

Submission to the Legislative Assembly
Select Committee on Essential Worker
Housing on Options for Essential Worker
Housing
from

Central NSW Joint Organisation and Rural
Doctors Network



RURAL DOCTORS NETWORK



CENTRAL NSW
JOINT ORGANISATION

12 September 2024

[Legislative Assembly Select Committee on Essential Worker Housing \(nsw.gov.au\)](https://www.nsw.gov.au/legislative-assembly-select-committee-on-essential-worker-housing)

To whom it may concern,

Re: Submission the Select Committee on Essential Worker Housing on Options for Essential Worker Housing

This is a joint submission from the Central NSW Joint Organisation and the Rural Doctors Network.

Rural Doctors Network (RDN) is an independent, not-for-profit, non-government charitable organisation that has been supporting health access for remote, rural, regional and underserved communities for over 36 years.

For disclosure, RDN receives funding from the NSW Government and the Australian Government.

RDN prides itself on working alongside communities, supporting and enabling them to design and develop the health services that they need. In alignment with this approach, RDN has worked with local councils across rural NSW to assist them in supporting or managing primary health services, in the all-too-common scenario of a 'thin' or failed market.

RDN would welcome an opportunity to meet with the Inquiry to further discuss any of the points raised.

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 177,000 people covering an area of more than 51,000sq kms comprising the eleven Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes and Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: [Strategic Plan & Regional Priorities - Central Joint Organisation \(nsw.gov.au\)](https://www.nsw.gov.au/strategic-plan-regional-priorities-central-joint-organisation)

Thank you for the opportunity to provide input to inform the Select Committee on Essential Worker Housing (the Committee) on options for essential worker housing. CNSWJO and RDN note the Terms of Reference are:

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.

CNSWJO advises that while the provision of essential worker housing is not the core business of councils in this region, members report needing to be in this space to a greater and lesser extent, particularly for housing and accommodation for health workforce.

Accordingly, the need for skills and housing has been identified in the CNSWJO Statement of Strategic Regional Priority. In response, the Spare Capacity in Housing Project recently completed by this region has sought to identify short term levers in realising spare bedrooms in Central NSW to help address housing shortages. With funding from Regional NSW, the project built on work undertaken by Orange 360 working with Cadia Mines.

More detail regarding this initiative is provided further into this submission where the CNSWJO Board would welcome an opportunity to provide feedback to the Committee.

In the interim, please find following a response to the Terms of Reference.

Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas.

The key consideration around a definition of essential worker is that it should not be clouded by structural arrangement for service provision in Australia. This definition should include non-state employees of services that could be considered essential for NSW communities, or impactful on NSW government services.

Of particular concern is health workforce including doctors. Primary care workforces are perpetually in short supply in remote, rural and regional areas^{1,1}. While general practitioners are typically small businesses regulated federally, they form a significant segment of the essential worker cohort requiring accommodation of some type in this region and should be included in any definition of an essential worker.

If health workforces are limited enough to limit access of the population to the associated health service (e.g. general practice care, mental health services, allied health services, or dental care), this will result in increased demand on the state-run health services². In the longer-term, lack of access will also result in lower population health overall, which in turn is correlated with lower education³ and employment levels, and decreased lifespans⁴.

In related sectors, this inquiry would be well-placed to also consider the inclusion of aged care and disability sector workers within the definition of essential workers.

Priority should be given to areas of need. Further given the sentiment, from surveying in region in 2023, health services have been identified head and shoulders above any other priority at 93%, where the next priority is at 64%. Further recent work on housing in this region identified that aged workers are particularly vulnerable as their pay rates are poor.

¹ <https://www.aihw.gov.au/reports/workforce/health-workforce>

² <https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health>

³ <https://www.indigenoushpf.gov.au/report-overview/overview/summary-report/5-tier-2-%E2%80%93-determinants-of-health/education;>

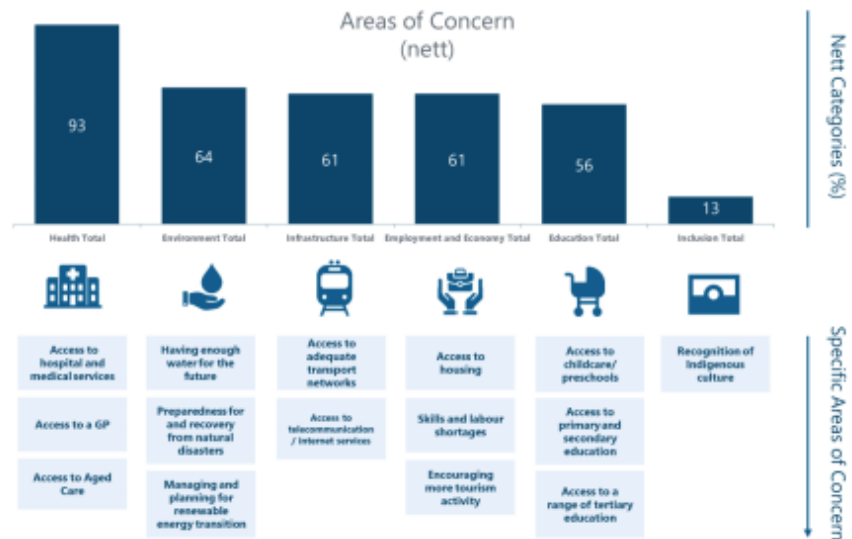
<https://www.abs.gov.au/AUSSTATS/abs@.nsf/lookup/4704.0Chapter365Oct+2010>

⁴ <https://www.aihw.gov.au/reports/australias-health/social-determinants-of-health>

Areas of Key Concern for the Region

93% 
Are concerned with some aspect of the **Health Services** in the region

Environment, Infrastructure, Employment and Economy, and Education were other categories of concern



I will now read out a list of areas that your Council may or may not be responsible for, but could influence, and I would like you to tell me which 5 out of the 15 areas would be the biggest areas of concern in your community right now? You may think they are all important however which 5 areas would you say are particularly important and need immediate attention?
Base: All respondents: Oberon n=200; Weddin n=201; Cowra n=300; Orange n=300.

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RESEARCH & CONSULTING

Housing is one of a suite of core impediments to recruitment and retention of primary care workforce in rural areas (others include education and childcare services). This may be any available housing (particularly in the smaller or more remote locations) or affordable housing (particularly for high cost areas and for lower income professions).

Regarding criteria for prioritising worker cohorts:

- **Level of importance of a specific workforce to maintenance/delivery of an essential service.**

The more 'essential' or pivotal a specific workforce is to maintenance/delivery of an essential service, the higher this workforce should be prioritised. As referenced above, general practitioners are currently important for delivery of primary care services in Australia, this workforce should therefore be prioritised as such.

In relation to primary care services, this criterion should remain quite static over time (as primary care policy change moves slowly) – an important aspect for criteria-based decisions in relation to long-term, expensive assets like housing.

- **Disparity between current supply and demand.**

The greater the disparity between current supply and demand, the higher this workforce should be prioritised.

This criterion can be variable in relation to some health workforces, so needs to be weighted appropriately or linked to the type of housing obtained in relation to a need based on this criteria, e.g. long-term rental, rather than purchase; rental subsidisation; or a housing asset used for multiple workforces.

There are several ways to measure supply versus demand, including quantitative tools developed by a number of organisations, including the Australian Department of Health and Aged Care⁵. We recommend that any quantitative assessments are balanced with a more qualitative review of each individual community's needs and current situation, based on discussions with that community directly - health access is much more than just a numbers game⁶.

Regarding criteria for prioritising geographical areas:

- **Disparity between current supply and demand.**

The greater the disparity between current supply and demand, the higher this workforce should be prioritised.

This criterion can be variable in relation to some locations, so needs to be weighted appropriately, or the type of housing needs sourced needs to be aligned with the cause of the variability, e.g. long-term rental or rental subsidisation for a predicted medium term need, with some predicted variability; holiday-period rentals for holiday locations; rental subsidisation for high-cost locations predicted cost variability; or a housing asset used for multiple workforces in a location with predictably changeable or transient workforces.

- **Level of remoteness of a specific location.**

The more remote a location, generally, the more difficult it will be for that location to maintain an adequate primary care workforce⁷.

The Australian Government's Modified Monash Model⁸ provides a relative measure of remoteness for the whole of the continent, and has been specifically designed for health workforce planning purposes.

These criteria should be caveated with the fact that, individually, they are only part of the story of health access, and should be considered in balance with all others, and in discussion with the communities themselves. Access to health care is nuanced, multi-factorial, and community-specific, and needs to be assessed in a similarly holistic manner⁷.

Planning tools and reforms

While tools and reforms will assist to a limited extent, the heart of the challenge is resourcing housing supply that is attractive for essential workers. Given the recent decision where the Federal Minister for the Environment and Water issued a partial declaration under Section 10 of the Aboriginal and Torres Strait Islander Heritage Protection Act at the end of the planning assessment process for the development of mining in this region, great care will need to be given to ensure that aboriginal heritage is recognised and respected. This includes where the NSW Government is the developer.

⁵ <https://hwd.health.gov.au/supply-and-demand/supply-demand-home.html>

⁶ Levesque, J.F., Harris, M.F. & Russell, G. Patient-centred access to health care: conceptualising access at the interface of health systems and populations. *Int J Equity Health* 12, 18 (2013). <https://doi.org/10.1186/1475-9276-12-18>

⁷ <https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health>

⁸ <https://www.health.gov.au/topics/rural-health-workforce/classifications/mmm>

In the past, provision has been made for aged care to be built in any zoning. This region has seen this lead to “development by stealth” where developers claim they will build aged care and then seek to amend their proposals having opened the door to development of a site on for example, a flood plain.

Incentives for developments on privately owned land

Both CNSWJO and RDN have concerns around perverse impacts of incentivising private development without a full understanding of the context within which they are being implemented. It is suggested that such recommendations are only made with caution, and predicated on comprehensive analysis and due diligence.

Opportunities within developments on government owned land

As will be shown in the advice below on the work done by CNSWJO on spare capacity in housing, by looking at the entirety of housing stock and the opportunities therein, improvements can be made. For example, health workers accommodation on hospital sites is one consideration. There is plenty of land at the Bloomfield site in Orange for example. The hospital and other essential service infrastructure could be required to include accommodation.

Historically in regional and remote areas, there was accommodation provided for teachers, police and health workers.

Investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity

Given the importance of essential workers to regional NSW, especially its more remote areas, arguably their accommodation should not be subject to the vicissitudes of the NSW property market.

Historically, this necessity has been recognised and with accommodation built in the previous century for essential workers.

CNSWJO and RDN would welcome an opportunity to co-design any reforms going forward.

Other related matters.

As advised above, CNSWJO has recently completed work on developing a solution for realising the spare capacity in housing in Central NSW.

This project was identified by the Central West Employment Taskforce as out of scope for their organisation but worthy of support. Subsequently, in line with its priority for advocacy and initiatives to address skills and housing shortages, the CNSWJO Board resolved to progress a project. CNSWJO sought funding from what was Regional NSW.

Project summary

The following reports provide a significant amount of detail to the summary below.

1. [Environmental Scan WA W+S](#)
2. [Final Report Spare Capacity in Housing Project](#)
3. [Housing Data Report – Bathurst, Orange, Parkes WA W+S](#)
4. [Jobs and Skills Analysis Report – WA W+S](#)
5. [Space Capacity in Housing Project Implementation Delivery Plan](#)

Focused on three Local Government Areas in New South Wales - Bathurst, Orange and Parkes, the project aimed to provide an innovative solution to address these challenges effectively.

An analysis of spare room capacity in the target areas determined that almost 60,000 spare rooms are available, presenting a significant opportunity to address housing shortages. This seems like a big number – but the analysis is robust using ABS data – please go to the Housing Data Report attached.

The project also identified a distinct shortage of medical and care worker professionals, worsened by the unaffordability of rental accommodation for most income earners. Inspired by successful models such as the Travelling Nurses and Furnished Finder platform in the USA, which caters to short-term and mid-term rentals for healthcare professionals, this initiative suggests the establishment partnerships between industry bodies, healthcare providers, employers, and homeowners.

The proposed initiative aimed to provide a seamless medium for connecting homeowners with prospective tenants, automating contract generation, rent payments, and other necessary processes to streamline the rental experience for all parties involved. However, interviews with homeowners and employers revealed concerns regarding security, safety, and privacy in such arrangements, highlighting the need for targeted communications strategies to address societal norms and perceptions.

Stakeholder engagement with homeowners, industry partners, community organisations, and potential tenants will be crucial. The reports outline key findings and recommendations for necessary actions to increase the likelihood of success for this initiative, emphasising the importance of collaborative efforts and strategic communication in overcoming challenges and achieving sustainable housing solutions in regional NSW.

Recommendations

The recommended solution draws from all the key learnings, analysis of outcomes, community surveying and meets the criteria of the key elements listed below for success in a local regional market such as Central NSW. The solution aims to alleviate any impediments and provide a service to;

1. meet the expectations and requirements of homeowners, and
2. meet the needs of the healthcare workforce.

This Spare Room Initiative includes;

- a safe, secure and existing booking platform;
- a local concierge to provide;
 - stakeholder engagement;
 - marketing and communications;
 - matching support;
 - guidance to homeowners and renters through the process; and
- an industry partner for sustainability of solution and ideal 'renter type' pipeline.

1. Utilisation of existing rental platforms

Given the significant costs and operational complexities associated with developing a new platform to host the rental opportunities, the identification of an existing platform that can be used to manage all the legal contracts, terms and conditions, bond and rental payments such as Flatmates.com.au or the Room Xchange. This approach would leverage the existing infrastructure and expertise of established platforms, minimising the need for extensive development, cost and ongoing management of the platform itself.

2. Automation and security features

Feedback from community surveys revealed the requirement for a platform to have a secure and automated process. It is essential to ensure that the platform offers features such as automated generation of tenancy legal documents, seamless rent payment and collection processes, and automated pre-screening of tenants. These features will enhance security and streamline the rental process for both homeowners and tenants.

3. Comprehensive pre-screening

The environmental scan report revealed a strong preference among stakeholders for a platform that pre-screens homeowners and tenants to manage the 'awkward conversations and agreements' required to confirm a) length of tenancy, b) homeowner rights to dissolve an arrangement, and c) pricing and payments. To address this, the platform should implement robust pre-screening mechanisms and clarity of the tenancy agreements for both landlords, properties, and tenants ensuring transparency and safety for all parties involved.

4. Local knowledge and management – a local concierge

Although the concept of unlocking spare rooms is very successful in metropolitan cities such as London, Manchester and New York, as well as for international students in Sydney and Melbourne, the concept is not effective in regional Australia. This indicates that the process of the platform to manage the 'rental process' is only one part of the solution required. Feedback from local homeowners surveyed showed a limited knowledge of this option, a certain level of scepticism due to the 'renter type', and a concern regarding the local matching and understanding of the area itself.

Therefore, a local resource is essential to manage:

- the continued engagement and sourcing of local homeowners to participate;
- the local matching process;
- secure and manage an industry partner to supply renters from healthcare sector; and
- the ongoing sustainability of the funding for the local approach.

The positive community response to unlocking spare rooms included an older age group particularly women living on their own. A local resource to help and support this cohort of homeowners onboard onto the platform will also be imperative to unlock spare rooms. The local resource will also be responsible for managing the matching of homeowners and tenants based on preferences. This will ensure compatibility and foster positive living experiences for all users of the platform.

5. Industry partner

Based on the feedback from community surveying, the type of renters targeted and sourced as options for local homeowners is essential to unlocking spare rooms of homeowners in the local area. Building on the success of the 'Traveling Nurses' in the USA that specifically provides affordable short-term accommodation for the provision of nursing resources across the USA, an industry partnership is key to the success of supporting this workforce. Therefore, an industry partnership in the healthcare sector with a local workforce in need of affordable housing options (i.e. local hospital

nursing and care worker staff or a local aged care provider) will ensure a pool of renters matching the criteria identified by local homeowners. A local industry partner will also give the housing option credibility with their workforce too. It is important to give potential renters the confidence in this option. This will be identified and managed by the local concierge with a process that can grow based on the success and number of partners wanting to utilize this accommodation option.



During the 'proof of concept' phase, it will be imperative for the local concierge to:

- engage a local healthcare provider with a workforce matching the ideal renter profile;
- further understand the accommodation 'pain points' of their workforce;
- assess the industry partner who will benefit from this solution; and
- present and articulate the benefits of the spare rooms' initiative.

6. Sustainable funding source

The local concierge will be required to secure ongoing funding based on the ongoing utilization of the solution and the number of partners secured. It is recommended that an agreed set of metrics are to be provided to the industry partner to evidence the impact of their investment. The level of investment required by the industry partner will directly correlate to cost of the concierge resource time to manage their workers accommodation placements.

The suggested KPI metrics for reporting are;

- # placements;
- length of tenancy;
- renter and homeowner feedback – satisfaction report; and
- industry talent acquisition report based on securing resource attributed to the offering of affordable accommodation.

Conclusion

CNSWJO and RDN would welcome an opportunity to meet with the Committee on the essential workforce housing challenge and, more importantly, co-design solutions for implementation in regional NSW. Please contact Ms Jenny Bennett on 0428 690 935 or send an email to jenny.bennett@centraljo.nsw.gov.au

Yours sincerely

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