

Homelessness NSW:

Submission to the NSW Government, 2024/25 Budget

December 2023

Homelessness NSW welcomes this opportunity to provide a 2024-25 Pre-Budget Submission at a time when homelessness is, more than ever, a critical issue for investment. We call on the NSW Government to commit to a solid investment in social infrastructure – this is essential, lifesaving infrastructure.¹

Homelessness NSW is a not-for-profit peak agency that exists to build the capability of people and the capacity of systems to end homelessness. We have a commitment to a future where everyone has a safe home and the support to keep it. Our 200+ members include specialist homelessness services, people with lived experience, allied organisations and services working to end homelessness. We work with our members, people with lived experience and a broad network of partners to understand drivers of homelessness, advocate for solutions, build skills and knowledge, and scale innovation.

The need is urgent for greater investment in social and affordable housing, and services to make homelessness rare, brief and non-recurring. There are about 35,000 people experiencing homelessness in NSW², though this is likely an underestimate given that approximately 68,400 people sought support from a Specialist Homelessness Service in NSW last year, and many more people don't seek help at all.³

We are not making progress in reducing the number of people experiencing homelessness, and for some groups of people the problem is getting worse, including First Nations people, young people, older people, people with a disability, and victim survivors of domestic and family violence. There is less capacity than ever for the homelessness service sector to meet demand.⁴ There is a dire shortage of social housing and affordable private housing, increasing the numbers of people forced into homelessness and reducing the options for pathways out of homelessness.

We welcome the NSW Government's recognition of the homelessness crisis and acknowledgement that social housing and comprehensive support services are key to addressing this crisis.⁵ We now call for investment to match that commitment in the 2024-25 Budget. We recommend nine key investments as follows:

¹ Jackson, A. & Ruting, B. (2023). Beyond roads and bridges: Critical social infrastructure for South West Sydney. NCOSS.

² Australian Bureau of Statistics. (2023). 2021 Census Data on Homelessness. Available at <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census>

³ Australian Institute of Health and Welfare. (2023). Specialist homelessness services annual report 2022–23. AIHW. Australian Government.

⁴ AIHW. (2023).

⁵ Minister for Homelessness. (2023). Homelessness up but NSW Government determined to drive it down. Media release dated 22/06/2023.

Support safe pathways out of homelessness and into homes

Recommendation 1: Invest an additional \$30 million over three years to secure more supported temporary accommodation options and ensure access to safe temporary accommodation options for all.

Recommendation 2: Invest \$1 billion per year for the next 10 years to grow accessible social housing by 5,000 properties per year and allocate 30% of social housing to Aboriginal people.

Strengthen homelessness services

Recommendation 3: Increase Specialist Homelessness Service program funding by 20% or approximately \$50 million per year for the next two years so that services can meet current demand.

Recommendation 4: Apply an indexation rate of 6.2% to Specialist Homelessness Service contracts to properly reflect the increased cost of service delivery and make up any indexation shortfall in Commonwealth funds.

Recommendation 5: Invest \$62 million over three years to continue delivery of the Together Home Program.

Recommendation 6: Invest, over at least three years, in an Aboriginal-led strategic approach to sector development, which would include wide-scale cultural competence development, Aboriginal-led commissioning and development of the Aboriginal workforce.

Recommendation 7: Invest \$1.2 million for caseworkers and dedicated crisis accommodation beds for services supporting people who are non-residents in Parramatta and Sydney.

Recommendation 8: Invest \$1.8 million to fund specialist services to support transitions to safe and secure housing for people aged 55 or above.

Recommendation 9: Commit adequate and appropriate resources to the development and long-term implementation of a specific youth action plan for homelessness in NSW.

To discuss this submission further, please contact Kate Davies, Policy and Research Manager at Homelessness NSW at kate@homelessnessnsw.org.au. Thank you for your consideration.

Yours sincerely



Dom Rowe

Chief Executive Officer, Homelessness NSW

Homelessness NSW: 2023-24 Pre-Budget Submission to NSW Government,
Recommendation Details

Support safe pathways from homelessness into homes

Investment in additional temporary accommodation properties

Recommendation 1: Invest an additional \$30 million over three years to secure more supported temporary accommodation options and ensure access to safe temporary accommodation options for all.

In the last budget the NSW Government announced a welcome additional \$11.0 million for Temporary Accommodation. However, it is clear that the current level of investment, in services as well as accommodation infrastructure, continues to be woefully inadequate.⁶ Less than 50% of short-term accommodation needs of people who access specialist homelessness services are able to be met⁷. This recommended investment will go some way to addressing the high level of unmet need and substantial risks posed by an unsafe and under-resourced temporary accommodation system.

The NSW Government's temporary accommodation program aims to provide short-term accommodation options for people who are homeless. For many people it offers a brief period of safety and stability, during which they can be connected to relevant support services and plan pathways into long-term secure housing. However, insufficient investment in temporary accommodation has contributed to a system that is not fulfilling its mandate. A recent study conducted by Homelessness NSW has found significant issues with safety, quality, appropriateness and accessibility of temporary accommodation. There is a dire lack of accommodation provision, particularly supported accommodation options, culturally appropriate accommodation and accommodation in rural areas.^{8,9}

In June 2023, the NSW Government announced reforms to the operation of the temporary accommodation system including removing the limit of 28 days of temporary accommodation per person per financial year. While these reforms are much needed, extending the duration that people can stay in temporary accommodation without simultaneously increasing the supply will inevitably reduce the availability of places available for other applicants.

Further, there are some groups of people for whom the temporary accommodation system is particularly unsafe and inaccessible and targeted investment is needed. This includes people

⁶ Batterham, D., Tually, S., Coram, V., McKinley, K., Kolar, V., McNelis, S. & Goodwin-Smith, I. (2023) Crisis accommodation in Australia: now and for the future, AHURI Final Report No. 407, Australian Housing and Urban Research Institute. doi: 10.18408/ahuri5126801.

⁷ AIHW. (2023).

⁸ Batterham et al. (2023).

⁹ Hartley, C. & Barnes, E. (2023). Safe, accessible and available?: Examining the temporary accommodation system in NSW. Homelessness NSW.

with disabilities, people escaping domestic violence, parents with children, people with pets and Aboriginal people.¹⁰ We recommend that this urgent investment of funds be accompanied by a series of reforms to improve accessibility and safety and a commitment to allocating 20% of temporary accommodation to women and children experiencing domestic violence.

Major reforms are needed to reshape a temporary accommodation system that achieves its intended purpose of providing a short-term intervention that facilitates a pathway to longer-term housing. However, immediate investment is needed to meet current critical demand.¹¹

Investment in social housing

Recommendation 2: Invest \$1 billion per year for the next 10 years to grow accessible social housing by 5,000 properties per year and allocate 30% of social housing to Aboriginal people.

To provide exits out of homelessness, there must be viable housing options and the stability, affordability and integrated support make social housing particularly important for this cohort. However social housing capacity in NSW is decreasing as housing stress and risks that impact homelessness are increasing.¹² Expenditure on social housing is an *investment* in social and economic wellbeing, with benefits estimated to be worth \$2 for every \$1 spent, due to better outcomes and societal gains in areas such as justice, health and education.^{13, 14, 15}

There are currently more than 57,000 people on the social housing waitlist¹⁶ and some people are likely to wait up to 10 years to be housed. The system is further constrained due to the high demand for people already in social housing who need to be transferred to safer and more appropriate housing.¹⁷ Recent research shows that people's economic, health and social wellbeing declines the longer they are on the social housing waitlist, creating further pressure on health, human and social security services.¹⁸ For example, pressure on the temporary accommodation system cannot be resolved without additional social housing to support pathways out of short-term accommodation and into secure long-term social housing options.

Only 19% of people who sought specialist homelessness services' assistance for long-term accommodation needs were able to have that need met last year.¹⁹ Some groups of people are

¹⁰ Batterham et al. (2023).

¹¹ Hartley & Barnes. (2023).

¹² Writer, T., Barnes, E., Hartley, C. & Wearing, A. (2022). Social housing in New South Wales. Centre for Social Impact.

¹³ SGS Economics & Planning (2022), Give me shelter: The long-term costs of underproviding public, social and affordable housing, report for Housing All Australians.

¹⁴ Jackson, & Ruting. (2023).

¹⁵ Nygaard, C.A. & Kollmann, T. (2023) Social and affordable housing in Australia: A social cost benefit analysis. Community Housing Industry Association.

¹⁶ NSW DCJ. (2023). Social housing waitlist data. Available at <https://www.facs.nsw.gov.au/housing/help/applying-assistance/social-housing-waiting-list-data>.

¹⁷ NSW Department of Communities and Justice. (2022). Social housing assistance commissioning data report 2021/22. NSW Government.

¹⁸ Morris, A., Robinson, C. & Idle, J. (2023) Dire consequences: waiting for social housing in three Australian states, *Housing Studies*, doi: 10.1080/02673037.2023.2266401

¹⁹ AIHW. (2023).

experiencing multiple layers of barriers to social housing, due to the lack of quality, accessible and safe housing. For example, there is a dire need for more accessible housing for people with disabilities, and for social housing that is designed with respect to different cultural needs and composition of households. There is a particular lack of social housing that is designed or provided in relation to the strengths and cultural understandings of home, family and community for Aboriginal people.

The investment of \$1 billion per year for the next 10 years will take us a step further towards the crucial goal of 10% of all housing being social housing by the year 2050. We also advocate for the goal that 30% of all social housing be committed to Aboriginal people.

Strengthen homelessness services

Investment in homelessness services

Recommendation 3: Increase Specialist Homelessness Service Program funding by 20% or approximately \$50 million per year for the next two years so that services can meet current demand.

Specialist Homelessness Services (SHSs) are an essential part of social infrastructure, supporting tens of thousands of people in and out of crisis. However, it has been over a decade since SHSs were funded at levels commensurate with the role tasked to them by government. Currently services are supporting more clients than funded for. Unmet need is increasing. Every day in 2022/23 there were about 46 people facing homelessness who could not get the help they needed from an SHS (an increase from 37 people per day in 2021/22). SHSs are only able to meet the accommodation needs of 49% who need short-term accommodation and 21% of people who need long-term accommodation.²⁰ A 20% funding increase would only be a starting point towards closing the gap between demand and service delivery. SHSs need more staff, operational resources and brokerage funds in order to provide this essential service. We cannot end homelessness without a robust homelessness service system.

Further, a robust homelessness service system is one that embeds cultural competence in *all* SHS services and also provides Aboriginal-led models of service support. Additional investment in workforce and infrastructure development is necessary to achieve this.

Current SHS contracts end in June 2026. It is vital that good quality, well-resourced, strong services are in place in the lead up to a new model of commissioning homelessness services, otherwise there are significant risks of loss of workforce and discontinuity of service provision.

²⁰ AIHW. (2023).

Adequate indexation

Recommendation 4: Apply an indexation rate of 6.2% to SHS contracts to properly reflect the increased cost of service delivery and make up any indexation shortfall in Commonwealth funds.

In 2023/24 we were pleased to see the NSW Government's announcement of 5.75% indexation to SHS contracts, but this rate of indexation fell short of the increased costs of delivering homelessness services. Costs of service delivery have increased substantially in line with rising cost-of-living pressures and increasing staff costs. Further, the Commonwealth Government only provided an indexation rate of 3.25% in 2023/24 and SHS providers bore the shortfall in funding. NSW is out of line with the majority of other states and territories in failing to make up the shortfall in Commonwealth Indexation. In all states and territories except NSW and WA, the state or territory government will make up any difference between their own and Commonwealth indexation rates.

There is broad agreement across the community services sector that indexation has failed to keep pace with the increasing costs of delivering services, contributing to many services' experiences of delivering more, with less.²¹ We call on NSW Government to relieve the pressure on SHS providers for increased costs of service deliver by increasing its own rate of indexation to 6.2% and making up any difference in the indexation rate applied by the Commonwealth Government.

Extension of the Together Home program

Recommendation 5: Invest \$62 million over three years to continue delivery of the Together Home Program.

Preliminary evidence indicates that Together Home is a well-designed program that is achieving its purpose and supporting outcomes such as sustained tenancies and improved health and wellbeing for people who have experienced homelessness, including people who have been sleeping rough for many years.^{22, 23} The Together Home Program was initiated during the COVID-19 pandemic to minimise the spread of COVID-19 and was based on Housing First principles, particularly seeking to house people who had experienced long-term homelessness. Since its establishment in 2020 there have been three tranches of funding, supporting 1,117 people through access to stable accommodation and individualised, wrap-around support. The program also provides access to high needs packages for people with particularly complex

²¹ Cortis, N. & Blaxland, M. (2023) *At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*. ACOSS.

²² Alves, T. (2022). *Together Home Program Evaluation: Early Findings and Progress Update*. AHURI. Available at <https://www.facs.nsw.gov.au/download?file=841324>

²³ Davies, K., Harvey, N., Dimmock, A., Buykx, P. & Krogh, C. (2023). *Together Home practitioners' perspectives on building resilience and relationships*. Pacific Link and University of Newcastle. Available at <https://www.pacificlink.org.au/wp-content/uploads/2023/08/Together-Home-Practitioners-Perspectives-Report-FINAL.pdf>

and specialised needs and has introduced an Aboriginal Led Model. A complete evaluation of Together Home will be available in mid-2024, but given the unprecedented, promising outcomes achieved to date, it is crucial that the infrastructure and foundations established since 202 are not lost by delaying investment until after this evaluation. Any delay in ongoing funding will have serious implications such as loss of workforce, dissolution of local referral and support networks and loss of options for housing pathways.

The recommended investment would enable the continuation of Together Home in its current form for a fourth tranche of funding. This would provide for packages for approximately 400 people. While earlier modelling was based on an approximate cost of \$75,000 person it is now recognised that with significant cost of living, rental and service operations, that a figure based on an average of \$150,000 per package is more realistic. This figure incorporates the high-needs funding that is a crucial part of the Together Home system.

In addition to the funding to support individual packages and high-needs funds, we recommend an investment in the strengthening of the Together Home Aboriginal Led Model. There is currently one Aboriginal Led Model in operation, but a need for expansion of these offerings, evolving a model of Together Home founded on cultural understandings of home and community. Adequate support and resources must be provided to Aboriginal Community Controlled Organisations to build their capacity to lead this work.

We note that this recommendation would allow Together Home to continue in its current form. This is only one step towards a longer-term vision of an embedded Housing First model of accommodation and support. The success of Together Home must be built upon via an ongoing investment in an expanded and embedded 'business as usual' Housing First program.

Strengths-based Aboriginal-leadership

Recommendation 6: Invest, over at least three years, in an Aboriginal-led strategic approach to sector development, which would include wide-scale cultural competence development, Aboriginal-led commissioning and development of the Aboriginal workforce.

There has been a long-term, widespread failure to engage with and build upon the strengths of Aboriginal communities, culture, families and organisations in shaping understandings of home and homelessness. A shift is needed towards culturally-connected, strengths-based ways forward for addressing inequalities in access to good quality, culturally-informed housing and homelessness services.²⁴ Aboriginal people account for more than 30% of SHS clients and little to no progress has been made in reducing rates of homelessness experienced by Aboriginal people in NSW.²⁵ The ways forward must be led by Aboriginal people and

²⁴ Tually, S., Tedmanson, D., Habibis, D., McKinley, K., Akbar, S., Chong, A., Deuter, K. & Goodwin-Smith, I. (2022) Urban Indigenous homelessness: Much more than housing. AHURI Final Report No. 383.

²⁵ AIHW. (2023).

organisations, but adequate investment is needed to facilitate this process. Investment is needed in this budget, and across at least a three year period, to seed and then expand:

- Capacity of Aboriginal Community Controlled Organisations to lead this work;
- Cultural competence within and across *all* government and non-government homelessness and domestic violence services;
- Aboriginal workforce and opportunities for employment pathways; and
- Aboriginal-led models of homelessness service commissioning (particularly in the lead up to end of current SHS contracts in 2026).

Targeted accommodation and support funds

Homelessness services are not able to meet overall demand and are struggling even further to meet the needs of some groups of people facing particular barriers to services and housing. There are groups of people who are technically not eligible for some SHS and/or government subsidies and services, but to whom, nevertheless, SHS providers have a responsibility to offer critical support and referral services under the ‘no wrong door’ program specification²⁶ and in order to maintain the most basic human rights to shelter. ‘No wrong door’ support is not adequately resourced and creates further strain on homelessness services, while exacerbating risks of homelessness for particular groups of people. There are also groups of people experiencing housing insecurity and homelessness at unprecedented rates that mean the system has not been set up to cater to their needs.

Recommendation 7: Invest \$1.2 million for caseworkers and dedicated crisis accommodation beds for services supporting people who are non-residents in Parramatta and Sydney.

People who are non-residents of Australia are at particular risk of homelessness due to their inability to access health care and income support, and employment constraints. It has been estimated that up to 55% of people seeking asylum, for example, have experienced some form of homelessness since arriving in Australia.²⁷ Women seeking asylum or on temporary visas who are fleeing domestic violence are especially vulnerable due to factors such as limited social supports, financial dependence on the perpetrator and fears of deportation.²⁸ This is a humanitarian issue, and also one that has significant economic implications given the subsequent limitations for people in terms of employment, education and community.

²⁶ NSW Department of Communities and Justice. (2021). *Specialist Homelessness Services Program Specifications*. NSW Government. p.21. Available at <https://www.facs.nsw.gov.au/download?file=811903>

²⁷ Roberts, A., Rego, N. and Conroy, D. (2021). *A Place to Call Home: A Report on the Experiences of Homelessness and Housing Exclusion Among People Seeking Asylum in Greater Sydney*. Jesuit Refugee Service and Western Sydney University. Available at <https://aus.jrs.net/wp>

²⁸ National Advocacy Group on Women on Temporary Visas Experiencing Violence. (2018.) Path to nowhere: Women on temporary visas experiencing violence and their children. Available at <https://awava.org.au/2018/12/11/research-and-reports/path-to-nowhere-report-women-on-temporary-visas-experiencing-violence-and-their-children>

Access to crisis support and a safety net to prevent homelessness are desperately needed for non-residents throughout the entire state. However, there are particularly high numbers of people experiencing homelessness in inner-city Sydney and in the Western suburbs of Sydney.²⁹ This includes people seeking asylum, Temporary Visa Holders, New Zealand Citizens (arrived in Australia after 2001) and people who are undocumented. Access to temporary or crisis accommodation is particularly problematic as most homelessness service providers have very limited, if any, capacity to support the crisis or long-term needs of people who are non-residents.³⁰ This investment would enable existing homelessness services who are working with people who are non-residents to provide targeted crisis accommodation and casework. This would facilitate access to critical services and pathways out of homelessness for those non-resident people who are otherwise ineligible, or unable to access, homelessness support services.

Recommendation 8: Invest \$1.8 million to fund specialist services to support transitions to safe and secure housing for people aged 55 or above.

Older people are one of the fastest growing groups of people experiencing homelessness in NSW.³¹ Older people experience particular limitations to accessible, secure housing and homelessness support services. There are close to 120,000 people over 55 renting or paying a mortgage who are on the lowest two income quintiles.³² Older women are disproportionately affected by the housing crisis and financial insecurity and, as such are among the fastest growing groups of people experiencing homelessness.³³ The current rental crisis is compounded for older people by the fact that the priority age for social housing eligibility in NSW is 80 years for those already on the general housing waiting list. The homelessness service system has not been adequately designed with this growing group of people in mind.

Homelessness NSW supports the NSW Ageing on the Edge Coalition's advocacy for services tailored to the particular needs of people aged 55 or above. We recommend immediate investment in services to help older people at risk of or experiencing homelessness to attain safe, accessible and secure accommodation. We also urge targeted longer-term planning for, and investment in, affordable private rental schemes and social housing for people aged 55 or above.

Recommendation 9: Commit adequate and appropriate resources to the development and long-term implementation of a specific youth action plan for homelessness in NSW.

²⁹ Refugee Council of Australia. (2023). Statistics on people seeking asylum in the community: NSW. Available at <https://www.refugeecouncil.org.au/asylum-community/7/>

³⁰ Hartley & Barnes. (2023).

³¹ AIHW. (2023).

³² Housing for the Aged Action Group (2023). Decades of housing decline: 2011 & 2021 Census Analysis of NSW, 2023, accessible at: https://www.olderrenters.org.au/sites/default/files/decades_of_decline_-_nsw_census_data_insights.pdf

³³ NCOSS. (2023). Mapping economic disadvantage in New South Wales. National Centre for Social and Economic Modelling (NATSEM), at the University of Canberra.

Almost 13,000 young people seek help from a SHS each year (these are young people on their own, not children accompanying parents). Young people account for about 19% of all SHS clients.³⁴ The consistently high number of young people experiencing homelessness demonstrates the need for a service system that better prevents and addresses youth homelessness. In the lead up to the development of the new 10-year NSW-wide homelessness strategy, there have been welcome steps towards a specific youth plan as part of this strategic approach. This is an opportunity to reduce the numbers of young people who experience homelessness and improve the capacity of the homelessness service system to meet the needs of young people. But this opportunity will only be realised if there are adequate resources attached to this plan. A youth-specific plan must be accompanied by adequate investment in workforce, infrastructure, leadership, operations, systems reform, evaluation and engagement.

³⁴ AIHW. (2023).