

2024-25 NSW Pre-Budget Submission

February 2024

Mission Australia is a national Christian charity that has been standing alongside Australians in need since 1859. Together, we stand with Australians in need for as long as they need us. In 2022-23, across NSW we supported over 66,000 people through 248 programs and services.

Recommendations

Housing and homelessness

Mission Australia recommends that the NSW Government:

- **Deliver a minimum of 5,000 newly built or acquired social homes annually over the next ten years**, including a mixture of housing models that cater to the needs of specific vulnerable cohorts such as young people, older women and people with support needs.
- **Fund a minimum of five shovel-ready new Foyers in NSW** in the next two years.
- **Commit to a pipeline of a further five Foyers** to be delivered by 2030.
- **Increase funding of homelessness services by 20%** to boost current crisis interventions.
- Fund the **End Street Sleeping Collaboration** to roll out the homeless persons register and continue to enable place-based local collaborations.
- **Implement Tailored Support Co-ordination services for all public housing tenants** who require support to either maintain their tenancies to avoid homelessness or to build capacity to transition to the private market. This can be achieved by:
 - **expanding the Sustaining Tenancies in Social Housing program** to prevent people from becoming homeless; and/or
 - **expanding the Tenant Participation and Community Engagement program** to embed tailored support co-ordination within the program.
- **Review the *No Exits from Government Services into Homelessness: A framework for multi-agency action* and make necessary changes and investments to meet its objectives** and hold relevant government agencies to account for its implementation.
- **Fund programs that support people exiting government institutions**, such as health facilities, corrections and out-of-home care, to find, secure and sustain housing.
- **Fund Stage 2 Pathways to Independent Living Initiative (PCLI)** program to enable full implementation following a rigorous procurement process.
- **Expand the Housing and Support Initiative (HASI)** program to enable more people with mental illness to live independently in the community with support.

Strong and sustained prevention and early intervention investment for children, youth and families most in need

Mission Australia recommends that the NSW Government:

- **Invest \$20 million over four years to further support care leavers** with tailored education, employment, housing, health, wellbeing and community supports to help them to prepare for life after care, based on **Victoria's Better Futures** program.
- Rebalance investment through **increased funding across the family support early intervention and prevention sector by 25%**.
- Roll out an **evidence-based early intervention program** across NSW.

Addressing cost of living pressures

Mission Australia recommends that the NSW Government:

- Improve **conditions and protections for NSW renters**.
- Push the Commonwealth Government to **lift Jobseeker, Youth Allowance**, and related payments (e.g. Commonwealth Rent Assistance) to protect people from poverty.
- Improve the availability, accessibility and impact of NSW Government **cost-of-living schemes** for low-income households.
- Address **transport affordability** for groups whose participation in employment, education and other opportunities is most at risk.
- Ensure that **NSW's food relief system is fit for purpose**, supports households most in need and represents the best use of available resources and skills.

Gambling reform

Mission Australia recommends that the NSW Government:

- Implement in full the recommendations **of the 'Put Pokies in their Place' campaign** which include:
 - a universal identity-linked cashless payment system with harm minimisation measures is independently administered
 - poker machines are turned off from midnight to 10am
 - a limit is placed on the number of poker machines in NSW Clubs
 - Councils have the right to be consulted about poker machines in their local government area
 - an end is put to gambling advertising.

Investing in the community sector

Mission Australia recommends that the NSW Government:

- **Fund the full cost of service delivery**, including infrastructure, management and administration costs, and appropriate indexation.
- **Shift to long-term contracts when commissioning and recommissioning services**, of at least seven years for most programs and 10 years for place-based programs in communities with persistent and entrenched disadvantage or in remote Aboriginal and Torres Strait Islander communities.

1. Housing and homelessness

Now is a critical time in the development of homelessness and housing policy in NSW, particularly as work begins in earnest on the next National Housing and Homelessness Agreement and the National Housing and Homelessness Plan. Our submission to the National Plan, which calls for a transformational shift to an end-homelessness approach that prioritises homelessness prevention and permanent housing for all, can be accessed [here](#). Significant and lasting change will only come with all levels of government working together, coordinated at a national level with Federal Government leadership and funding brought to bear. The NSW Government, as the largest jurisdiction in Australia, can lead the way in taking steps to end homelessness and address the acute housing crisis.

Deliver 5,000 new social homes annually over the next ten years

There are over 57,000 households on the NSW Housing Registerⁱ, while analysis by the UNSW City Futures Research Centre estimates that unmet need for subsidised housing is far greater at 144,700 households in Greater Sydney and 76,800 households in regional NSW.ⁱⁱ

Mission Australia supports the call from Shelter NSW, NSW Council of Social Service and others for investment to be made to ensure a minimum of 5,000 social homes a year are delivered. This should include a mixture of housing models suitable for individualised needs of particular cohorts, including young people, older people (especially women) and people with support needs.

Recommendation

- The NSW Government **deliver a minimum of 5,000 newly built or acquired social homes annually over the next ten years**, including a mixture of housing models that cater to the needs of specific vulnerable cohorts such young people, older women and people with support needs. [\(Minister for Housing and Homelessness\)](#)

Commit to and fund 10 Youth Foyers to be delivered by 2030

Mission Australia is a member of FoyerInvest, a consortium of service providers, philanthropists, impact investors and young people working collaboratively to grow the reach and impact of Youth Foyers. We endorse the pre-budget submission recommendation of FoyerInvest which would substantially increase the number of Foyers across Australia. At least five sites in NSW are ready for development within two years as outlined in the submission.

Based on 2020 data from nine Foyers across Australia, young people in Foyers are 1.6 times more likely to achieve a higher level of education compared to those connected with Specialist Homelessness Services. Further, 65% of young people in Foyers gain employment compared to 51% in the SHS, and 80% exit into stable housing.ⁱⁱⁱ Using conditional probability modelling to estimate SHS outcomes relative to Foyer outcomes, it is estimated that Foyer results in an overall per person benefit to government of \$90,042.48 (in June 2023 dollars) in avoided costs over 40 years.^{iv}

Recommendations

- The NSW Government **fund a minimum of five shovel-ready new Foyers in NSW** in the next two years. [\(Minister for Housing and Homelessness\)](#)
- The NSW Government **commit to a pipeline of a further five Foyers** to be delivered by 2030. [\(Minister for Housing and Homelessness\)](#)

Increase funding for homelessness services

Mission Australia supports the calls by Homelessness NSW and Shelter NSW to increase funding to specialist homelessness services by 20%. On any given day in NSW, 47 requests for specialist homelessness assistance are not met, underscoring the lack of capacity to meet demand.

Mission Australia has also been behind the work of the End Street Sleeping Collaboration since its formation. The Collaboration is providing vital impetus to the development of a place-based, collaborative and person-centred approach to preventing homelessness, with this approach being supported by a homelessness register, referred to as the By-Name List.

The Collaboration is currently fully funded by not-for-profit organisations and philanthropist. While the NSW Government is represented on the Board, it does not provide funding to the Collaboration. We call on the NSW Government to match the NFP funding commitments to ensure a true partnership to ending rough sleeping in NSW.

Recommendations

- The NSW Government **increase funding of homelessness services by 20%** to boost current crisis interventions. (Minister for Housing and Homelessness)
- Fund the End Street Sleeping Collaboration to roll out the homeless persons register and continue to enable place-based local collaborations. (Minister for Housing and Homelessness)

Provide Tailored Support Co-ordination services to all public housing tenants

Tailored Support Co-ordination is a service model of housing plus support which would help NSW public housing tenants at risk of homelessness to maintain their tenancy. Tenants who exit social housing due to the following circumstances are at higher risk of homelessness: when they exit abruptly; have established a tenancy based on debt; are financially highly dependent on another person; or, have a history of multiple unsuccessful transitions out of social housing.^{vi} Access to early support can reduce risk and improve the social housing experience and can reduce churn through the homelessness system to only end up back in social housing or entrenched in homelessness.

Recommendations

- The NSW Government **implement Tailored Support Co-ordination services for all public housing tenants** who require support to either maintain their tenancies to avoid homelessness or to build capacity to transition to the private market. This can be achieved by:
 - **expanding the Sustaining Tenancies in Social Housing program** to prevent people from becoming homeless (Minister for Housing and Homelessness)
 - **expanding the Tenant Participation and Community Engagement program** and embed tailored support co-ordination within the program. (Minister for Housing and Homelessness)

Prevent exits into homelessness

The lack of co-ordination and planning when people leave government institutions and services such as prison, hospital or care can result in homelessness. Often people leaving prison are directed to go straight from prison to Link2home to access temporary accommodation. Better and early planning is needed to support people to exit into secure and supported housing.

Recommendations

- The NSW Government **review the *No Exits from Government Services into Homelessness: A framework for multi-agency action* and make necessary changes and investments to meet its objectives** and hold relevant government agencies to account for its implementation. (Minister for Housing and Homelessness)
- The NSW Government **fund programs that support people exiting government institutions**, such as health facilities, corrections and out-of-home care, to find, secure and sustain housing. (Minister for Housing and Homelessness)

Invest in supported housing models

For some people a home is not enough to avoid entry or re-entry into homelessness. They require support to maintain housing independence for a period time which may end up being permanently, at levels of intensity that is responsive to their needs.

Recommendations

- The NSW Government **fund Stage 2 Pathways to Independent Living Initiative (PCLI)** program to enable full implementation following a rigorous procurement process. (Minister for Health)
- The NSW Government **expand the Housing and Support Initiative** program to enable more people with mental illness to live independently in the community with support. (Minister for Health)

2. Strong and sustained prevention and early intervention investment for children, youth and families most in need

\$20 million over four years to guarantee every young person leaving out-of-home care has a secure home and support they need

While Mission Australia welcomed the move to extend care to 21 years, this on its own will not solve the high rates of homelessness, contact with the criminal justice system, and poor education and employment prospects of young people who have an experience of care.^{vii} CREATE Foundation, in a survey of over 300 care leavers, found 30% reported they had been homeless at some stage within their first year after leaving care, and of those young people 37% were homeless for six months or more.^{viii}

We call on the NSW Government to implement a similar program to Victoria's Better Futures which provides young people with a range of tailored education, employment, housing, health, wellbeing and community supports to help them to prepare for life after care. This type of comprehensive support is needed to facilitate positive later life outcomes for young adults who were denied the best start in life. The Better Futures program is funded to support approximately 2,000 young people at any one time on a budget of \$2 million per annum.

Recommendation

- The NSW Government **invest \$20 million over four years to further support care leavers** with tailored education, employment, housing, health, wellbeing and community supports to help them to prepare for life after care, based on Victoria's Better Futures program. (Minister for Families and Communities; Minister for Housing and Homelessness)

Invest to effectively support vulnerable families and children to thrive

Mission Australia welcomes the NSW Government's efforts to fix the underfunded child protection and out-of-home care systems. At the same time, we need similar focus on and investment in vulnerable families and children before they reach crisis and require these costly, acute interventions.

The evidence tells us early intervention and prevention works. The first 2000 days of a child's life are critical determinants of physical, social, and emotional health. As a provider, we know family preservation programs are critically important to:

- identify and acknowledge underlying trauma
- develop and maintain essential life and parenting skills
- access suitable housing, financial assistance and appropriate support services
- overcome addiction and substance abuse problems
- access appropriate psychiatric assessment and treatment
- enrol children in school and access supports for their educational needs
- identify and maintain support networks from within families' existing circle of positive connections.

Mission Australia endorses the recommendations below outlined in FAMS' report: *Keeping our Kids Safe: Rebalance Investment, Invest in the Evidence, and Address the Australian Child Maltreatment Study*. In particular, the following two recommendations:

Recommendation

- The NSW Government rebalance investment through **increased funding across the early intervention and prevention sector by 25%**. (Minister for Families and Communities)
- The NSW Government **roll out an evidence-based early intervention program across NSW**. (Minister for Families and Communities)

3. Addressing cost of living pressures

Most of the people we work with are on very low or low incomes. Many are reliant on income support payments, while others are in low-paid, insecure work or are underemployed and are themselves therefore likely to rely on income support payments from time to time. We see all too often at Mission Australia that people living in poverty are at risk of becoming homeless. The stark shortage of social and affordable housing, skyrocketing cost of renting and rental stress, rising cost of living, and inadequate levels of income support are combining to escalate Australia's housing and homelessness crisis.

Mission Australia supports the recommendations in the NCOSS *Barely Hanging On* [Supplementary Paper](#). Some of these recommendations are consistent with our recommendations in other sections in this submission and are outlined below.

Recommendations

- The NSW Government improve **conditions and protections for NSW renters**. (Minister for Housing and Homelessness)

- The NSW Government push the Commonwealth Government to **lift Jobseeker, Youth Allowance**, and related payments (e.g. Commonwealth Rent Assistance) to protect people from poverty. (Minister for Families and Communities)
- The NSW Government improve the availability, accessibility and impact of NSW Government **cost-of-living schemes** for low-income households. (Treasurer)
- The NSW Government address **transport affordability** for groups whose participation in employment, education and other opportunities is most at risk. (Minister for Families and Communities)
- The NSW Government **ensure that NSW’s food relief system is fit for purpose, supports households most in need** and represents the best use of available resources and skills. (Minister for Families and Communities)

4. Gambling reform

NSW is home to just under half of Australia’s 200,000 poker machines. They are deeply harmful. Dotted in pubs and clubs across the state, they are dangerous and designed to addict. The NSW Government must outline a credible path to tackling this issue.

Mission Australia is a supporter of Wesley Mission’s ‘Put Pokies in their Place’ campaign which is seeking significant gambling reform. The campaign’s recommendations are based on the work of the Productivity Commission and subsequent research and are provided below and discussed in further detail in [Wesley Mission’s 2023-27 NSW Gambling Reform Platform to Protect our Communities](#).^{ix}

Recommendations

- The NSW Government **implement in full the recommendations of the ‘Put Pokies in their Place’ campaign** which include:
 - a universal identity-linked cashless payment system with harm minimisation measures is independently administered
 - poker machines are turned off from midnight to 10am
 - a limit is placed on the number of poker machines in NSW Clubs
 - Councils have the right to be consulted about poker machines in their local government area
 - an end is put to gambling advertising. (Minister for Gaming and Racing)

5. Investing in the community sector

The community sector is facing a number of threats to its sustainability, including funding contracts that do not reflect the true cost of service provision and are too short-term; inconsistent, opaque and inadequate indexation arrangements; and poor commissioning practices.

Provide grants that reflect the real cost of service delivery

Government funders typically and rightly require not-for-profits (NFPs) to meet core governance contractual requirements such as finance, auditing, essential HR functions, legal, IT security, WHS, risk management, procurement and property, compliance. On top of this, government funders are increasingly including a range of other important quality and compliance requirements into contracts. These include: increased regulatory and accreditation compliance and Quality Assurance

systems; redundancies and service closure costs; employment of staff members with living/lived experience; employment of staff members in remote areas; technology costs; costs specifically associated with increased cybersecurity risks; and costs associated with sub-contracting arrangements.

Recommendation

- The NSW Government **fund the full cost of service delivery**, including infrastructure, management and administration costs, and appropriate indexation. (Minister for Families and Communities)

Provide long-term grant agreements and better grant extension arrangements

Standard contract durations or extension durations of any less than three years are very difficult to manage, with implications for workforce stability and retention, longer-term planning and investment by NFPs, and the ability to achieve outcomes in the provision of services to individuals and communities with complex needs. Funders also incur costs of administrative burden associated with continual tendering or extension processes.

Repeated short-term contract extensions are an even greater challenge than initial short-term contracts. This is a common experience across the community sector, often due to delays in procurement processes or review/evaluation processes that extend past a contractual end date, and is extremely detrimental to service and workforce stability. It is now common to see programs primarily operating on short-term extensions after the base contract has expired.

We recommend contract durations of at least seven years for most programs and 10 years for place-based programs in communities with persistent and entrenched disadvantage or in remote Aboriginal and Torres Strait Islander communities.

Ideally, between six and eight months should be given to negotiate grant variations and extensions. That would allow approximately two months to put a plan in place and between four and six months to execute it.

Recommendation

- The NSW Government **shift to long-term contracts when commissioning and recommissioning services**, of at least seven years for most programs and 10 years for place-based programs in communities with persistent and entrenched disadvantage or in remote Aboriginal and Torres Strait Islander communities. (Minister for Families and Communities)

ⁱ See further: <https://www.facs.nsw.gov.au/housing/help/applying-assistance/social-housing-waiting-list-data>.

ⁱⁱ van den Nouwelant, R., Troy, L., & Soundararaj, B. (2022). Quantifying Australia's unmet housing need: A national snapshot (Issue November). <https://www.communityhousing.com.au/wp-content/uploads/2022/11/CHIA-housing-need-national-snapshot-v1.0.pdf?x14633>.

ⁱⁱⁱ Accenture (2022). Under oneRoof: The Social and Economic Impact of Youth Foyers, https://foyer.org.au/wp-content/uploads/2023/04/FoyerFoundation_UnderOneRoof_FULLReport2023.pdf.

^{iv} Accenture (2022).

^v Australian Institute of Health and Welfare (AIHW) 2024, Specialist homelessness services annual report 2022–23, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report>.

^{vi} Conroy, E., & Williams, M. (2017), 'Evidence check: Homelessness at Transition', Sax Institute.

^{vii} Legislative Council. General Purpose Standing Committee, 2017. Child Protection, New South Wales Parliament, <https://www.parliament.nsw.gov.au/lcdocs/inquiries/2396/Final%20report%20-%20Child%20protection.pdf>.

^{viii} McDowall, J. J, 2020. Transitioning to Adulthood from Out-of-Home Care: Independence or Interdependence. CREATE Foundation, <https://create.org.au/wp-content/uploads/2021/05/CREATE-Post-Care-Report-2021-LR.pdf>.

^{ix} See further: https://www.wesleymission.org.au/wp-content/uploads/2023/04/230403_2023-27-NSW-Gambling-Reform-Platform-to-protect-our-communities.pdf.