

Select Committee on Essential Worker Housing
Parliament of NSW
Via email: EssentialWorkerHousing@parliament.nsw.gov.au

Supplementary Question: *Do you have any recommendations for how the NSW Affordable Housing Ministerial Guidelines could be amended to help increase the availability of affordable housing for essential workers?* (Transcript, p 22)

CHIA NSW response:

The NSW Affordable Housing Ministerial Guidelines (the Guidelines) sets out the NSW Government's operational policy framework for the delivery of affordable housing by registered community housing providers (CHPs). The Guidelines aim to ensure that affordable housing is delivered to a range of income groups and in a manner that supports operational feasibility.

The Guidelines apply to a subset of the affordable housing delivered in NSW. This includes:

- Affordable housing delivered through a NSW Government funding program; and/or
- Affordable housing delivered under the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP).

The Guidelines provide flexibility to CHPs to target specific population groups, such as essential workers, in response to program priorities or locational needs. While the Guidelines could be amended to more strongly prioritise allocations to essential workers, this is not recommended for the following reasons:

- The Guidelines have limited application to affordable housing delivered in NSW. For example, they do not apply to Australian Government programs such as the Housing Australia Future Fund, local council affordable housing programs, or to investor led programs, where the NSW Government has no policy or contract jurisdiction.
- Likewise, where a NSW Government contract stipulates a specific requirement, regardless of whether it is more or less stringent than the Guidelines, the contractual requirement prevails.
- Essential workers comprise only a fraction of the households impacted by the housing affordability crisis. Without significantly increasing supply, a narrow focus on essential workers will mean other lower income households in need will miss out on affordable housing. This includes people escaping family and domestic violence, young people, and low waged workers who do not meet a given definition of essential worker.
- Avoiding a narrow focus on occupations will also assist with the efficient management and allocation of affordable housing, enabling lower income households whose employment circumstances change to remain in secure accommodation.
- Not all essential workers in housing stress meet the income thresholds set for affordable housing. The inclusion of higher-income workers as eligible for affordable housing would require amendments to planning legislation (including the Housing SEPP).

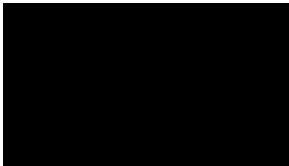
CHIA NSW maintains that the most effective way to increase housing options for essential workers is by increasing government funding and planning requirements for affordable housing. Where targeting of essential workers is appropriate, this should be secured through program design and contract arrangements, rather than through the Guidelines. This will enable programs to be targeted according to locational needs and the extent of government subsidy available.

As outlined in CHIA NSW's submission, it is critical that consideration of the needs of essential workers occurs as part of a broader housing strategy to ensure the housing needs of all lower income individuals and families are addressed. This should include the development of a Housing Products Strategy that provides clarity on the strategic policy intent of different affordable housing products and other related housing product types. The aim of the strategy would be to clearly define the purpose of each product and the NSW Government priorities and plans for investment.

Notwithstanding the above, it is noted that the Guidelines require applicants to have permanent residency in Australia. CHPs have identified this as a barrier to housing essential workers on temporary skilled migrant visas (e.g. nurses), who are required to fill local skills shortages. Access to affordable housing could therefore be facilitated by amending the Guidelines to allow essential workers on skilled migrant visas to be housed.

CHIA NSW appreciates the opportunity to participate in the Inquiry. Please don't hesitate to get in touch with myself on [REDACTED] or at [REDACTED] if you require any further information or clarifications.

Kind regards,



Michael Carnuccio
Manager - Policy