

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Faith Housing Australia

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**FAITH
HOUSING
AUSTRALIA**

Submission to the Select Committee on Essential Worker Housing
April 2025



Introduction: Faith Housing Australia – Advocating for Housing Justice

Faith Housing Australia (FHA) is the peak body representing faith-based organisations, including Community Housing Providers (CHPs), Specialist Homelessness Services (SHS), faith leaders across diverse religions, and values-aligned professional organisations committed to housing justice. We work across Australia, advocating at the federal, state, and local levels for a more equitable and just housing system, supporting our diverse membership who operate nationally and across state jurisdictions. Our membership comprises 72 organisations and individuals, including 25 Community Housing Providers, collectively managing over 50,000 dwellings supported by 57,000 community services staff and 40,000 volunteers.

At the heart of our mission is the fundamental principle that **safe and secure housing is the foundation for individual dignity and community thriving**, a belief shared by all our members. Building upon this foundation, our members also deliver a wide range of crucial support services, including, but not limited to, emergency relief, financial counselling, mental health support, and employment assistance, alongside specialist support for vulnerable individuals such as people with disabilities, victim-survivors of domestic violence, young people in out-of-home care, and those experiencing gambling harm.

This inquiry into essential worker housing is of paramount importance to our members for the following key reasons:

- **As providers of affordable housing**
Our members are significant contributors to housing supply in NSW, offering a spectrum of housing options including social and affordable rental housing, transitional, emergency, and crisis accommodation.
- **As employers of essential workers**
Our diverse membership includes community service providers and educational institutions that collectively employ over 57,000 staff, many of whom are essential workers across sectors such as healthcare, aged care, home care, childcare, and schooling.
- **As long-standing charitable and faith institutions**
Our faith-based members have a long history of providing essential care and education services, often deeply embedded within their local communities.
- **As champions for communities across NSW**
Our members are on the frontlines, witnessing firsthand the impacts of the housing crisis on the most vulnerable individuals and the broader community.

Following the private briefing given to the Select Committee, this submission outlines the challenges faced by essential workers, highlights the capacity of Faith Housing Australia's members to contribute to solutions, and presents key recommendations for the Select Committee's consideration.

The Challenges Facing Essential Workers

Our members highlighted a range of significant challenges that essential workers currently face in accessing suitable and affordable housing which impact not only the individual workers and their well-being but also the effective functioning of critical public and community services.

A key issue is that many essential workers may earn moderate incomes, often rendering them ineligible for affordable housing programs. Despite this, their incomes are frequently insufficient to afford market-rate housing, particularly in proximity to their workplaces. This affordability gap forces many essential workers to live in more affordable areas, often resulting in long commutes. This can lead to increased stress, reduced work-life balance, and ultimately impacts the functioning of critical public services, especially given essential jobs are often concentrated within inner-city areas.

The necessity for many essential roles to be performed in person, requiring workers to be 'on call' and cover shifts at short notice, further exacerbates housing challenges. Relocating away from their work can make fulfilling these requirements difficult and unsustainable.

Our members have observed that essential workers, while often community-minded and considered desirable tenants and neighbours, frequently do not meet the strict income eligibility requirements for current affordable housing schemes, or may only do so in the early stages of their careers before exceeding the income thresholds. For example, the NSW Nurses and Midwives Association has reported a declining access to housing among their members, with only early-career nurses, enrolled nurses, or assistants in nursing typically meeting the current income limits for affordable housing. Furthermore, Community Housing Providers report that while essential workers may initially be eligible, they often "exit" affordable housing as their careers progress and incomes increase. Thus, it weakens and disrupts the workforce as more expert workers have to relocate.

The impact of inadequate essential worker housing is evident in staffing shortages within critical sectors. One of our members was forced to close an aged care facility due to staffing shortages, with potential staff unwilling to undertake lengthy commutes from more affordable outer areas. Anglicare Sydney has also identified "thin markets in terms of workforce supply" in more expensive areas due to staff affordability challenges. Some of our members are resorting to providing very limited housing for essential nursing and care staff to ensure core team members are available for shifts.

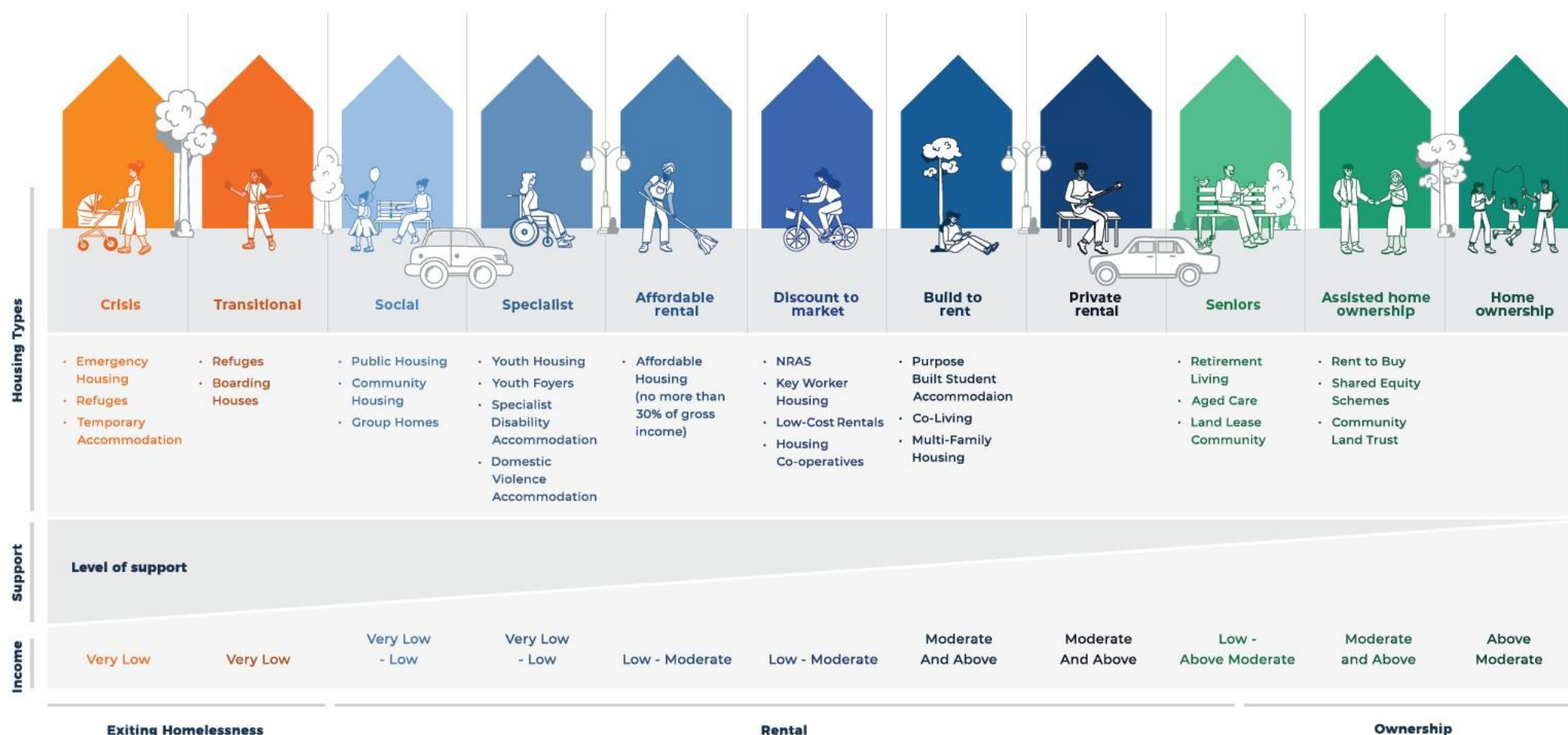


Diagram: FHA Housing Continuum – members provide housing across the continuum in response to need.

Faith Housing Australia's Role and Capacity to Contribute

Faith Housing Australia's members are already significant contributors to housing across the continuum, with a primary focus on social and affordable rental housing for vulnerable people. Our members provide housing across the spectrum, including crisis, transitional, social, specialist, and affordable rental options, as well as discount-to-market, build-to-rent, private rental, seniors' living, assisted home ownership, and home ownership pathways.

Refer to FHA Housing Continuum diagram on the previous page.

While our primary focus remains on vulnerable populations, we recognise the critical need to address the housing challenges faced by essential workers within the broader context of meeting community needs. Our members have expressed a strong interest in playing a greater role in providing housing solutions for essential workers.

Our Community Housing Provider members consider essential workers to be a desirable cohort within their tenant mix, recognising their community-mindedness and the potential to foster positive community cohesion. Essential workers are also generally seen as favourable neighbours, which can help alleviate local opposition to new housing developments.

Faith-based organisations within our membership hold significant land assets, often in well-located areas close to transport, services, and employment hubs. However, current zoning regulations, particularly the limitations on land zoned SP2 'Public Place of Worship', often prevent the development of integrated faith and housing projects. FHA research indicates that there are nearly 2,500 sites zoned 'place of public worship' across NSW, with 747 located within 800 metres of a train station. Within Sydney Metro alone, these sites have the potential to yield over 20,000 dwellings and 40,000 bedrooms if zoning restrictions were eased.





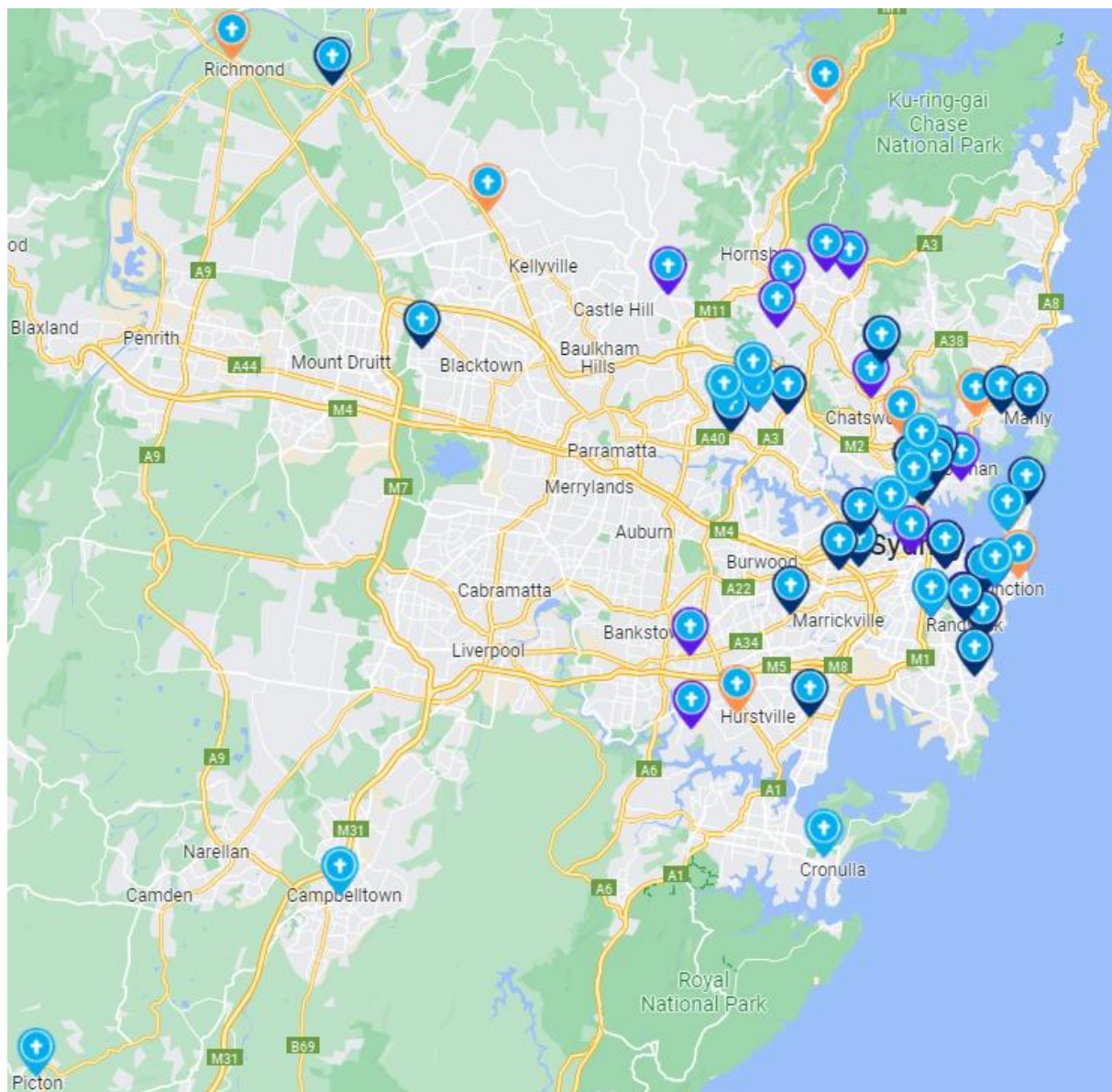
Member Case Study 1

The Catholic Archdiocese of Sydney, for instance, proposes to develop a portion of the St Felix Catholic Primary School and De La Salle Catholic College site in Bankstown for affordable housing. This could potentially yield 260 apartments to meet the needs of school staff, Bankstown TAFE, and a future hospital.



Member Case Study 2

Sydney Anglican Property have identified 85 relevant SP2 zoned sites with the potential to deliver a conservative estimate of 4,000 dwellings.



Furthermore, some of our large not-for-profit CHP members have expressed interest in delivering housing for essential workers as part of mixed-tenure developments alongside social and affordable housing. However, current interpretations by the Australian Charities and Not-for-profits Commission (ACNC) regarding the definition of 'relieving poverty' may jeopardise an organisation's charitable status if they directly provide housing for key workers who are not considered to be living in poverty.

Key Recommendations

Drawing on the experiences and insights of our members, Faith Housing Australia puts forward the following key recommendations for the Select Committee's consideration:

1. **Adopt an inclusive definition of essential workers within housing policy**

Current definitions often fail to recognise the vital contributions of workers in sectors such as aged care, disability services, and early learning education. An inclusive definition is crucial to ensure that policies and programs effectively address the housing needs of all essential workers who underpin our communities.

2. **Prioritise increasing housing supply across the housing continuum, with a continued focus on social and affordable housing for the most vulnerable**

Responses to essential worker housing needs should not divert crucial support from individuals and families experiencing the greatest housing insecurity. It is essential to increase the overall supply of social housing to at least 10% and incentivise the development of affordable housing through capital grants for CHPs, planning reforms, and support for councils to adopt affordable housing schemes. We support the Housing Now! Alliance's call for 1 in 5 homes in government priority precincts to be designated as affordable housing operated by CHPs in perpetuity, catering to healthcare workers, teachers, police officers, childcare workers, retail workers, and other essential personnel.

3. **Consider tailored responses to essential workers within the context of meeting broader community needs**

Building upon existing initiatives, policy should consider the development of a specific workforce housing strategy. This could include exploring assisted home ownership models such as shared equity schemes or rent-to-buy options, potentially through collaborations with the private sector.

4. **Implement Faith Housing Australia's specific recommendations to support essential workers and increase affordable housing supply**

- **End lease reviews in affordable housing**

This would provide greater security for essential workers who may temporarily meet income eligibility criteria and allow them to remain connected to their communities. Research suggests that as incomes rise, individuals will naturally seek alternative housing options.

- **Unlock well-located faith-owned land by including housing as a permissible use on land zoned SP2 'Place of Public Worship/Education/Infrastructure'**

Amending planning regulations to allow for integrated faith and housing developments would enable faith-based organisations to utilise underutilised land to provide much-needed homes in areas with good access to amenities and employment.

- **Review roadblocks preventing charities from including housing for essential workers as part of mixed-tenure developments**

We recommend that the Select Committee's recommendations be provided to the ACNC for review or that direct advocacy be undertaken to clarify the permissibility of charities providing housing for essential workers within mixed-tenure projects.

5. The NSW Government should adequately provide for its workforce when delivering key infrastructure in thin markets, particularly regional areas

This is crucial to avoid unintended negative impacts on vulnerable community members due to increased housing demand and rental prices from infrastructure workers.

6. Invest in comprehensive research into effective housing responses for essential workers

There is a current lack of robust research in this area. Investment in high-quality interdisciplinary research combining workforce analysis, urban science, transport modelling, and housing economics is essential to develop evidence-based policy solutions.

Conclusion

Faith Housing Australia and its members are deeply committed to working collaboratively to address the critical housing challenges facing essential workers in NSW. We believe that by adopting an inclusive definition of essential workers, prioritising overall housing supply, considering tailored responses within a broader community context, and implementing our specific recommendations regarding lease reviews, zoning regulations, and charitable status, the Select Committee can pave the way for meaningful and sustainable solutions. Addressing the housing needs of our essential workers is not only a matter of fairness and equity but is also fundamental to the well-being of our communities and the effective delivery of vital services. We thank the Select Committee for the opportunity to present our evidence and look forward to contributing further to this important inquiry.

FHA Member Organisations



Contact: If you wish to discuss this submission, please get in touch with [REDACTED]