.

#### **1.5 Publication orders**

Resolved, on the motion of Ms Butler: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

**2. General business**

Resolved, on the motion of Ms Butler: That the Chair write to the Treasurer to request a private briefing on shared equity home ownership schemes.

**3. Progress of the inquiry**

The Committee discussed evidence received as part of the inquiry.

**4. Next Meeting**

The meeting adjourned at 11.29am until a date and time to be determined.

**MINUTES OF MEETING NO 10**

TIME & DATE: 2.32PM, 25 FEBRUARY 2025

LOCATION: MEETING ROOM 1136 AND VIDEOCONFERENCE

**Members present**

In person: Mr Greenwich (Chair)

By videoconference: Mrs Quinnell (Deputy Chair), Mr Bali, Ms Butler and Mr Griffin

**Officers present**

Leon Last, Ashley Kim, Naomi Parkinson and Elizabeth Hawken.

**AGENDA ITEM**

**1. Confirmation of minutes**

Resolved, on the motion of Mr Griffin: That the minutes of the meetings of 6 February 2025, 7 February 2025 and 10 February 2025 be confirmed.

**2. Correspondence**

**2.1 Sent**

The Committee noted the following correspondence sent to:

- HOPE Housing, dated 10 February 2025, requesting a copy of HOPE Housing's 2025-26 Pre-Budget Submission.
- The Hon. Daniel Mookhey MLC, the Treasurer, dated 11 February 2025, requesting a private briefing with the Committee.

**2.2 Received**

The Committee noted the following correspondence received from:

- Housing All Australians, dated 6 February 2025, attaching letters of support (previously circulated).
- HOPE Housing, dated 10 February 2025, providing a copy of the HOPE Housing's 2025-26 Pre-Budget Submission requested by the Committee.
- Ministry of Health, dated 13 February 2025, informing the Committee that Homes NSW will respond to the Committee's supplementary questions.
- Pat Gooley, dated 20 February 2025, informing of a potential conflict of interest in relation to his appearance at the public hearing on 7 February 2025.

Discussion ensued.

The Committee considered correspondence received from Southern Sydney Regional Organisation of Councils, dated 7 February 2025, attaching their opening remarks.

Resolved, on the motion of Mrs Quinnell: That the Committee accept and publish the opening remarks provided by the Southern Sydney Regional Organisation of Councils, from the public hearing of 7 February 2025, on its website.

The Committee considered an email from CradleDesign, dated 10 February 2025, offering assistance with the inquiry.

The Committee agreed that the secretariat should acknowledge receipt of CradleDesign's email.

The Committee considered correspondence received from Adrian Harrington, dated 18 February 2025, requesting a change be made to his evidence in the transcript of 7 February 2025.

Resolved, on the motion of Ms Butler: That the Committee authorise the correction requested by Adrian Harrington to the public hearing transcript of 7 February 2025.

### **3. Report workshop**

The Committee noted the briefing note on the definitions of essential workers, drawn from stakeholder evidence, prepared by the secretariat following a request from the Committee.

The Committee discussed evidence received as part of the inquiry, and considered possible findings and recommendations for the report.

### **4. Next Meeting**

The meeting adjourned at 3.32pm until a time and date to be determined.

## **MINUTES OF MEETING NO 11**

TIME & DATE: 9.34 AM, 2 APRIL 2025

LOCATION: MEETING ROOM 1254 AND VIDEOCONFERENCE

### **Members present**

In person: Mr Greenwich (Chair), Mr Bali, Mr Griffin

By videoconference: Mrs Quinnell (Deputy Chair) and Liza Butler

### **Officers present**

Leon Last, Ashley Kim, Naomi Parkinson, Elizabeth Hawken and Nicolle Gill.

## **AGENDA ITEM**

### **1. Confirmation of minutes**

Resolved, on the motion of Mr Bali: That the minutes of the meeting of 25 February 2025 be confirmed.

## 2. Correspondence

The committee considered the following correspondence received:

- Housing All Australians, dated 4 March 2025, providing further information following their appearance at the Committee's public hearing on 7 February 2025.
- Urban Taskforce, dated 5 March 2025, informing the Committee of Urban Taskforce's position on a National Register for affordable housing.
- Jacqui Scruby MP, Member for Pittwater, dated 2 March 2025, forwarding an email from a constituent, \*\*\*, for the Committee's information, and a further email from \*\*\*, dated 11 March 2025, providing additional information for Committee members.
- Louise Crabtree-Hayes, Chair of the Australian Community Land Trust Network (ACLTN) dated 21 March 2025, providing a late submission to the inquiry.

Resolved, on the motion of Mr Griffin: That the Committee accept the late submission from Australian Community Land Trust Network as submission number 112, and publish it on its website with contact details redacted.

## 3. Public hearings – Publication of answers to questions taken on notice and supplementary questions

### 3.1 South Coast public hearing – 3 December 2024

Resolved, on the motion of Mr Bali: That the Committee accept NSW Nurses and Midwives' Association's answers to supplementary questions from the public hearing on 3 December 2024, and publish them on its website.

### 3.2 Public hearings – 6, 7 and 10 February 2025

The Committee considered the following answers to questions taken on notice and supplementary questions taken at the public hearings on 6, 7 and 10 of February 2025.

#### Questions on notice:

- Business Council of Cooperatives and Mutuals, 24 February 2025
- Public Service Association, 26 February 2025
- City of Parramatta, 28 February 2025
- North Sydney Council, 28 February 2025
- Community Housing Industry Association, 3 March 2025
- Domestic Violence NSW, 3 March 2025
- Professor Nicky Morrison, 4 March 2025
- Anglicare Sydney, 4 March 2025
- NSW Health, 10 March 2025
- Department of Planning, Housing and Infrastructure, 10 March 2025
- Uniting NSW.ACT, 19 March 2025
- Tenants' Union of NSW, 21 March 2025
- Blacktown City Council, 21 March 2025
- Homes NSW, 31 March 2025

**Supplementary questions:**

- Urban Taskforce, 25 February 2025
- NSW Government, 25 February 2025
- North Sydney Council, 5 March 2025
- Aware Super, 7 March 2025
- Lighthouse Infrastructure, 7 March 2025
- Southern Sydney Regional Organisation of Councils, 7 March 2025
- The McKell Institute, 7 March 2025
- Community Housing Industry Association, 10 March 2025
- Professor Scott Eacott, 10 March 2025
- Randwick City Council, 10 March 2025
- Local Government NSW, 10 March 2025
- Sutherland Shire Council, 11 March 2025
- The Committee for Sydney, 11 March 2025
- City of Parramatta, 14 March 2025
- City West Housing, 14 March 2025
- NSW Government, 14 March 2025
- Professor Nicky Morrison, 17 March 2025
- Anglicare Sydney, 17 March 2025
- City of Sydney Council, 17 March 2025
- Catholic Schools Parramatta Diocese, 18 March 2025
- SGCH (St George Community Housing), 18 March 2025
- Hornsby Shire Council, 21 March 2025
- Blacktown City Council, 21 March 2025

Resolved, on the motion of Mrs Quinnell: That the Committee accept answers to questions taken on notice at the public hearings on 6, 7 and 10 February 2025 and supplementary questions and publish them on its website with contact details (and signatures) redacted.

The Committee also considered:

- Shelter NSW's email dated 28 February 2025, in response to a question taken on notice, informing that there are no further comments.
- headspace National's email dated 12 March 2025, in response to a question taken on notice, informing that they do not have the data to provide the Committee with additional information.
- SGCH's email, dated 19 March 2025, advising the Committee that they have no additional information to add to the question taken on notice, as they provided this information at the hearing.
- Unions NSW's email, dated 21 March 2025, advising the Committee that they are not aware of instances where the NSW Government have used AirBnB to house essential workers.

- Hornsby Shire Council's email, dated 24 March 2025, informing the Committee that their response to a supplementary question covered their answer to the question taken on notice.

#### **4. Private briefing with the Treasurer**

Resolved, on the motion of Ms Butler: That the Committee admit the Hon Daniel Mookhey MLC and representatives from the Treasurer's office and NSW Treasury to brief the Committee.

The committee adjourned at 9.47am and resumed at 10.03am.

The Treasurer, the Hon Daniel Mookhey MLC, \*\*\*, and \*\*\* from the Treasurer's office, and Liz Livingstone from NSW Treasury were admitted to the meeting at 10.03am.

The Treasurer and other representatives provided a briefing to the Committee.

The Treasurer and representatives from the Treasurer's office and NSW Treasury left the meeting at 11.11am.

#### **5. Report workshop**

The Committee discussed evidence received as part of the inquiry, and considered possible findings and recommendations for the report.

#### **6. General business**

The Committee noted a briefing paper on the legislative history of the Teacher Housing Authority.

#### **7. Next meeting**

The meeting adjourned at 11.53am until a time and date to be determined.

### **MINUTES OF MEETING NO 12**

TIME & DATE: 1.31PM, 5 JUNE 2025

LOCATION: MEETING ROOM 1254 AND VIDEOCONFERENCE

#### **Members present**

In person: Mr Greenwich (Chair), Mrs Quinnell (Deputy Chair), Mr Bali and Mr Griffin

By videoconference: Ms Butler

#### **Officers present**

Leon Last, Ashley Kim, Naomi Parkinson, Charis Fisher, Elizabeth Hawken and Nicolle Gill

### **AGENDA ITEM**

#### **1. Confirmation of minutes**

Resolved, on the motion of Mrs Quinnell: That the minutes of the meeting of 2 April 2025 be confirmed.

#### **2. Correspondence**

The Committee considered the following correspondence received from:

- Rob Pradolin, dated 23 May 2025, providing additional information about Housing All Australians' affordable housing register discussed at the public hearing of 7 February 2025, and providing a copy of the State of the Housing System 2025 report.
- Faith Housing Australia, dated 3 April 2025, providing a late submission to the inquiry.

Resolved, on the motion of Mr Griffin: That the Committee accept a late submission from Faith Housing Australia as submission number 113, and publish it on its website with contact details redacted.

### **3. Report – Options for essential worker housing in NSW**

#### **4.1 3.1 Consideration of the Chair's draft report**

The Committee noted that the Chair's draft report had been circulated prior to the meeting and agreed to consider any proposed amendments to the report in globo.

Resolved, on the motion of Mr Greenwich: That in Recommendation 5, replace the words 'legislation and key planning instruments to explicitly include essential worker housing within the definition of affordable housing' with the words 'the NSW Affordable Housing Ministerial Guidelines and related documentation to explicitly include essential worker housing within the definition of affordable housing, and consider other parts of the planning system where this could be done'.

Resolved, on the motion of Mr Greenwich: That in Recommendation 13, after the words 'permitted uses on', insert the words 'appropriate and well located'.

Resolved, on the motion of Mrs Quinnell: That a new paragraph be inserted after 3.25 that reads:

We note that the NSW Government, through its Transport Oriented Development (TOD) program, have created an inclusionary zoning system for the first time in NSW history which is implemented through a state planning instrument. The inclusion of provisions for affordable housing in the state-led rezonings for the TOD program, have been the first time that the NSW Government has utilised inclusionary zoning for affordable housing and have provided an example for local government on how inclusionary zoning can be incorporated into future rezonings that councils undertake. [Footnote: Tom Loomes, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, Transcript of evidence, 10 February 2025, pp 5-6, 13.]

Resolved, on the motion of Mrs Quinnell: That a new paragraph be inserted after 3.48 that reads:

We also note that the TOD program is designed to deliver housing over a 15 year period to deliver affordable housing as part of the developments rather than an in-kind contribution, to be maintained in perpetuity and managed by a registered CHP. In the TOD Tier 2 areas, the NSW Government has committed to increasing the affordable housing rate over time to a published schedule. In

the TOD Tier 1 areas, the NSW Government finalised rezonings which include a minimum 3% base rate for affordable housing but which also include higher affordable housing rates to be required on key sites, of up to 18%. [Footnote: Tom Loomes, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, Transcript of evidence, 10 February 2025, p 13.]

Resolved, on the motion of Mrs Quinnell: That in paragraph 4.40, the words 'where this may be appropriate considering the surrounding urban context [Footnote: Tom Loomes, Executive Director, Strategic Planning and Policy, Department of Planning, Housing and Infrastructure, Transcript of evidence, 10 February 2025, p 15.]' be inserted after words 'permitting housing on SP2-zoned land'.

Resolved, on the motion of Mrs Quinnell: That two new sentences be inserted at the end of paragraph 4.64 after the words 'streamline State Significant Developments' that read:

The Committee notes that the expression of interest criteria for the Housing Delivery Authority specifically requires that a project includes a portion of affordable housing. The Committee notes the importance of delivering essential worker housing as part of these requirements for affordable housing. [Footnote: Minister for Planning and Public Spaces, The Housing Delivery Authority has been launched, media release, 8 January 2025, viewed 5 June 2025.]

The Committee agreed to consider the amended report in globo.

Resolved, on the motion of Mrs Quinnell:

2. That the draft report, as amended, be the report of the Committee and that it be signed by the Chair and presented to the House.
3. That the Chair and committee staff be permitted to correct stylistic, typographical and grammatical errors, and add appropriate references.
4. That, once tabled, the report be posted on the Committee's webpage.

### **3.3 Report cover**

Resolved, on the motion of Mr Bali: That the attached proposed cover be the cover of the Committee's report.

## **4. General business**

The Committee noted the benefits of the collaborative way they operated and thanked committee staff for their work during the inquiry. Mr Bali reiterated the positive impact of the engagement session held alongside the Committee's public hearing in Blacktown.

\*\*\*

The meeting adjourned at 2.08pm.

## Appendix Six – Glossary

AHCS	Affordable Housing Contribution Scheme
CEO	Chief Executive Officer
CHP	Community Housing Provider
DCJ	Department of Communities and Justice
DPHI	Department of Planning, Housing and Infrastructure
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
FSR	Floor Space Ratio
HSU	Health Services Union
LGA	Local Government Area
LGNSW	Local Government NSW
LHS	Local Housing Strategy
LMH	Low- and Mid-Rise Housing
REZ	Renewable Energy Zone
SEPP	State Environmental Planning Policy
SIA	Social Impact Assessment
SP2	Special Purpose 2 (Zoning)
SSD	State Significant Development
SSI	State Significant Infrastructure
SSROC	Southern Sydney Regional Organisation of Councils
STRA	Short-term rental accommodation
THA	Teacher Housing Authority
TOD	Transport Oriented Development