



# Submission: Essential Worker Housing in NSW

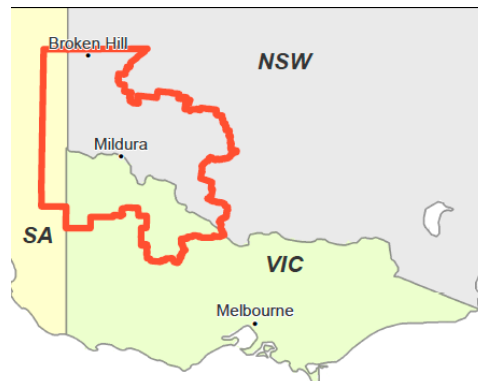
September 2024

## Executive Summary

Mallee Family Care (MFC) welcomes the opportunity to respond to the New South Wales Legislative Assembly Select Committee on Essential Worker Housing.

MFC is a place-based, not-for-profit community service organisation (CSO) that has been supporting the regional, rural, and remote communities of northwest Victoria, and far west New South Wales since 1979. Our organisation employs almost 300 staff to deliver more than 60 federally and state-funded programs reaching thousands of community members across the Mallee region. These programs span family, youth and children, disability, mental health, housing, legal, financial, research, education, philanthropy, and advocacy.


MFC embodies what it means to be truly place-based, by creating and leading local solutions tailored to the specific needs of our community. We are committed to ensuring that clients get the right support, in the right environment, at the right time. To this end we work tirelessly to achieve the best outcomes for vulnerable children, individuals, and families who are facing disadvantage in the Mallee region.



This response outlines key considerations and recommendations for the definition and prioritisation of essential worker housing, with a focus on inclusivity, community engagement, and the unique needs of different geographic areas. Initially, the definition of "essential worker" during the COVID-19 pandemic was limited to those in healthcare and emergency services. However, it quickly expanded to include other critical sectors, such as food production, utilities, education, and more. Despite this broader definition, many community organisation staff who provide essential services to vulnerable populations were often overlooked, leading to a lack of resources and support for these crucial roles. MFC advocates for a comprehensive definition of essential workers that includes all forms of community sector work and ensures equitable access to resources and support moving forward.

In terms of housing prioritisation, MFC stresses the importance of ensuring community sector workers are not deprioritised, as they play a vital role in supporting the social fabric and well-being of communities. Housing prioritisation should be guided by a community-led, place-based process that considers the specific needs of different areas, whether urban or rural, ensuring that all communities have access to essential services through housed workers. MFC also emphasises that essential worker housing should not be limited to urban areas but should extend to rural and regional areas where the lack of affordable housing poses significant challenges.

To increase the supply of essential worker housing, MFC recommends a co-designed approach involving community members and stakeholders to ensure housing solutions are tailored to local needs. Several options have been proposed by groups such as the Australian Housing and Urban Research Institute (AHURI), including the use of public sector land for affordable housing, allowing employers to develop housing for key workers, and implementing inclusionary zoning requirements. Other strategies include supporting long-term affordability models, encouraging superfund investments in housing, and initiating government shared ownership programs. MFC is open to exploring these options within a community-led framework to support effective and sustainable housing strategies across various regions.



MFC appreciates the efforts of the NSW Government in facilitating this discussion and is ready to contribute further to the development of policies that address the housing needs of essential workers, especially in rural and regional communities.

## Recommendations

1. MFC strongly recommends that the NSW government explicitly reaffirm that the term 'essential worker' encompasses all forms of community sector work and ensures these workers are equally eligible to participate in any schemes available to essential workers.
2. MFC recommends that the prioritisation of cohorts and geographic areas for essential worker housing be conducted transparently, with substantial community input and flexibility to address the unique circumstances of each community where essential workers live and work.
3. MFC appreciates the efforts of groups advocating for diverse housing options to address essential worker housing needs. While we defer to their expertise on these important policy issues, MFC recommends exploring these and other options within a community-led and place-based framework.



## Detailed Response

### 1. Definition of Essential Worker Housing

- 1.1.** The term "essential worker" gained significant prominence during the COVID-19 pandemic as governments worldwide, including in Australia, sought to identify and classify workers whose roles were critical to maintaining the basic functions of society.


Initially, the definition of essential workers was relatively narrow, focusing primarily on those in healthcare, emergency services, and other sectors directly involved in the immediate response to the pandemic. However, as the pandemic progressed, the understanding of what constituted an essential worker broadened considerably to include a wider array of roles that are crucial for the continued functioning of society, even if not directly related to healthcare or emergency response.

- 1.2.** For example, the definition was quickly expanded to include those in sectors such as food and agriculture, ensuring food production, distribution, and retail operations continued without disruption. Transport and logistics workers were also deemed essential for maintaining supply chains for essential goods, including medical supplies. Workers in utilities and public services were recognised for their role in keeping essential services like water, electricity, and waste management operational.

Additionally, education and childcare providers were included for their role in providing care and education, particularly for the children of other essential workers. The pharmaceutical and manufacturing sectors were also included for their critical role in producing and supplying necessary medical equipment and pharmaceuticals. This broader definition highlighted the interconnectedness of various sectors and their collective importance in sustaining everyday life during times of crisis.

- 1.3.** Despite this expanded understanding of essential work, many community organisation staff providing critical direct services to vulnerable populations were often overlooked in formal definitions and classifications of essential workers. These include individuals working in youth services who provide support and programs for children, teens, and young adults, especially those facing challenges such as homelessness, mental health issues, or family violence. Family support services, which assist families in crisis by offering counselling, financial assistance, and other support services, were also often not recognised as essential. Similarly, social services professionals, including social workers, case managers, and community outreach coordinators, who support disadvantaged or at-risk populations, were all too often belatedly recognised.

- 1.4.** These workers played an equally vital role in maintaining the social fabric and provided essential support to some of the most vulnerable members of society. However, the fact that many were overlooked as essential workers had a range of consequences, including a lack of access to necessary resources, such as personal protective equipment, priority access to vaccinations, or even recognition and support from governmental policies. Without formal recognition as essential, community workers were often not able to receive the support needed to safely and effectively perform their roles.

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- 1.5. The lack of recognition and support from government can contribute to a sense of invisibility and undervaluation, leading to increased stress, burnout, and mental health challenges among community sector workers. By not adequately recognising and supporting our workers, there is a risk that essential services to vulnerable groups could be disrupted, further exacerbating social and economic stress factors.
  - 1.6. **MFC strongly recommends that the NSW government explicitly reaffirm that the term 'essential worker' encompasses all forms of community sector work and ensures these workers are equally eligible to participate in any schemes available to essential workers.**

## 2. Prioritising Cohorts and Geographic Areas

- 2.1. MFC strongly believes it is crucial not to deprioritise community sector workers in cohort prioritisation for essential worker housing because they play a vital role in supporting the social fabric and well-being of our communities, particularly during times of crisis. These workers, including those in social services, youth support, and family assistance, provide critical services to vulnerable populations, such as children, the elderly, individuals with disabilities, and families facing hardship.


Without stable and affordable housing, community sector workers may struggle to remain in their roles, leading to disruptions in the essential services they provide. This can have far-reaching negative impacts on those who rely on their support, exacerbating social inequalities and placing additional strain on other sectors like healthcare and emergency services. Ensuring community sector workers are prioritised for housing helps maintain a robust network of support services, which is fundamental to the health, safety, and stability of the entire community.

- 2.2. Prioritisation for essential worker housing should instead be guided by a community-led, place-based process that considers the specific needs and unique circumstances of different communities. This approach ensures that the voices and perspectives of residents, community organisations, and stakeholders are central to decision-making, leading to more tailored and effective solutions. By engaging directly with the community, policymakers can better understand the challenges faced by different groups.

A place-based process allows for the identification of critical gaps and priorities unique to each area, ensuring that resources are allocated in a way that genuinely supports those who need them most. This localised strategy not only enhances the effectiveness of housing initiatives but also strengthens community resilience and cohesion by fostering a sense of ownership and participation among residents.

- 2.3. MFC would like to highlight that essential worker housing must not be confined to urban areas but also extend to rural and regional areas. The assumption that essential workers are merely leaving cities for rural areas is misleading; instead, many are exiting their professions entirely due to the lack of affordable housing and support. This trend highlights that the crisis of essential worker housing is not an urban issue alone but one that equally affects rural communities.

In rural areas, where distances are vast and services are sparse, the availability of affordable housing is crucial to attract and retain essential workers. Without adequate housing options,



these critical roles are left unfilled, jeopardising the well-being and safety of rural populations. Addressing this issue across both urban and rural areas is vital to ensure all communities have access to the essential services they need, regardless of location.

**2.3.1. Case Study:** *Robinvale/Euston is located on the border of New South Wales and Victoria. This area of the Mallee is considered one of the most vulnerable and disadvantaged communities due to its remote location and distance from regional cities. One of the primary industries in this community is the human services sector, including health, education, and community services.*

*Given the social and economic challenges faced by this community, various collective networks have been established to address these issues. At recent forums attended by Mallee Family Care staff—such as the Robinvale/Euston Early Years Network, Our Place Partnership, and Swan Hill Rural City Council—housing concerns have been highlighted as a key issue impacting the recruitment and retention of essential workers.*

*While workforce shortages are an issue across Australia, they are particularly pronounced in communities that are far from major cities. In Robinvale/Euston, the shortage of housing has become a critical barrier to filling vital positions in health, education, and community services. Currently, there are no rental properties available in Robinvale, further exacerbating the problem of recruiting essential workers and adding to the strain on the community.*


**2.4. MFC recommends that the prioritisation of cohorts and geographic areas for essential worker housing be conducted transparently, with substantial community input and flexibility to address the unique circumstances of each community where essential workers live and work.**

This approach will ensure that decisions are made openly and foster trust among workers, residents and other stakeholders. A place-based approach with community involvement is crucial to understanding the specific needs and challenges faced by communities (such as in Robinvale/Euston) and ensures that essential worker housing options garner broad support.

By designing a community-led prioritisation process, policymakers can adapt to the diverse and evolving needs of various communities, while also recognising that the housing requirements for essential workers in a remote rural area might differ greatly from those in a densely populated city. This inclusive and adaptable framework will help create a fair allocation of resources that genuinely supports essential workers while addressing the needs of the communities they serve.

### 3. Options to Increase Housing Supply

**3.1.** Much like the prioritisation question, options for increasing the supply of essential worker housing should be grounded in a co-designed approach that actively involves the communities these initiatives are intended to serve. By engaging directly with community members, local organisations, and stakeholders in the planning and decision-making processes, government led housing solutions can be better tailored to meet the unique needs and circumstances of different areas. This will ensure that the voices of those who will be most affected by housing policies are heard and respected, leading to more sustainable and



effective outcomes. A co-designed approach also fosters a sense of ownership and accountability among community members, which is essential for the long-term success and acceptance of housing initiatives.

**3.1.1. Case Study:** *In 2023 the Victorian Government completed the construction of new worker housing in Robinvale, Mallee, to support local workers. Four homes, each accommodating up to six people, are part of the Swan Hill Worker Housing project, funded by \$500,000 from the Government's Building Works package. One home is sold, with three on the market. The homes feature modern amenities like air conditioning, built-in robes, and private yards.*

*Plans for four more houses are in development. The initiative is part of broader efforts to improve regional housing, including the Ramsay Court Worker Accommodation in Mildura, which offers space for 56 seasonal workers. The government has committed \$1.9 million to housing solutions in Mallee, alongside a \$5 million Regional Workforce Pilots program to attract essential workers to regional areas. The overall Building Works program, worth \$2.7 billion, benefits rural Victoria, with over \$36 billion invested in regional areas since 2015.*


- 3.2.** Other innovative options have been proposed by groups such as AHURI to increase the supply of affordable housing for essential workers. One approach is using public sector land to develop affordable housing within mixed-tenure communities, ensuring that key workers have access to housing close to their places of employment. Another option is to allow or encourage key worker employers to develop housing specifically for their employees, such as permitting housing developments on non-residential land exclusively for affordable key worker accommodation.

Additionally, instigating inclusionary zoning requirements in health and education precincts can mandate the provision of affordable housing for essential workers, integrating them within these vital community areas. Models that secure long-term affordability, such as community land trusts, are also recommended, as they help maintain the affordability of housing over time. Encouraging more superfunds to invest in housing for key workers could also provide a sustainable financing model for these initiatives.

Finally, initiating government shared ownership programs could facilitate the purchase of properties developed through these mechanisms, enabling key workers to gradually gain ownership while keeping initial costs more manageable. These strategies, when implemented in a coordinated and community-focused manner, can significantly enhance the availability of affordable housing for essential workers across various regions.

- 3.3.** AHURI also notes that the value of a scaled-up, purpose-built rental housing sector can be significantly enhanced by implementing policies that require landlords to allocate a proportion of units specifically for key workers. By prioritising key workers in tenancing decisions and including affordable rental options for low- and moderate-income key workers within their developments, landlords can ensure that essential workers have access to housing that meets their needs.

Governments can play a crucial role by facilitating access to information about affordable housing options, both market-rate and subsidised, particularly near major key worker



employers and in high-cost housing areas. A centralised property listing and enquiry service could be established to help key workers easily find and secure housing that is both affordable and conveniently located, ensuring they can live close to their workplaces and communities they serve. This comprehensive approach would not only address the housing needs of essential workers but also strengthen the overall housing market by ensuring a more inclusive and supportive environment for these critical members of society.

- 3.4. MFC appreciates the efforts of groups advocating for diverse housing options to address essential worker housing needs. While we defer to their expertise on these important policy issues, MFC recommends exploring these and other options within a community-led and place-based framework.**

As evidenced in Victoria, this approach ensures that housing solutions are tailored to the unique needs and circumstances of each community, with input from local stakeholders driving the decision-making process. By remaining flexible and responsive to community needs, MFC aims to support effective and sustainable housing strategies that underpin essential workers across our region.

## Conclusion

- 3.5.** MFC thanks the NSW Government for facilitating the submission process and stands ready to assist in advancing this important work. We are available for further consultation, particularly regarding the unique needs of the communities MFC serves, as well as rural and regional communities across the state.

### Key contact:

Melissa Amos  
Director Corporate Services, Mallee Family Care  
PO Box 1870, Mildura VIC 3502  
Phone: (03) 5023 5966  
Email: [MAmos@malleefamilycare.com.au](mailto:MAmos@malleefamilycare.com.au)