

Wednesday 14 July 2021 | 11:00am – 12:30pm (AEST) | #AHURIwebinar



Research Webinar Series

Housing key workers in Australian cities

Speaker

Dr Catherine Gilbert, The University of Sydney

Respondent

Leonie King, CEO, City West Housing

Welcome

Dr Michael Fotheringham
AHURI (facilitator)



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Housing key workers in Australian cities

Download the report: ahuri.edu.au/research/final-reports/355

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Housing Key Workers

Scoping challenges, aspirations and policy responses for Australian cities

Dr Catherine Gilbert, University of Sydney



Part 1: Background and approach



The supply of affordable private rental housing in Australian cities: short-term and longer-term changes

From the AHURI Inquiry
Urban productivity and affordable rental housing supply

FOR THE

Australian Housing
and Urban Research Institute

PUBLICATION DATE

December 2019

DOI

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lower income labour market

authored by

Ryan van den Nouweland, Laura Crommelin,
Shanaka Herath and Bill Randolph

for the

Australian Housing and Urban
Research Institute

at The University of New South Wales

April 2016

AHURI Final Report No. 261

ISBN: 978-1-925000-23-4

ISBN: 978-1-925000-23-4

is a bloody fortune': Why Syd are headed for the exit

O'Sullivan

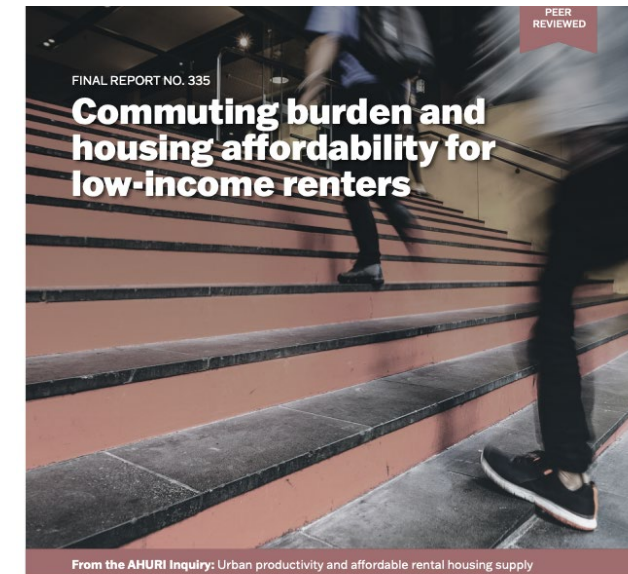
12, 2020 — 12:01pm

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ger people are much more likely to consider moving out of Sydney than
generations because they believe the cost of living is too high or that
it will have difficulty buying homes.

insight from a poll of Sydney residents comes as [growth in the harbour city's
population](#) slows significantly due to the coronavirus pandemic causing a slump
overseas migration.



FINAL REPORT NO. 335

Commuting burden and housing affordability for low-income renters

From the AHURI Inquiry: Urban productivity and affordable rental housing supply

Authored by

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Publication Date September 2020

DOI 10.18408/ahuri5320201

Context

- Declining metropolitan housing affordability / spatial disconnect between affordable housing and jobs.
 - Long commutes;
 - Housing stress;
 - Sharing;
 - Relocating
- Implications for productivity, quality of life, environmental sustainability.
- Little recent analysis of impacts on different types of 'essential' workers
- Covid-19 = many low- and moderate-income workers essential to cities' resilience; longer term risks for unaffordable cities?

Research aims

Research designed to scope evidence of:

- Whether and how governments (Aust. / Int.) are considering key worker housing needs / supporting access to housing;
- Evidence of the housing situations of key workers on different low and moderate incomes in Sydney and Melbourne; and
- Potential policy responses.



Our approach

- Policy and program review (UK, US, Aus.);
- Analysis of broad geographic patterns of affordability (2019 medians);
- Analysis of 2016 census data - housing situations, commuting patterns and residential moves - 21 low and moderate income occupation groups (predates recent price boom);
- Interviews (industry and policy perspectives).



21 Occupation groups (Based on ABS four digit occ. Categories)

- Teachers
- Registered Nurses
- Midwives
- Social Workers
- ICT Support Professionals
- ICT Support and Telecommunications Technicians and Trades
- Ambulance Officers and Paramedics
- Enrolled and Mothercraft Nurses
- Welfare Support Workers
- Child Carers
- Educational Aides
- Aged and Disability Carers
- Nursing Support and Personal Care Workers
- Fire and Emergency Service Workers
- Police
- Prison Officers
- Bus and Coach Drivers
- Train and Tram Drivers
- Delivery Drivers
- Commercial Cleaners
- Laundry Workers.

(not exhaustive, limited to ABS four digit occ. cat.)

Part 2: Key Findings

Policy and program review: what is a 'key worker'?

Traditional / core definition

- Low and moderate income public sector employees in education, healthcare, policing and emergency services

(other
dimensions)



Support workers (traditional industries)

- Para-professional and support staff in education, healthcare, policing and emergency services e.g. administration, cleaning and laundry

Broader public sector

- Civil servants / government employees (all levels of government)

Labour market supporting jobs

- Childcare workers
- ICT support technicians

Jobs with local economic importance

- Retail workers
- Hospitality workers
- University workers

Jobs that support city functioning in times of crisis

- Delivery drivers and couriers
- Retail workers in select industries e.g. supermarkets
- Public transport workers

Policy and program review: rationale for public sector support

- Physical location important:
 - Must be physically present to perform job;
 - For some occupations, proximity is essential i.e. need to be 'on-call' and or quickly respond to emergency situations / spikes in service demand;
- Wider public / economic benefit of high-quality essential services / well functioning city; but...
- Recruitment / retention risks:
 - Population serving nature of many key worker jobs;
 - Opportunities to work in a range of locations;
 - No need to work in expensive cities / city areas where housing aspirations can't be met.



Policy and program review: policy and program examples

- In Australian:
 - Policies, programs, projects relatively sporadic;
 - Increasing consideration of essential workers in strategic planning; but...
 - Lack of consistent funding / enabling legislation to deliver affordable housing / programs;
- In US and UK:
 - Longer standing programs targeting supply and demand sides;
 - Policies and programs for KWs sit alongside or within broader programs to support moderate income households / deliver 'intermediate' affordable housing;



Policy and program review: policy and program examples (cont.)

Supply of affordable rental and ownership housing for KWs

- Planning/zoning requirements (UK, Aus – small)
- Negotiated planning agreements (Aus.)
- Capital grants to affordable housing providers (UK)
- Low rate loans to developers to develop rental housing for moderate-income workers (US)
- Support for employers/public entities to develop land for aff. KW housing (UK)

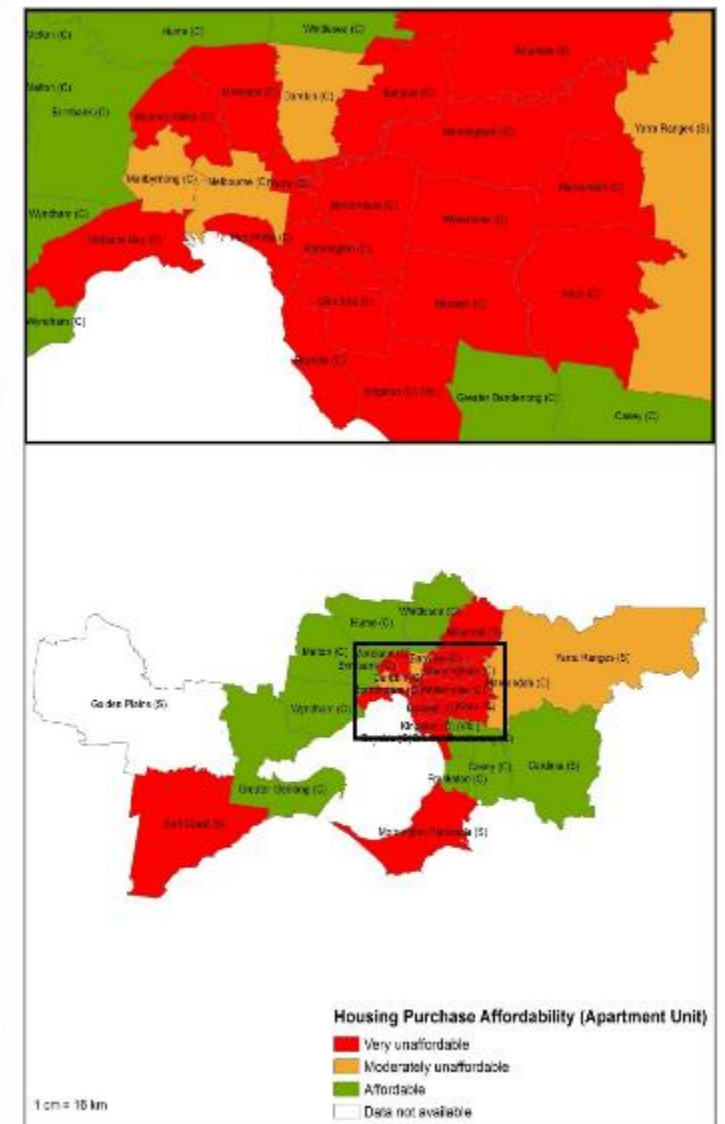
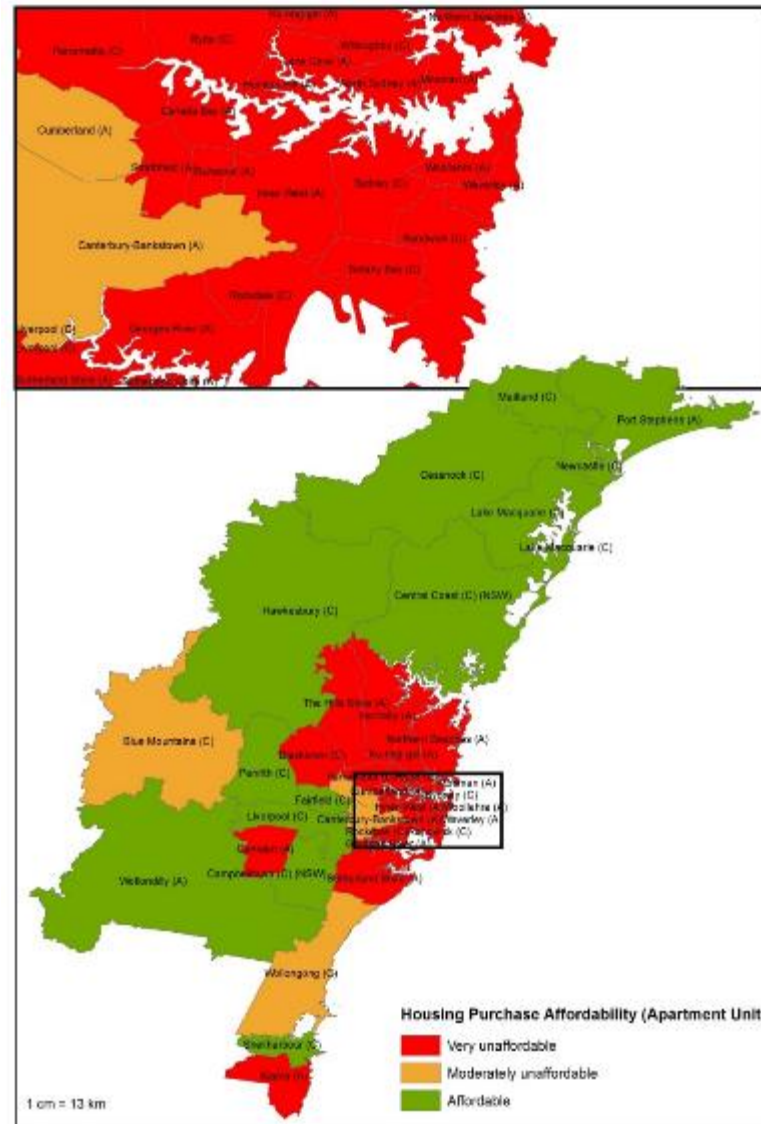
Financial assistance to support KW home purchase

- Downpayment / purchase cost assistance (US)
- 95-100 per cent mortgage finance (US)
- Shared equity loan (US, UK)
- Shared ownership programs (UK)

The situation of key workers in Sydney and Melbourne

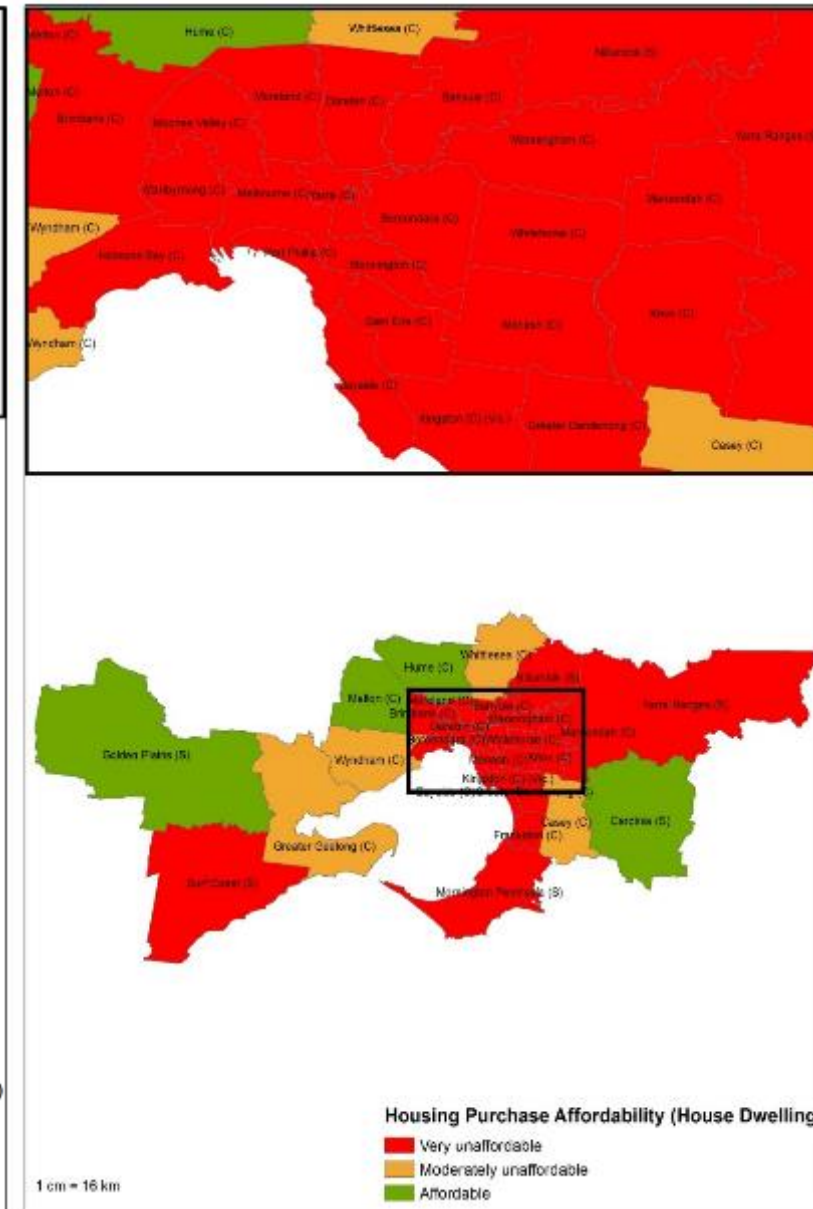
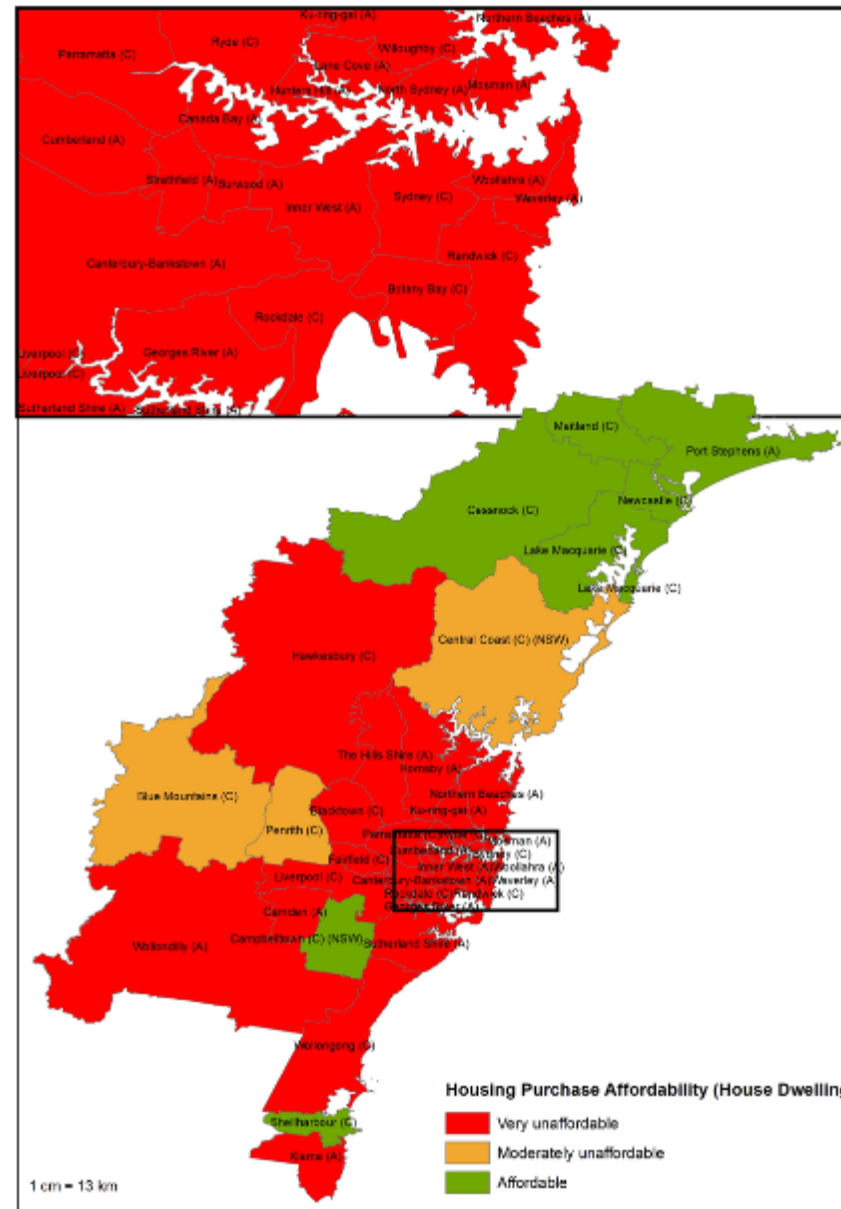
Geographic patterns of affordability - ownership

- Earn incomes in low Q2 to mid Q3 range for respective cities;
- Based on mid 2019 median price and indicative full time salaries:
 - No metro region LGAs affordable to KWs on Q2 incomes e.g. laundry worker, commercial cleaner, child carer, enrolled nurse.
 - LGAs with affordable median unit or house price on Q3 incomes (e.g. registered nurse) extremely limited / confined to outer suburbs and some satellite regions.
 - But not just inner ring issue – some satellite cities / coastal regional areas also unaffordable.



Affordability of a median priced unit on salary indicative for an early career nurse or public transport operator (low Q3)

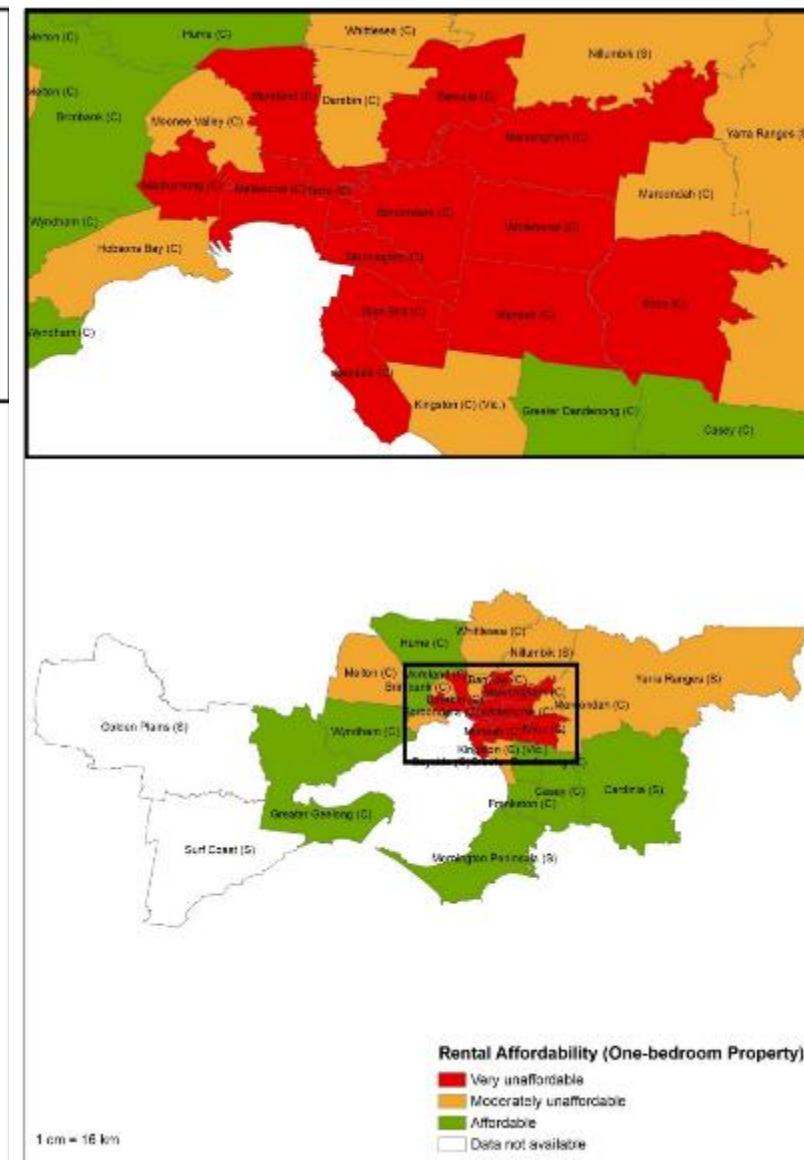
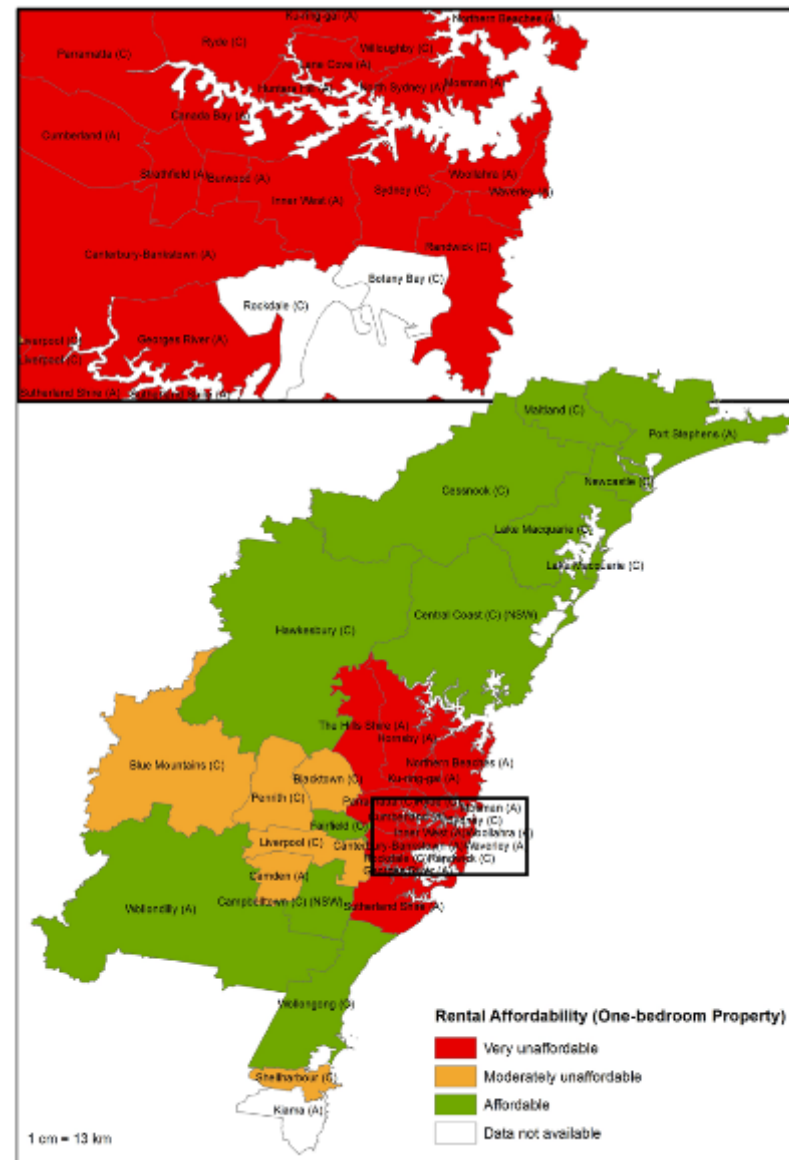
Geographic patterns of affordability – ownership (cont.)



Affordability of a **median priced house** on indicative salary for an **early career teacher** (mid Q3)

Geographic patterns of affordability - rental

- Rental affordability (median rents for late 2019) also a problem across much of Sydney and Melbourne.
- Purchase and rental affordability not just a central city problem – satellite cities and some regional coastal areas also affected (e.g.



Affordability of median priced one bedroom rental for a delivery driver or child carer (mid Q2)

2016 Census – Location of residence and commuting patterns

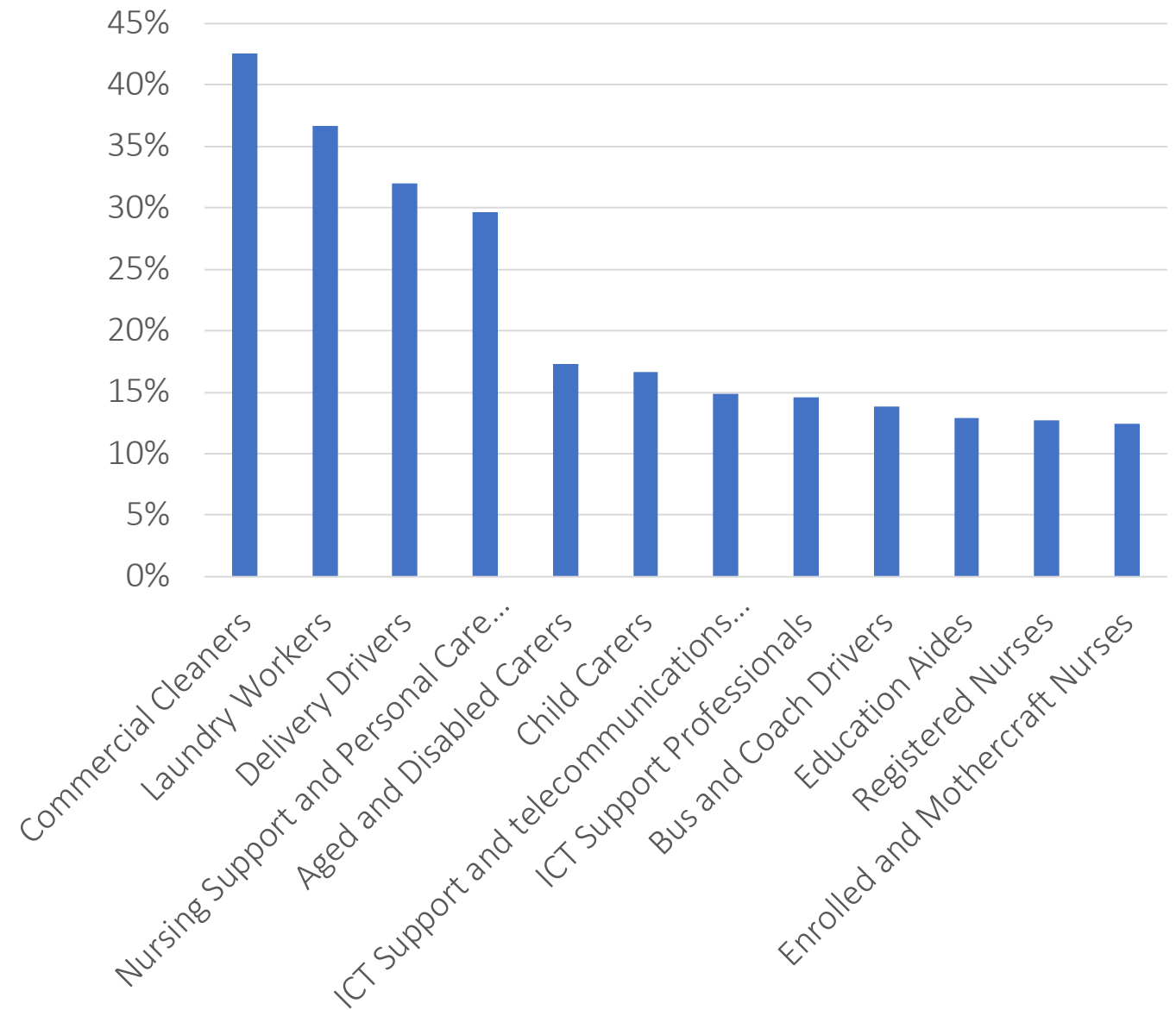
Concentration of key workers relative to distribution of labour force	
Sydney and surrounding LGAs	Melbourne and surrounding LGAs
Blue Mountains (1.47)	Geelong (1.30)
Kiama (1.34)	Golden Plains (1.23)
Shellharbour (1.34)	Maroondah (1.18)
Lake Macquarie (1.29)	Surf Coast (1.17)
Central Coast (1.29)	Whittlesea (1.16)
Wollongong (1.27)	Frankston (1.15)
Newcastle (1.25)	Banyule (1.14)
Maitland (1.22)	Yarra Ranges (1.13)
Campbelltown (1.18)	Mornington Peninsula (1.11)
Port Stephens (1.17)	Nillumbik (1.11)
Camden (1.17)	Cardinia (1.10)
Blacktown (1.16)	Casey and Hume (1.09)

- KWs more heavily concentrated in outer suburbs and satellite cities (see table)
- Over a third of key worker job located in inner subregions (some more heavily concentrated – public transport, nursing, laundry, commercial cleaning, policing and fire);
- Employment self containment low for inner subregions;
- KWs more likely than general labour force to commute more than 30kms (varies by occupation) and to commute by private car.
- KWs commuting from outside metro area e.g. Blue Mountains, Central Coast and Illawarra, Geelong to inner city

2016 Census – Unsuitable housing

- Tendency to live in larger households than general pop. (partially due to age profile).
- KWs in lower paid occupations more likely to live in two and three family and group households.
- KWs living in overcrowded homes (CNOS)
 - 31,000 in Sydney;
 - 18,000 in Melbourne.
- More prevalent in inner subregions and amongst those in lower paid occupations (see chart); but...
- Also, over 3,400 teachers and over 4,400 RNs in Sydney living in overcrowded homes.

Proportion of key workers in select occupation groups living in unsuitable housing—inner subregions—Sydney (2016)



2016 Census – housing stress

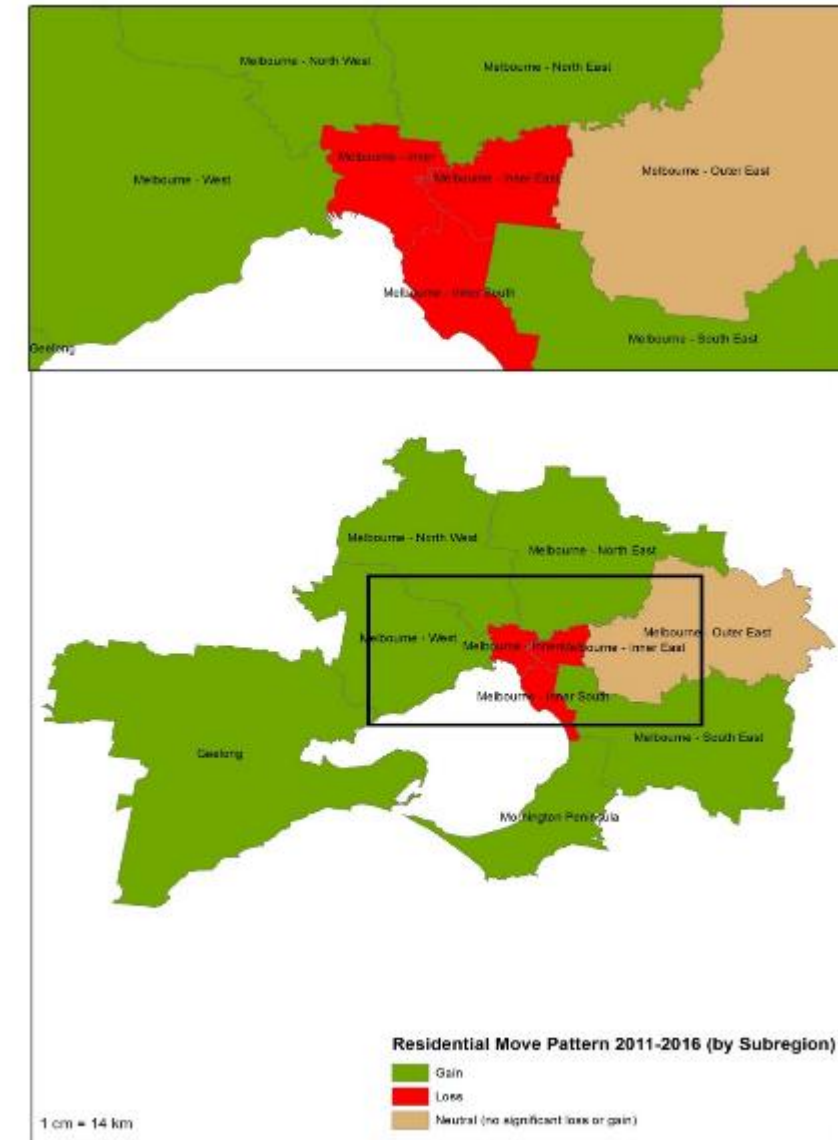
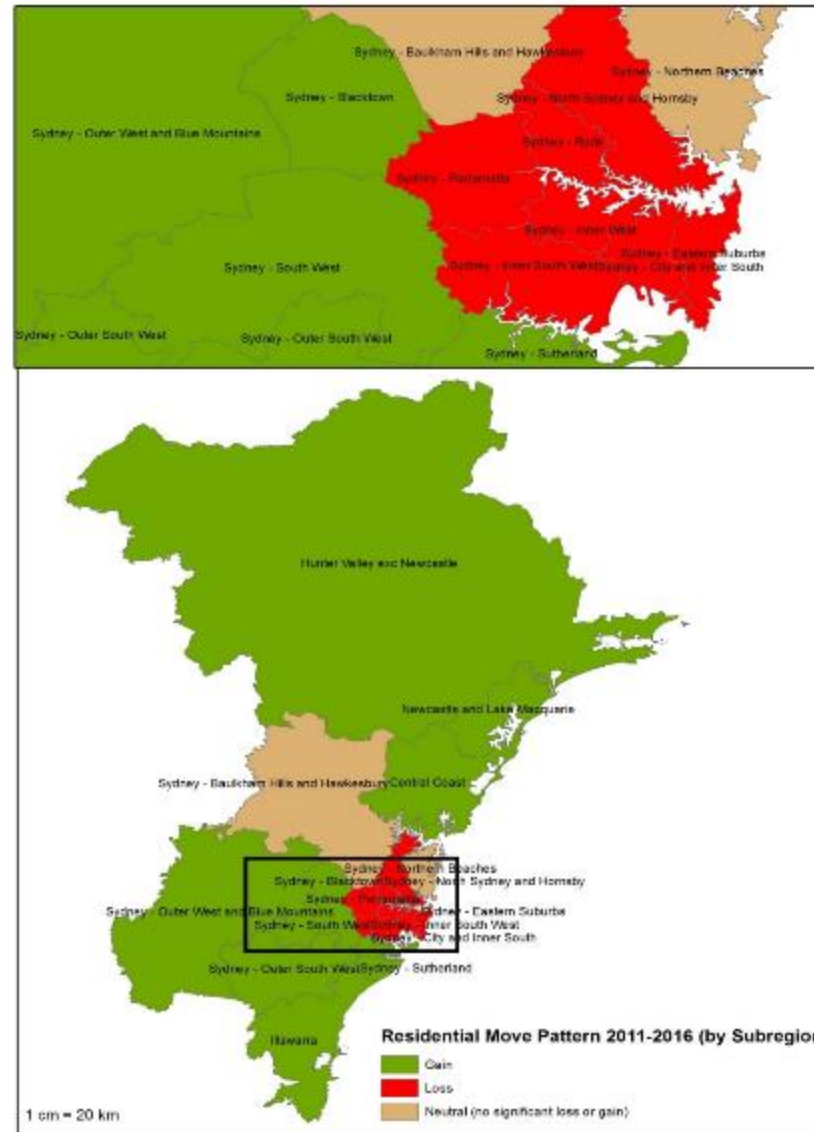
- KWs living in households that can be classified as being in housing stress
 - 52,000 (20%) in Sydney (26% of KW renters)
 - 37,000 (17%) in Melbourne (20% of KW renters)
- Again, more prevalent amongst lower paid occupation groups and in inner subregions (see table)

Proportion of individuals in households experiencing housing stress, select occupations (2016)—inner Sydney subregions

Occupation	Percentage of renters in housing stress	Total percentage in housing stress
Delivery drivers	46%	44%
Laundry workers	43%	41%
Commercial cleaners	42%	40%
Aged and disability carers	40%	36%
Enrolled and mothercraft nurses	38%	36%
Child carers	41%	33%
Nursing support and personal care workers	32%	31%
Bus and coach drivers	35%	30%
Educational aides	41%	29%
Welfare support workers	28%	23%

2016 Census – Residential moves

- More key workers reported living in inner subregions in 2011 than reported living there in 2016
- Outer suburban areas and satellite cities tended to gain key worker residents;
- 20-29 year olds moving into inner subregions from suburban areas.
- But...
- Significant outward migration by KWs aged 30-44



Key workers residing in each subregion in 2016 relative to 2011

Interview findings

- Housing challenges greatest for:
 - Younger key workers (not home owners);
 - Lower income workers and those with casual work / short term contracts;
 - Single person and single income households;
 - Workers with dependent children.
- Affordability not the only challenge – difficulty finding appropriate rental housing in tight / competitive rental markets, short timeframes;
- Home ownership a strong aspiration for many:
 - Typically coincides with career progression;
 - Driver to relocate / transfer.



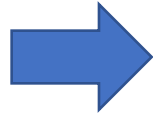
Interview findings (cont.)

- Unique characteristics of key worker jobs:
 - Performed in person;
 - Physically demanding;
 - Long shifts;
 - Antisocial hours and commuting times;
 - High stress / potential for vicarious trauma
- Stress and fatigue exacerbated by housing stress, insecurity, commuting.
- High cost of commuting.
- Implications for:
 - Workplace health and safety;
 - Service quality;
 - Retention / availability of more experienced workers.



Policy implications and potential responses

Points to an overall need to increase supply of affordable housing, particularly in 'intermediate' tenures



- Specific actions could include:
 - using public sector land
 - allowing/encouraging employers to develop homes for key workers
 - inclusionary zoning requirements e.g. health and education precincts
 - models for long term affordability e.g. community land trusts
 - encouraging superfund investment in housing for key workers
 - shared ownership program for properties delivered through some of the above mechanisms;
 - support for purpose-built rental housing sector (benefits maximised if key workers prioritise, rents affordable)
- Other assistance measures
 - subsidise transport costs e.g. toll relief
 - subsidise wages in expensive housing market areas
 - help KWs access information about affordably priced housing options near major key worker employers

Overall

- New empirical evidence that KWs are struggling to afford housing;
- A snapshot – need for longitudinal data, assessment of regional dimensions;
- Clear rationale to address housing affordability / spatial mismatch between jobs and affordable housing = functionality of our cities, public health and safety;
- Nevertheless, equity issues need to be worked through in designing potential responses / programs
- Post covid - even if central cities less of a focus for settlement/population growth, still need to plan for affordable housing for essential workers where there is population and housing demand.



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