

The key worker housing challenge

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Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities



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Scoping the Key Worker Challenge in Sydney and Melbourne

AHURI Scoping Study:

- › Key worker concept and reasons for housing challenges
- › Policy responses – Australia and internationally
- › Evidence of housing affordability challenges in Sydney and Melbourne
- › Industry perspectives on challenges and implications

› <https://www.ahuri.edu.au/research/final-reports/355>

Who are key workers?



- › Perform essential public services but earn low and moderate incomes (e.g. emergency services, healthcare, policing, education)
- › No universal definition (inclusions vary for policy and program purposes)
- › Can be tailored to reflect economic contexts / recruitment and retention challenges
- › Renewed debate in the context of Covid-19
 - › Essential retail? Essential delivery services?

Rationale for supporting key worker access to appropriate, affordable housing

- › Must be physically present to perform job - residential location relative to work important
- › Inadequate housing opportunities linked to recruitment and retention challenges
- › Wider public benefits arising from high-quality public services
- › Covid-19 context:
 - › KWs critical in resilience to crisis events
 - › Public health and safety risks if inadequately housed, commuting very long distances;

Evidence of housing affordability challenges in Sydney and Melbourne

Occupation groups examined

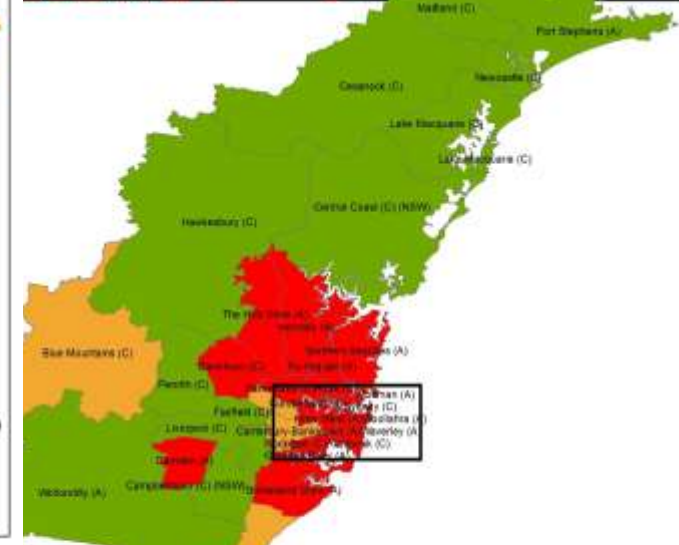
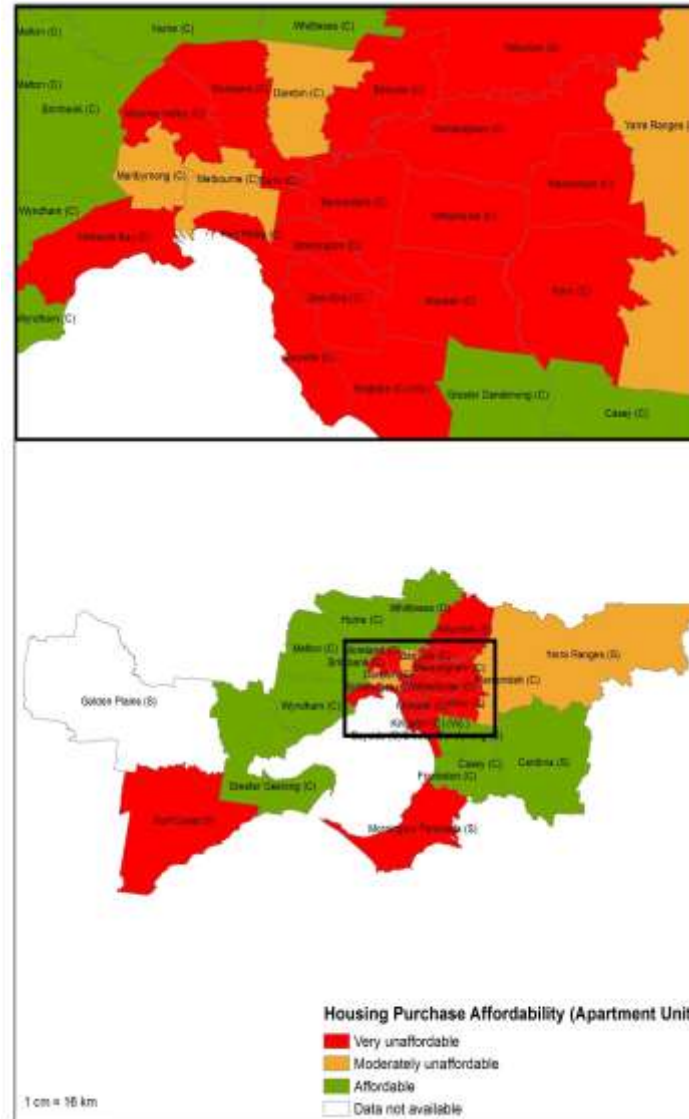
- › Teachers
- › Registered Nurses
- › Midwives
- › Social Workers
- › ICT Support Professionals
- › ICT Support and Telecommunications Technicians and Trades
- › Ambulance Officers and Paramedics
- › Enrolled and Mothercraft Nurses
- › Welfare Support Workers
- › Child Carers
- › Educational Aides
- › 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.)

Earn incomes in low Q2 to mid Q3 range for respective cities;

Geography of ownership affordability

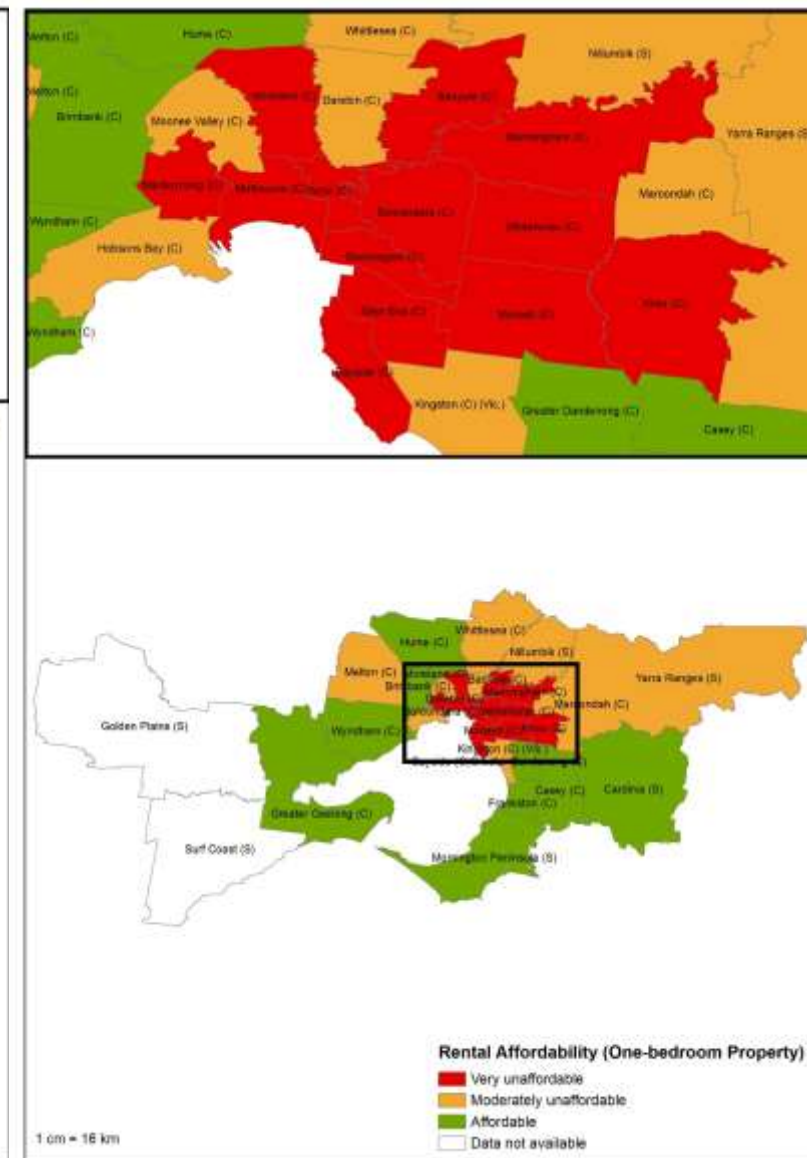
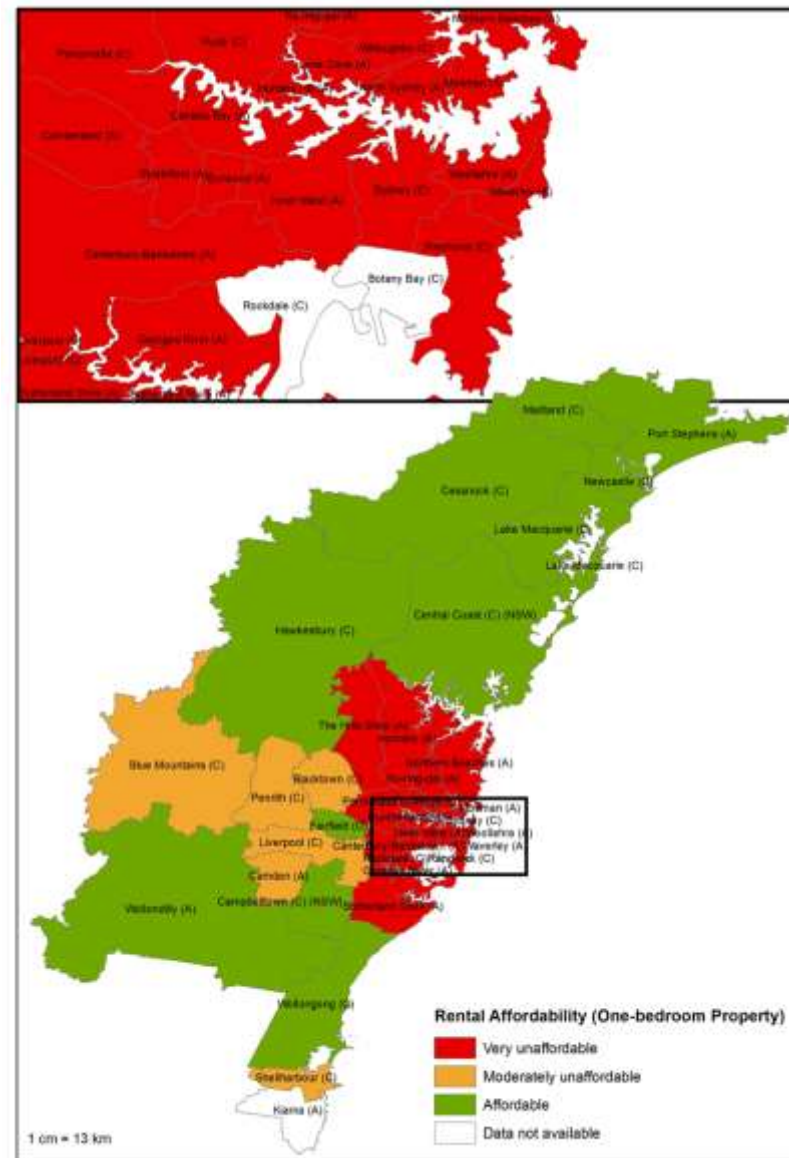
- Analysis using mid 2019 median price and indicative full time salaries showed:
 - No metro region LGAs affordable to KWs on Q2 incomes (e.g. commercial cleaner, child carer, enrolled nurse).
 - Even on low Q3 income (e.g. early career registered nurse) limited to outer suburbs and some satellite regions.
 - But some satellite cities / coastal regional areas also unaffordable.
 - Age, household / family structure and employment precarity important factors in addition to income.



Affordability of a median priced unit on salary indicative for an **early career nurse** (low Q3)

Geography of rental affordability

- › Rental affordability (median rents for late 2019) also a problem across much of Sydney and Melbourne.
- › Not just a central city problem – satellite cities and some regional coastal areas also affected
- › Availability of rental housing a problem too.



Affordability of median priced one bedroom rental for a child care worker (mid Q2)



Residential location and commuting

- Over 1/3 of KW jobs located in inner subregions
- But, KWs tend to live in outer suburbs and satellite cities
- 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, Illawarra, Geelong) to inner city.

Housing stress

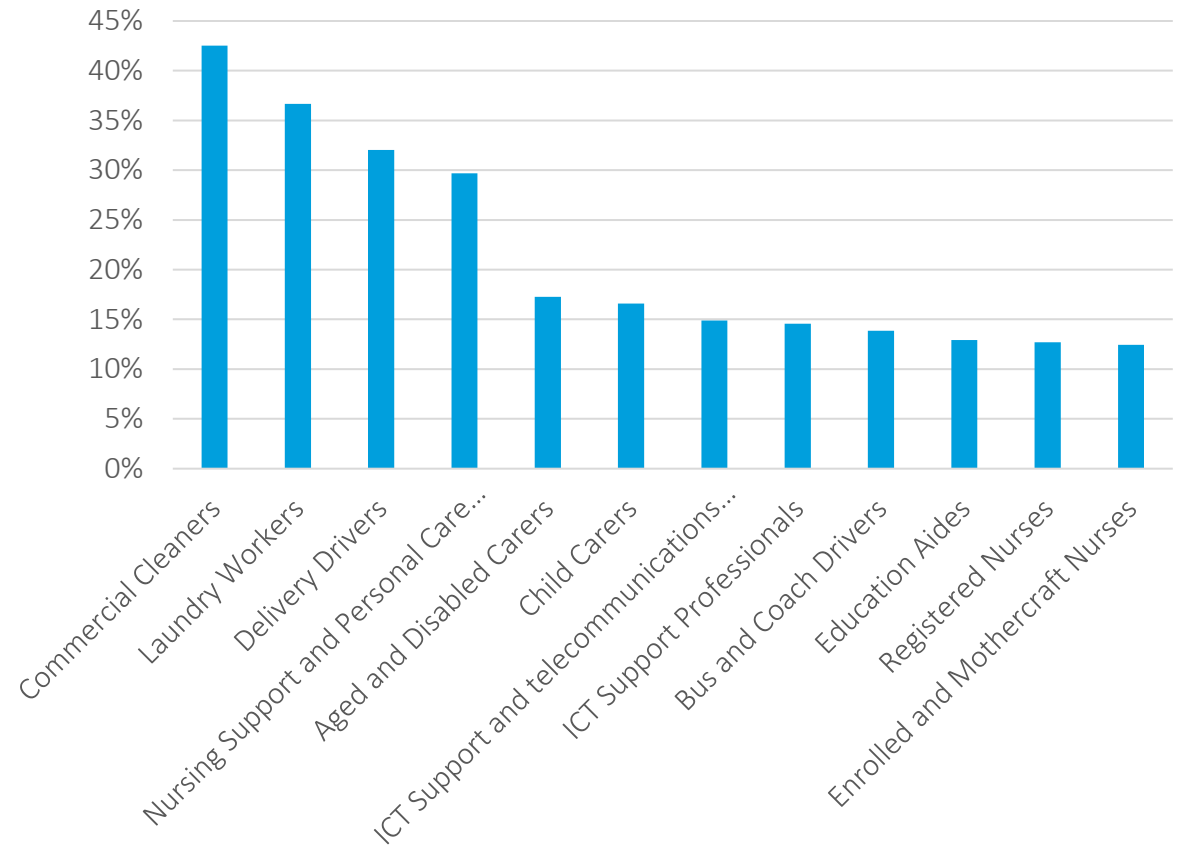
- Surprisingly high instances of housing stress
 - 52,000 (20%) across G. Sydney (26% of those in rental sector)
 - 37,000 (17%) across G. Melbourne (20% of those in rental sector)
- More prevalent amongst lower paid occupation groups and in inner subregions (see table)

	Inner Sydney subregions		Inner Melbourne subregions	
	All KWs	KW in rental sector	All KWs	KW in rental sector
Delivery drivers	44%	46%	33%	39%
Laundry workers	41%	43%	29%	33%
Commercial cleaners	40%	42%	34%	36%
Aged and disability carers	36%	40%	27%	30%
Enrolled nurses	36%	38%	23%	28%
Child carers	33%	41%	27%	32%
Nursing support and personal care workers	32%	31%	28%	30%
Bus drivers	30%	35%	22%	24%
Educational aides	29%	41%	21%	31%
Welfare support workers	23%	28%	17%	20%
Registered Nurses	20%	19%	15%	14%
Midwives	19%	20%	14%	14%
Teachers	18%	19%	11%	13%
Ambulance Officers and Paramedics	16%	19%	8%	11%

Unsuitable housing

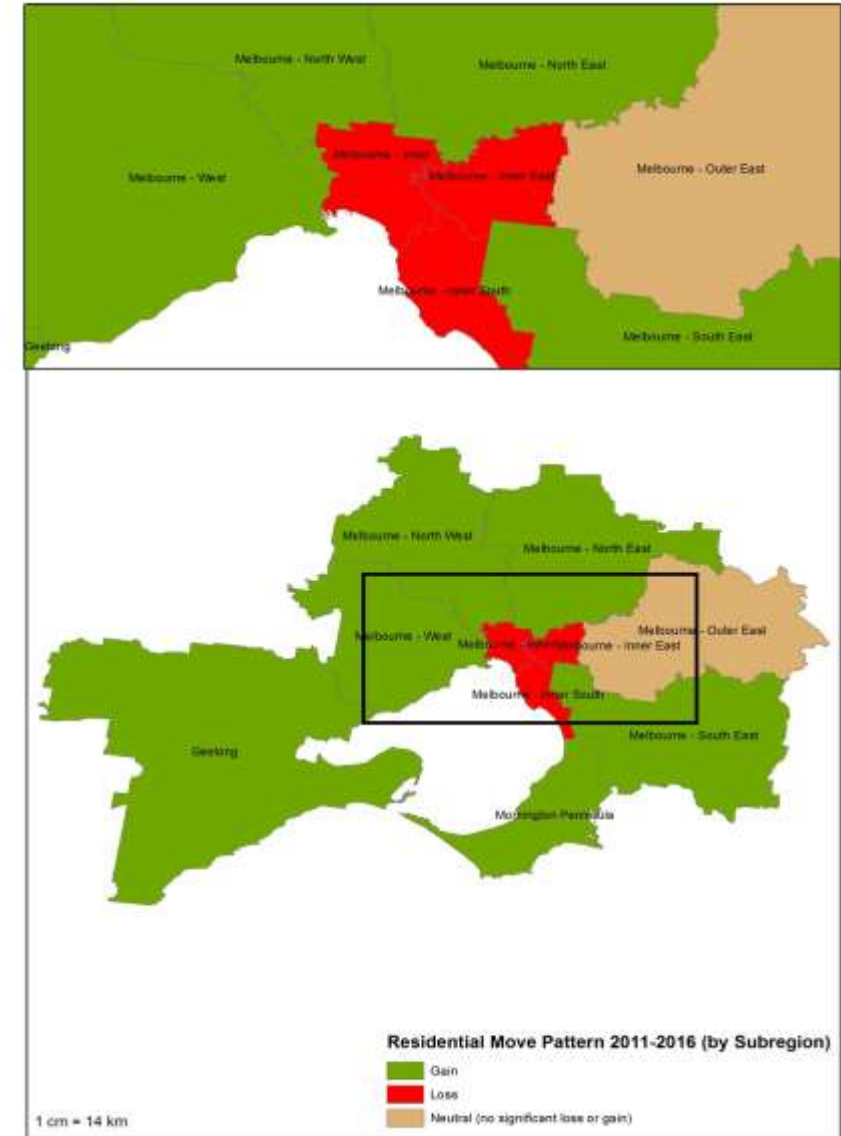
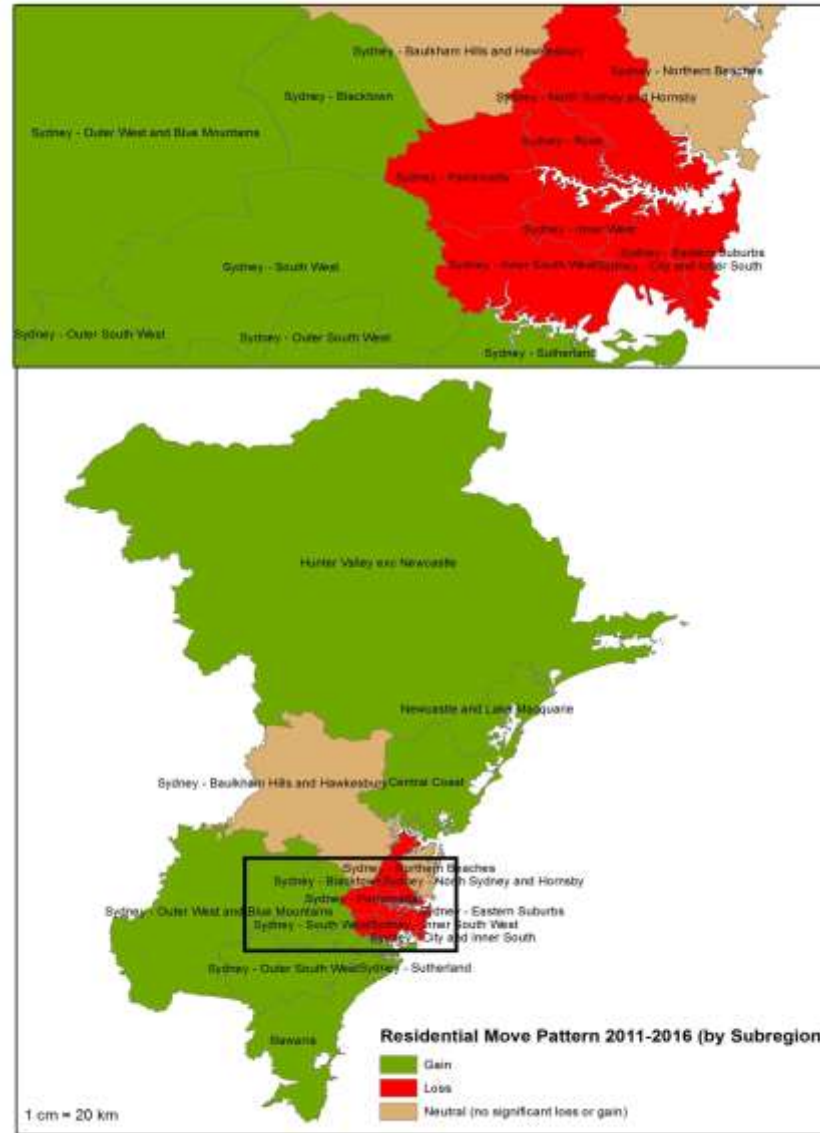
- KWs living in overcrowded homes (CNOS)
 - 31,000 in Greater Sydney
 - 18,000 in Greater Melbourne
- More prevalent in inner subregions and amongst those in lower paid occupations (see chart); but...
- Also, over 3,400 teachers and over 4,400 RNs in Greater Sydney living in overcrowded homes.

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



Migration patterns

- More key workers reported living in inner subregions in 2011 than lived there in 2016
- Outer suburban areas and satellite cities tended to gain key worker residents;
- Home ownership a strong aspiration; driver for outward migration





Changes to affordability since late 2019

- › Fewer LGAs with affordable median purchase price
 - › Eg. In mid 2021, only 2 LGAs in Greater Sydney with median unit price affordable to early career RN
- › Fewer LGAs with median rent affordable to KWs on Q2 incomes (reflects price rises in outer suburbs and satellite regions)
- › More LGAs with median rents affordable to KWs on Q3 incomes (reflects slight drop in some inner and middle ring suburbs)

Analysis based on data derived from NSW DCJ (2021) Rent and Sales Report no. 137; Vic DFFH (2021) Quarterly Rental Report



Implications for essential services

- › Unique nature of key worker jobs (performed in person; physically demanding; long shifts; antisocial hours and commuting times; high stress / potential for vicarious trauma)
- › Workplace stress and fatigue exacerbated by housing stress, insecurity, long commutes
- › Implications for:
 - › Workplace health and safety;
 - › Service quality;
 - › Retention / availability of more experienced workers



Conclusion

- › New evidence that even moderate income earners are struggling to afford appropriate housing
- › Additional rationale to address spatial mismatch between jobs and affordable housing = functioning of our cities, public health and safety
- › Need for more affordable housing, particularly in ‘intermediate’ tenures (rental and ownership)
- › Potential to pilot new policies and programs with key workers and then roll out more broadly over time.

