

Attachment C - Fund crisis services to meet demand

Specialist Homelessness Services (SHSs) are essential services, supporting tens of thousands of people in and out of crisis. Never before has this been more apparent than in the last few years as NSW swung from droughts to bushfires and floods, to the pandemic. But successive years of underfunding and a flush of new, never seen before clients due to back-to-back crisis means services are in desperate need of an increase to the bottom line, so that homelessness services can meet the current overwhelming demand.

Homelessness services have adapted remarkably to extremely challenging circumstances and have been flexible to support clients to stay healthy, safe, and well. In turn, the sector has guided the government in supporting people at risk of and experiencing homelessness during these periods.

This was achieved with minimal additional funding, under conditions that already saw services stretched at the seams.

Services have been and continue to support many more people than funded for. Currently, services are supporting 27% more clients than funded for, and they have been doing so across many years.¹ It has been almost a decade since services were funded at levels commensurate with the role tasked to them by government.

And still demand grows, while funding doesn't. Since 2011 there has been a 42% rise in demand for Specialist Homelessness Services, but far too many people are unable to get the assistance they need. There is an increasing number of people experiencing homelessness in NSW who are unable to access accommodation (an increase from 15,471 in 2015-16 to 22,709 in 2020-21). Data shows that 48.2% of those who needed accommodation did not receive it, an increase from 5 years ago when 37.2% didn't receive the services they needed. NSW is by far the state with the most acute issue of unmet need.²

These figures do not account for the real need in the broader population, only for those who made it to and approached a homelessness service.

COVID-19 and the effects of lockdowns have been felt throughout the community. In 2020 and 2021 there was a surge in demand for homelessness services, and as NSW eases restrictions many will not be able to 'bounce back' so readily. As 2022 commences uncertainty still prevails.

At the same time, the financial stability of homelessness services has taken a hit during the pandemic. Many services rely on philanthropic and community donations to supplement their service delivery, but it is anticipated that this will diminish significantly.

The sector readily welcome one-off injections of funding that recognized the increasing demand. But the Social Sector support Fund of \$50 million, and modification to the Job Saver program to make it more accessible to Non-profits who lost income cannot address years of underfunded service delivery and the resounding impact of COVID-19 on homelessness.

Also welcome were recent and very significant funding to domestic and family violence specifically. However, some of the more recent announcements have also served to obfuscate funding across the specialist homelessness services sector. It is unclear how much funding is for assets and how much is for increasing support services for Domestic and Family Violence – both which are vital. This makes it difficult to assess the overall Specialist Homelessness

Service Program funding, or the need within it, as it increases the overall 'bucket', but only for a specific cohort. While it is known that, generally, services are working with 27% more people than funded for, there is a need to unpack what this looks like within the program.

Homelessness NSW recommends an approach that is grounded in evidence, backed with data and based in genuine collaboration with SHS services, and as NCOSS states, '...linked to population growth, demand indicators, economic and workforce conditions and the real cost of service provision.'³

As an interim measure, given the fact that services are already supporting 27% more clients than funded for and demand is expected to increase, a minimum and permanent increase of 20% for Specialism Homelessness Services baseline recurrent funding per year for 3 years, in the 2022-23 budget would enable services to better meet real need in the community, and as put by NCOSS, better manage risks and costs incurred due to:⁴

- rising demand and cost of service provision
- increased data collection and reporting requirements by funding agencies
- increased responsibility in the level, type, complexity, and location of service deliverables
- more onerous contract terms with no guarantee of annual indexation or growth funding.

Now – more than ever, as NSW recovers - the NSW Government must commit to shoring up essential services to maintain service levels. If someone does become homeless the right support at the right time is critical, and Specialist Homelessness Services are best placed to work with them. But after years of insufficient funding, piecing together services off the back of community goodwill, and flux of clients due to the pandemic, Homelessness NSW urges the Premier to meet the minimum amount required to service demand, and relieve the pressure for those who are at risk or already homeless:

Fund an evidence based and data-informed comprehensive assessment of the Specialist Homelessness Service Program to determine investment increase as proportionate to need and cohort

Increase Specialist Homelessness Service Program funding by 20% or approximately \$156 million over 3 years so that services can meet current demand

¹ Australian Institute of Health and Welfare 2020, Specialist Homelessness Services Annual Report, cat. No. HOU 322.

² Steering Committee for the Review of Government Service Provision, '18 Housing, 18 Housing Data Tables, Table 18A.7', in *Report on Government Services 2021* (Canberra: Productivity Commission, 2022), <https://www.pc.gov.au/research/ongoing/report-ongovernment-services/2021/housing-and-homelessness/housing>.

³ NCOSS, 'After the Pandemic: Building a More Resilient and Inclusive NSW', Pre-Budget Submission 2022-23 (Sydney: NCOSS, 2021).

⁴ Ibid.