Together Home Program Evaluation
System Impacts Paper

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For NSW Department of Communities and Justice

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Acknowledgement of country

AHURI acknowledges the Traditional Custodians of country throughout our nation, and we pay our respect to Elders past and present. We acknowledge Aboriginal and Torres Strait Islander peoples' connections to land, sea and community, and respect their cultural, spiritual and educational practices.

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Acronyms and abbreviations used in this report

ACCO	Aboriginal Community Controlled Organisation
AHA	Application for Housing Assistance
AHURI	Australian Housing and Urban Research Institute Limited
CHP	Community Housing Provider
CRA	Commonwealth Rent Assistance
CRAG	Client Referral and Assessment Group
DCJ	NSW Department of Communities and Justice
Impacts Paper	System Impacts Paper
Interim Implementation Report	*Together Home Program Evaluation Interim Implementation Report*
SHS	Specialist Homelessness Services
SOMIH	State owned and managed Indigenous housing
THP	Together Home Program

Executive summary

The System Impacts Paper (Impacts Paper) provides additional information to the evaluation of the Together Home Program (THP). It is guided by the following questions:

- How can a future THP be designed to support a Homelessness Strategy that aims to make homelessness 'rare, brief and non-recurrent'?
- How can the THP client experience be improved?
- What improvements could be considered in a future Housing First model?

The Impacts Paper draws together evidence from the *Together Home Program Evaluation Interim Implementation Report* (Interim Implementation Report), (Interim Implementation Report), new quantitative data and new qualitative data from stakeholder consultations.

Key findings

The THP is a good model and has produced positive outcomes for clients during their time in the program. While there are some adjustments that could be made at the program level to align it more closely with Housing First principles, the primary constraints on the effectiveness of the THP are systemic.

Program outcomes

The THP commenced on 1 July 2020. By January 2023, a total of 1,355 clients had been accepted into the program and 1,117 packages had been allocated (Table 5).[1] Most clients (67%) were male and aged over 45 years (48%); 33 per cent identified as Aboriginal and/or Torres Strait Islander; and 41 per cent reported a disability (Table 6).

The THP produced strong outcomes in terms of housing clients and sustaining tenancies (Table 7). Across all tranches and the Aboriginal-led model, the program housed 1,092 clients, which represents 81 per cent of all program participants (1,355 clients); 74 per cent of these had sustained their tenancies at January 2023. However, the THP struggled to rapidly house clients. Only 48 per cent of all clients were housed within four weeks of referral and an additional 11 per cent of remaining clients were housed within 6 weeks (Table 7). A very high number of THP clients (1,320 out of 1,355 clients overall, or 97%) were linked to support services (Table 5).

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1   Note that if clients dropped out of the program their package was reallocated.

System constraints

The THP must be considered within the context of the wider housing, homelessness, and human services systems in NSW, which are under pressure, and which are not well interconnected. Homelessness responses are oriented towards time limited and crisis responses, rather than enduring and person-centred approaches consistent with Housing First principles.

The key issues impacting the effectiveness and sustainability of the THP and other Housing First informed programs at a systems and program levels are the availability of appropriate, affordable, and safe housing, and timely and continued access to needed, appropriate and flexible services and supports.

In the medium term it is possible for the THP and other similar programs to address system constraints by designing, implementing, and operating individual programs in a way that facilitate access to housing and services during and after the program. However, the sustained success of the THP and other similar programs, will depend on whether systems settings can be amended.

Headleasing

Headleasing was the key mechanism by which the THP intended to source housing for program participants. COVID-19 affected rental markets across NSW, with there being very low vacancy rates in some local markets, which impacted the effectiveness of headleasing. Consequently, CHPs housed more program participants than anticipated in capital stock. Overall, the analysis suggests that headleasing can be effective in larger markets that have sufficient available rentals (e.g., in metropolitan Sydney), but does not work well in small rental markets that have low vacancy rates.

Fidelity to Housing First principles

The national and international literature provides strong evidence on the efficacy of Housing First to address long term homelessness, primarily for rough sleepers. The THP has a relatively high degree of fidelity to some Housing First principles, especially around access to housing and support, but other principles, such as active engagement without coercion and a harm reduction approach to service delivery are not mentioned in the program model.

How can a future THP be designed to support a Homelessness Strategy that aims to make homelessness 'rare, brief and non-recurrent'?

There has not been a high level of integration between the homelessness and social housing strategies. To effectively address homelessness, it would be desirable that social housing and homelessness are addressed under the one strategy. This is consistent with evidence-based approaches to homelessness, such as Housing First.

In the medium term (5-10 years), it is possible for the THP and other similar programs to overcome system constraints by designing, implementing, and operating individual programs in a way that facilitate access to housing and services during and after the program. However, their sustained success will depend on whether systems settings can be amended.

To ensure that homelessness is rare, brief, and non-recurring, it will be necessary for the system to aim to end homelessness and adopt a longitudinal and intergenerational view of homelessness. This will require a system wide focus on ending and preventing homelessness, a commitment across all systems to 'no exits into homelessness', as well as shared language and outcomes across all parts of the system (housing, homelessness, human services). It will require the system to develop a sophisticated understanding of homelessness and homelessness response beyond the narrow confines of the homelessness system, i.e., the housing and homelessness systems should be integrated and require strong interconnections with the human services system.

In the absence of system wide reform, there are opportunities for the THP and other similar programs to better integrate with the wider service system, noting that this is already happening in many instances. Avenues for better integration include:

- Assist CHPs and support providers to develop a better understanding of alternate pathways of support instead of relying on homelessness system funding (e.g., NDIS, aged care, Housing Pathways, Rent Choice, Disability Support Pension).

- Develop funding models that ensure clients have ongoing and flexible access to the supports they require at the level needed. This could be done in a variety of ways, including using client centred approaches. Another example would be to make ongoing support funding available (beyond the program timeframe) to enable CHPs to continue to contract the support needed by the client (consistent with the current THP model). Note that this option would not be viable for THP clients who are not housed in THP CHP properties. The case study of the Aboriginal-led model identified that there were benefits in the support provider being the lead agency. This suggests that there may be merit in funding select support providers directly to continue support for THP clients beyond the program duration.

- Establish and support ongoing local collaborations, which are a strength of the model. Mechanisms such as Client Referral and Assessment Groups (CRAGs), attendance at By-Name-List meetings, and regular well-run case management forums with problem solving and collaboration aid system integration and allow discussion of appropriate referrals and provision of ongoing support for clients.

What improvements could be considered in a future Housing First model?

A key question facing the THP is whether programmatic Housing First models can be effective within broader housing and homelessness systems that are not oriented towards Housing First. The risk is that a focus on programmatic solutions to homelessness can detract from the need to address the underlying causes of homelessness and homelessness-serving systems.

Housing

The THP had strong commitment to providing access and pathways to long term housing, but lack of housing was a key constraint at the program and systems levels. Headleasing was a key feature of the program design and worked well in larger markets with healthy vacancy rates but was less effective in smaller markets with low vacancy rates. In addition, headleases are not an appropriate tenure for some THP clients, who would benefit from alternative housing models, such as permanent supportive housing or living on congregate settings.

Ideally, there would be a system-wide response to building additional needed social housing. However, the Transition Program component of the THP model demonstrates that it is possible to generate additional social housing at the program level and increase the long-term supply of social housing available to the overall system. DCJ provides upfront capital grants that are accessible via a tender process. CHPs provide a co-contribution in the form of debt, land, cash, reserves or support, and DCJ provides capital investment. Buildings are then acquired or developed by the CHP, who has full ownership of the final property but also full liability and maintenance responsibility. DCJ registers an interest on the property title for perpetuity and cannot refuse any reasonable use proposed by the CHP.

Recommendation 1 – Provide a range of housing options

The THP, or any future Housing First program model, should provide a broad range of housing options including headleasing, social housing, supported housing, and congregate housing.

Recommendation 2 – Include capital component

The THP, or any future Housing First program model, should include a capital component by which to generate (build or purchase) additional capital stock to ensure the model remains sustainable in markets with constrained access to affordable, safe, and appropriate rental and social housing.

Recommendation 3 – Strengthen monitoring of and support for tenancy sustainment beyond the program timeframe

The THP, or any future Housing First program model, should strengthen monitoring of and support for tenancy sustainment beyond the program timeframe to ensure the effectiveness of the program and facilitate long term housing stability; this is consistent with the objective of developing a homelessness rare, brief, and non-recurring.

Support

The THP had a strong commitment to providing clients with needed support while they were in the program. However, system constraints mean that the same level of support cannot be guaranteed beyond the program timeframe.

Flexible support for as long as needed

Access to flexible support for as long as needed is a key principle of Housing First. Implementation of this principle in NSW is primarily a systems and funding issue. The THP enhanced integration between the NSW housing and homelessness systems by strengthening connections between CHPs and support providers. The program provided flexible support to meet client needs for the duration of the program. However, once clients left the program, the same level of support could not be guaranteed. Continuing flexible support consistent with Housing First principles will require funded exit options.

Recommendation 4 – Provide access to flexible support beyond any fixed program timeframe

The THP, or any future Housing First program model, should provide access to flexible support beyond any fixed program timeframe. Mechanisms to achieve this could include flexible and scalable models of care; funding that is tied to the client (rather than the housing or support provider); or ongoing support funding through the housing provider to enable them to continue to contract the support needed by the client.

Housing and support are separated

The THP did not enforce the strict separation of housing and support, with six CHPs providing both housing and support and the remainder contracting out support (in alignment with Housing First principles). Overall, there are benefits and challenges in each model, and each model can be successful if done well.

> **Recommendation 5 – Monitor the impact of in-house provision of housing and support**
>
> The THP, or any future Housing First program model, should closely monitor whether there are any adverse effects for clients when housing and support are combined with the same provider and implement steps to mitigate this.

Principles underpinning support provision

CHPs are funded by DCJ to deliver housing and sub-contract support services. Because of the contracting structure, it is difficult to ascertain the type and amount of support provided to clients, and the degree to which Housing First principles for support provision were adhered to (choice and self-determination, social and community inclusion, recovery-oriented practice, harm reduction, active engagement without coercion).

> **Recommendation 6 – Strengthen adherence to principles underpinning support provision**
>
> The THP, or any future Housing First program model, should be designed and structured to enable, to the greatest degree possible, adherence to the principles of choice and self-determination, social and community inclusion, recovery-oriented practice, active engagement without coercion and harm reduction approaches.

> **Recommendation 7 – Strengthen data on type and intensity of support provided**
>
> The THP, or any future Housing First program model, should develop data, monitoring and reporting to better capture the type, quality and intensity of support provided to clients.

High Needs Packages and One-Off Funding Grants

High Needs Packages and One-Off Funding Grants allowed clients to access needed supports and services not available to them via the standard housing, homelessness, and human services systems.

> **Recommendation 8 – Maintain High Needs Packages and/or One-Off Funding Grants**
>
> The THP, or any future Housing First program model, should maintain additional funding to meet client needs that are not addressed by the standard welfare and human services systems. Going forward, it may be worth considering whether the High Needs Package approach, the One-Off Funding Grants approach or a hybrid approach to offering this additional support is most suitable and sustainable.

Culturally safe support

Around a third of all THP clients identify as Aboriginal,[2] and all CHPs have a commitment to and policies in place to deliver culturally safe and appropriate services. Some CHPs employ dedicated Aboriginal workers and most refer clients to Aboriginal specific services and supports where this is required (see section 6.6 for a discussion of culturally safe support). In addition, the THP provided 35 packages that delivered culturally specific support through the Aboriginal-led model, led by an Aboriginal Community Controlled Organisation (ACCO). The Aboriginal-led model delivered considerable additional benefits for clients and the ACCO.

> **Recommendation 9 – Review the THP program model to more closely align with models that deliver culturally safe support**
>
> The THP, or any future Housing First program model, should be co-designed with ACCOs to ensure an explicit focus of delivering housing and support in ways that support cultural safety.

How can the THP client experience be improved?

At present the understanding of how clients experience the THP is underdeveloped and needs to be improved. The most effective approaches will seek to not merely understand the client experience but provide avenues to include clients in governing and delivering the program.

> **Recommendation 10 – Develop effective mechanisms to better understand the client experience and utilise clients' lived experience in the governance and delivery of the program**
>
> The THP, or any future Housing First program model, should develop and apply mechanisms to better understand the client experience and develop and implement approaches to utilise clients' lived experience in the governance and delivery of the program.

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2 This paper uses the term 'Aboriginal' to include Aboriginal and Torres Strait Islander people. This is done for the sake of brevity.

1. Introduction

This System Impacts Paper (Impacts Paper) provides additional information to the evaluation of the Together Home Program (THP). It draws on evidence from the *Together Home Program Evaluation: Interim Implementation Report* (Interim Implementation Report) and offers some new evidence.

Guiding questions informing the paper are:

* How can a future THP be designed to support a Homelessness Strategy that aims to make homelessness 'rare, brief and non-recurrent'?

* How can the THP client experience be improved?

* What improvements could be considered in a future Housing First model?

The purpose of this paper is to provide focussed evidence and insights to support any future funding bids and to explore key themes in program delivery and design to guide next steps.

The paper explores issues and options applicable to a new model with a view to how the program could better:

* manage risks and move the program closer to a Housing First model

* reconcile the program's fidelity with Housing First principles.

The Impacts Paper takes a systems view. It interrogates the broader implications of introducing a program like the THP, which is founded in Housing First principles, and which provides housing and wrap around support together, into a housing and homelessness system that is primarily reactive, focused on short- and medium-term interventions, and within which housing is a scarce resource.

The Impacts Paper also considers the degree to which the THP is effective in providing housing and wrap around to the homeless population for which it has been designed, namely rough sleepers.

The paper is structured as follows. Chapter 3 outlines the housing market changes in NSW that occurred during the COVID-19 pandemic and how this impacted viability of the headleasing model. Chapters 4 and 5 outline the Australian and NSW housing and homelessness systems in broad strokes. Chapter 6 summarises headline program data for the THP up until January 2023, including housing outcomes and gender equity issues. Chapter 7 outlines Housing First principles, assesses the fidelity of the THP to these and examines the system impact of operating a large Housing First informed program (like the THP) in a non-Housing First oriented housing and homelessness system. Finally, Chapter 8 provides conclusions and recommendations.

2. Method

The Impacts Paper draws together evidence from the Interim Implementation Report and new quantitative and qualitative data analysis.

The Impacts Paper analyses vacancy data from rental markets across NSW, as data from the Report on Government Services (RoGS), the Australian Institute of Health and Welfare (AIHW), the Australian Bureau of Statistics (ABS), and administrative program data, as reported in the Interim Implementation Report.

The paper draws on the national and international literature on the effectiveness of Housing First, and the Australian national and NSW policy context, which provides the setting for the analysis.

The process to developing the Impacts Paper was as follows. A discussion paper was produced to inform consultations with key stakeholders to ascertain their views on the key challenges and opportunities for the THP's future operation. The discussion paper was distributed to consultation participants at least seven days prior to the consultation date. Key stakeholder consultations took place as follows:

- One 2-hour consultation workshop to which all THP CHPs were invited. CHPs were encouraged to pass on the invitation to the workshop to their sub-contracted service providers. Key department staff were also present at the workshop on 25 September 2023. The workshop had more than 26 participants and took place on MS Teams (see Appendix 2).

- One 30-minute online consultation workshop with the Together Home Steering Committee on 4 October 2023.

- One 45-minute consultation with Homelessness NSW on 19 October 2023.

- On 30-minute consultation with Women's Housing Company on 24 October 2023.

The consultations asked the following questions:

- **Integration with the broader housing, homelessness, and human services systems.** What are the opportunities for the THP model to better integrate with the existing service system?

- **Fidelity to Housing First principles.** How can we increase the fidelity of THP to Housing First principles?

- **Client experience.** How can we improve the client experience of the THP? How can we better include clients in program design and governance and delivery?

- **Housing options.** What are the options to ensure that the THP has access to sufficient and appropriate housing stock?

- **Sustainability.** What changes in program design do we need to consider to reduce clients circling back into homelessness (including specific cohorts such and Aboriginal people and women)?

- **Support provision.** How can we provide effective access to ongoing support at the level clients need once they exit the program?

- **Contracting.** Do the current contracting arrangements require improvements and what are these?

- **Governance.** How can we improve program governance in the future?

Findings from the consultations were used to inform the conclusions and recommendations presented in the final version of the Impacts Paper (this paper).

3. Housing market changes due to the pandemic

Housing markets impact the effectiveness of headleasing. The COVID-19 pandemic impacted housing markets in NSW and around Australia. Many homeowners and renters moved from urban to regional areas, migration was halted, and there was a large increase in people working from home (Baker and Daniel 2020). These changes impacted the availability and cost of housing for the THP headleasing model in regional NSW, which negatively affected the effectiveness of the headleasing model in some areas. Conversely, there was an increase in vacancy rates and a fall in rents during the acute phase of the COVID-19 pandemic in the inner metropolitan area, but rents once again increased, and vacancy rates dropped sharply from December 2021.

This section of the report provides an overview of vacancy rates and the cost of rentals in the Sydney metropolitan area, as well as analysis of vacancy rates across NSW from March 2019 to June 2023.

Overall, the data show how COVID affected rental markets in NSW, with there being noticeable impacts from March 2020. In regional and some outer metro areas (Figure 5), vacancy rates were in the low to very low ranges before, during and after COVID, which constrained the efficacy of the headleasing model (due to a lack of available rental properties) and increased its cost. See section 7.2.1 for an assessment of the effectiveness of the headleasing model within the THP. However, the opposite was true for inner and middle Sydney, where vacancy rates were higher than usual during COVID, and which facilitated some good outcomes in terms of headleasing (see also appendix 1).

3.1 Data measures and definitions

Rental vacancy rates measure the percentage of rental properties in a given area that are empty and available for lease. This number is calculated by taking the number of vacant properties in an area and dividing it by the total number of properties in the area (O'Dowd 2023).

Rent is shown is the median for *affordable rentals in 1 and 2 bedroom dwellings, which are defined as dwellings in the lowest quartile of rents* (25th percentile). One and two bedroom dwellings were chosen as they are the dwelling type suited for the majority of THP clients. Data on the cost of median weekly rents was obtained from DCJ and is available on a quarterly basis (DCJ 2023a).

Data on vacancy was obtained from the Real Estate Institute of NSW (REINSW) and is based on real estate agent offices' vacancies. Data is available on a monthly basis. *Vacancy data includes all vacancies, not just vacancies for one and two bedroom dwellings.* Vacancy rates under 2 per cent are considered to be very low. Vacancy rates around 3 per cent to 3.5 per cent are considered sustainable. However, whether a vacancy rate is healthy also depends on the characteristic of the market and the number of rental listings. For example, in a small regional rental market, where there are only few properties available for rental, a 3 per cent vacancy rate may represent only a handful of properties and would therefore not be sustainable. Conversely, in a densely populated metropolitan area, a 3 percent vacancy rate could represent hundreds of rental listings and therefore be healthy.[3]

3.2 Vacancy rates and rents in Sydney

Figures 1-4 show the rental vacancy rates and rent for dwellings in Sydney (inner, middle and outer metropolitan areas, see appendix 1) and Newcastle from March 2019 to June 2023.

Figure 1 shows that for inner Sydney, from March 2020, there was a sharp increase in vacancy rates, however, vacancy rates dropped again into the low and very low ranges from late 2021. Correspondingly, the cost of rentals fell below pre-COVID levels from March 2020 until early 2022, but have risen steadily since, with the exception of 1 bedroom dwellings which have fallen in 2023.

Figure 1: Inner Sydney rental vacancy rates and median weekly rent, March 2019 to June 2023
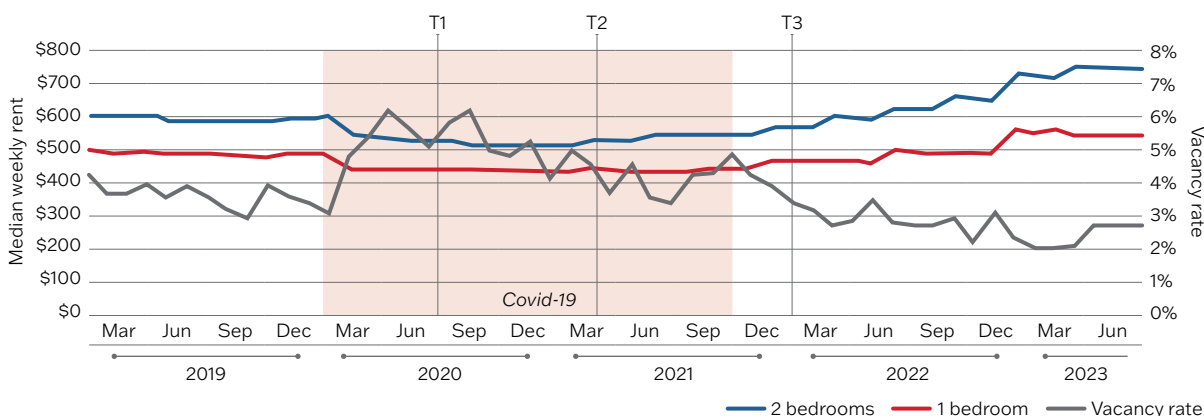
Source: authors

Note: Commencement dates for tranches are T1 1 July 2020, T2 March/April 2021, T3 January 2023; COVID period is from first lockdown in March 2020 to 80% inoculation in NSW on 18 October 2022.

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3 A note on vacancy rates. Vacancy rates are commonly cited as a key measure of housing market performance. However, there are there are inconsistencies in the methodologies of how vacancy rates are collected (e.g., bond lodgement data, sample based), by whom (e.g., Real Estate Institute of Australia, SQM Research), and how they are applied spatially (local level, aggregate measures) and temporally (monthly, quarterly, yearly). Furthermore, there are untested assumptions around what constitutes a 'natural' or 'equilibrium' or 'healthy' vacancy rate in Australia. Real estate bodies commonly cite 3 per cent as a healthy vacancy rate (e.g., REIA 2022). While this may appear to be a 'healthy' vacancy rate from the point of view of the real estate investor, from the perspective of renters it is likely that a higher vacancy rate is 'healthy'.

Figure 2: Middle Sydney rental vacancy rates and median weekly rent, March 2019 to June 2023
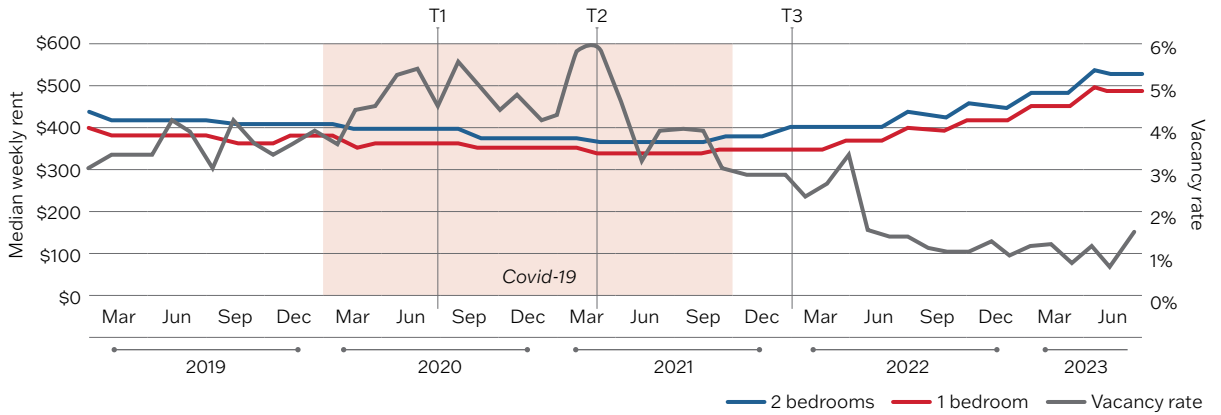
Source: authors

Note: Commencement dates for tranches are T1 1 July 2020, T2 March/April 2021, T3 January 2023; COVID period is from first lockdown in March 2020 to 80% inoculation in NSW on 18 October 2022.

Figure 3 shows a steady drop in the vacancy rate for outer Sydney suburbs from below 3 per cent to below 2 per cent for the period from March 2019 to June 2023. While rents remained relatively steady until late 2021, the continuing drop in vacancy rates corresponds with an increase in cost of rental thereafter.

Figure 3: Outer Sydney rental vacancy rates and median weekly rent, March 2019 to June 2023
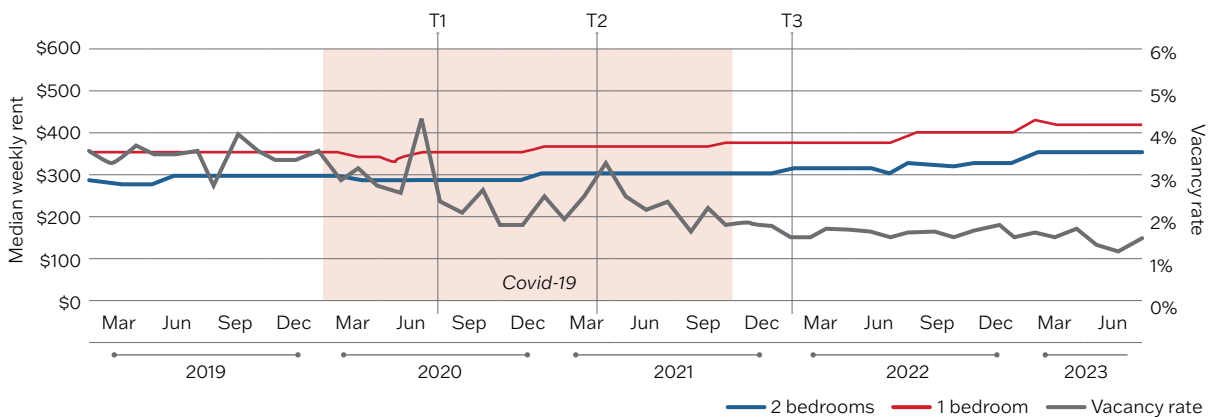
Source: authors

Note: Commencement dates for tranches are T1 1 July 2020, T2 March/April 2021, T3 January 2023; COVID period is from first lockdown in March 2020 to 80% inoculation in NSW on 18 October 2022.

Figure 4 shows that in Newcastle, which was chosen as an example of a regional town, vacancy rates were below the range considered healthy prior to and during COVID. Similarly, rents increased from March 2019 to June 2023.

Figure 4: Newcastle rental vacancy rates and median weekly rent, March 2019 to June 2023
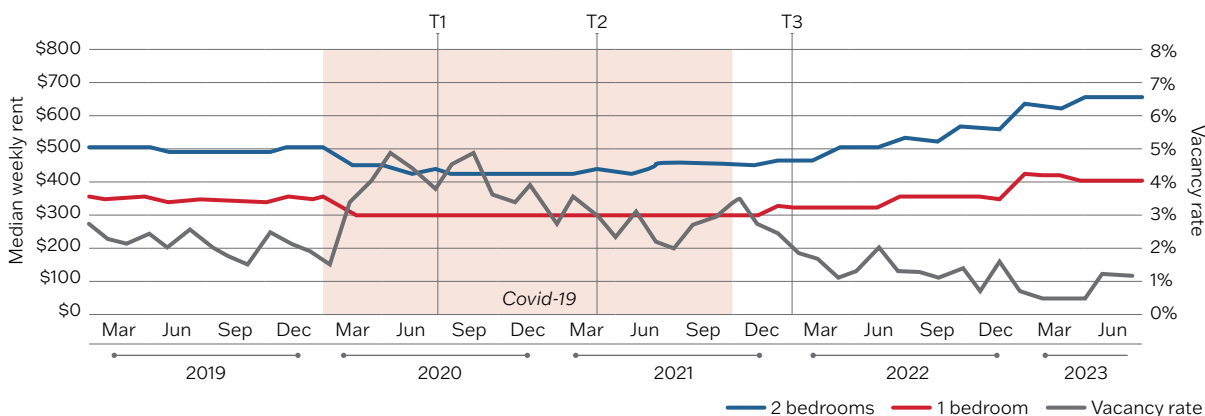
Source: authors.

Note: Commencement dates for tranches are T1 1 July 2020, T2 March/April 2021, T3 January 2023; COVID period is from first lockdown in March 2020 to 80% inoculation in NSW on 18 October 2022.

3.3 Vacancy rates across NSW

Figure 5 summarises vacancy rates for all regions of NSW (excluding Sydney). Data demonstrate the low vacancy rates in most areas across the state, which dropped further due to the impact of COVID beginning in March 2020. In many areas, vacancy rates were persistently below 1 per cent, making headleasing less effective in regional areas, and ineffective in some areas (particularly New England, Mid North Coast and Northern NSW). Note that in the last 12 months vacancy rates in many regional areas have started to rise to above the level they were at the commencement of Tranche 3. However, they remain low compared to normal levels at the time of writing.

3.4 Implications for the headleasing model

Analysis of vacancy data shows that the effectiveness of the headleasing model as the key mechanism to source properties to accommodate THP clients depends on the characteristics of the local rental market. The headleasing model was more effective in larger markets and in markets with higher vacancy rates (e.g., metropolitan Sydney). The headleasing model was not effective in small markets with very low vacancy rates (e.g., New England, Mid North Coast and Northern NSW).

Qualitative data from the Interim Implementation Report shows that CHPs have good relationships with real estate agents and are adept at finding headleases even in difficult markets. However, there are limits to what CHPs can achieve if needed housing is not available. In addition, CHPs need to invest considerable time and resources to procure headleases in tight rental markets, the costs of which impact the effectiveness of headleasing (management costs). This impacts the cost effectiveness of the headleasing model.

Figure 5: Vacancy rates for all regions of NSW, March 2019 to June 2023
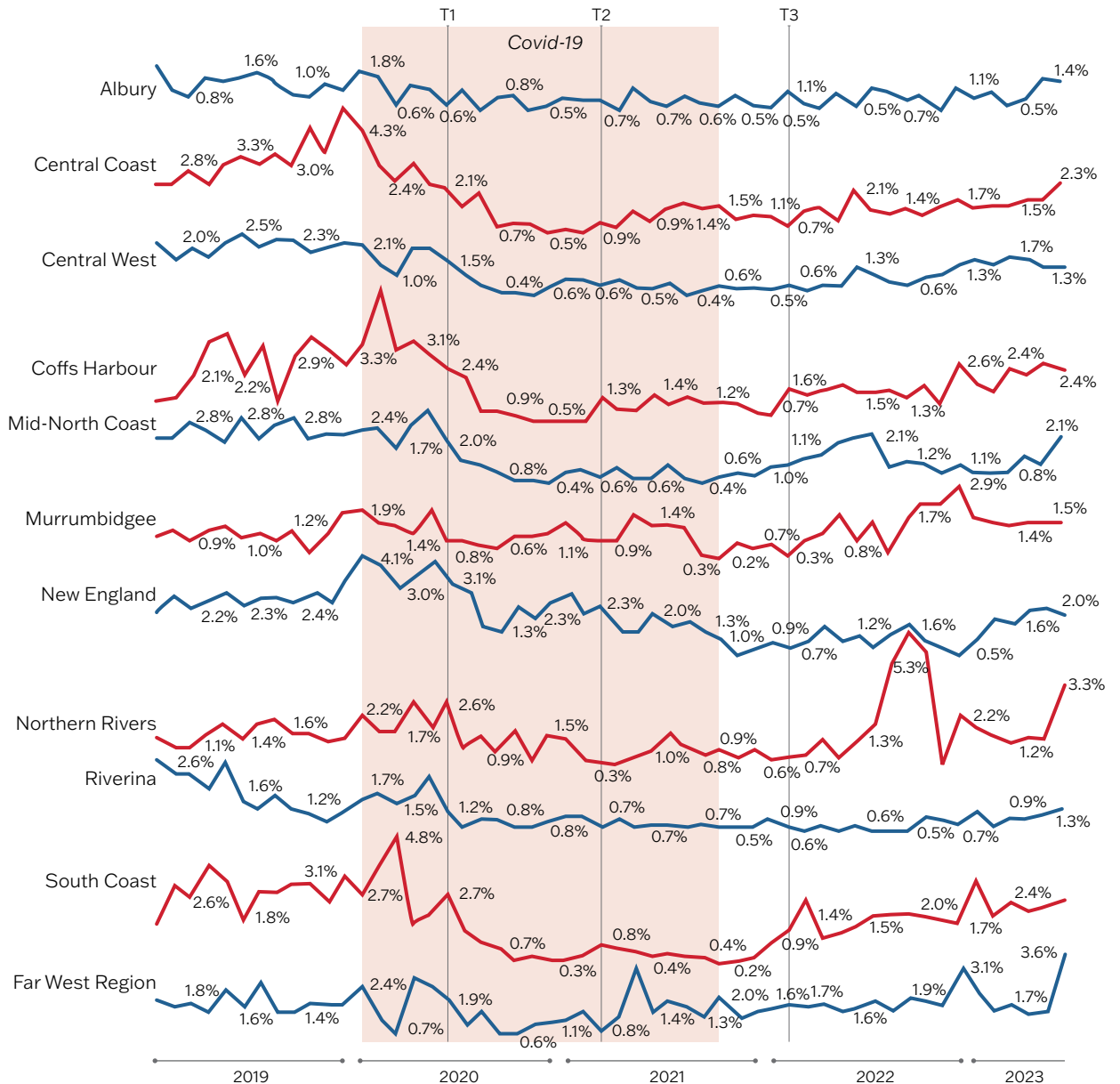
Source: authors.

The Interim Implementation Report also flagged potential crowding out effects of headleasing in tight rental markets, between headleasing models and also in terms of crowding out low income renters who would otherwise have had access to private rental properties that become headleases.

Overall, the analysis suggests that going forward, headleasing can be retained as a mechanism by which to source housing for the THP especially in larger markets that have sufficient available rentals (e.g., in metropolitan Sydney). However, it will be necessary to develop alternative housing options in geographic areas that have a combination of low vacancy rates and small rental markets. These options may include a greater reliance on CHPs' capital stock, developing additional social housing and a broader spectrum of housing options (e.g., congregate settings, permanent supported housing).

4. Australian housing and homelessness system

This section offers a brief overview of the Australian housing and homelessness system, which sets the context for the NSW housing and homelessness system and the THP.

There has been significant national focus and co-operation on housing and homelessness since 2022. The Ministerial Council on Housing and Homelessness was formally re-established in 2022 and has a five-part workplan to increase housing, including social and affordable housing, and respond to homelessness. Key elements of the workplan are the development of a National Housing and Homelessness Plan and renegotiation of the Federal-State funding agreement.

At present, Australia does not have a national housing and homelessness system and there is no national strategy on housing and homelessness (Brackertz and Fotheringham 2016).[4] As a consequence, there is a lack of interconnection between homelessness, housing and human services policies and programs and a lack of co-ordination between tiers of government. This has resulted in a national crisis of housing and homelessness (Martin, Lawson et al. 2023; Spinner, Beer et al. 2020; Pawson and Lilley 2022).

The homelessness system in Australia comprises:

- the National Housing and Homelessness Agreement (NHHA), which comprises a multilateral agreement and bilateral agreements between the federal government and the states and territories, which establish funding commitments and homelessness service priorities, and a data improvement plan[5]

- an overarching strategy in each state and territory that organises homelessness services

- over 1,500 specialist homelessness services (SHS) which support people who are homeless or at risk of homelessness.

The national agreements and contractual arrangements between the Commonwealth and States and Territories frame the homelessness system. However, they do not represent an overarching vision, and there is no national plan to address homelessness and consider structural drivers. Consequently, Australia does not have a cohesive 'homelessness system'. Rather, State and Territory governments have primary responsibility for addressing housing and homelessness under the Australian Constitution, with each operating an independent homelessness system, which is underpinned by national agreements.

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4 Note that the Australian Government is currently developing a National Housing and Homelessness Plan, which will be a 10-year strategy to inform future housing and homelessness policy in Australia.

5 https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0

Total Australian, State and Territory government recurrent expenditure for social housing and specialist homelessness services was $5.9 billion in 2021 22 (RoGS 2023).

The 5-year NHHA commenced on 1 July 2018 and has an annual funding commitment of $1.6 billion; in 2020-21, $129 million of this was set aside for homelessness services, which was matched by States and Territories. The NAHHA has been extended by one year to now conclude on 30 June 2024. To be eligible, NHHA requires states and territories to have a publicly available housing and homelessness strategy, and to contribute to effective data collection and reporting, intended to improve accountability. Homelessness strategies must address the priority cohorts identified in the NHHA and have reforms and initiatives to reduce homelessness. Priority cohorts include women and children escaping domestic and family violence, children and young people, Aboriginal people, people experiencing chronic homelessness, people exiting institutions and care, and older people.[6]

Federal funding and initiatives for social and affordable housing include Commonwealth Rent Assistance and the National Housing Finance and Investment Corporation. In addition, each State and Territory provides social and affordable housing.

6   https://www.dss.gov.au/housing-support/programmes-services/homelessness

5. NSW housing and homelessness system

This section provides an overview of the NSW housing and homelessness system, including key strategies and data. The NSW government has the primary responsibility for delivering social housing services either directly, through State owned and managed Indigenous housing (SOMIH) or through funding community housing providers (CHPs).

The THP must be considered within the context of the wider housing and homelessness system in NSW, which is under pressure, and which, at a system level, is not aligned with Housing First principles. The system does not meet demand, as demonstrated by long social housing waiting lists (see Table 2), the fact that homelessness is not reducing over time (Table 3), and the failure to increase social housing to meet demand (Figure 6). Overall, the system is oriented towards time limited and crisis responses, rather than enduring and person-centred approaches consistent with Housing First principles.

5.1 Historical context

The NSW social housing system has changed from providing housing for low income working families in the early 1900s, to being the scarce resource it is today, accessible only to those most in need (Parliament NSW 2011). Beginning in the 1980s, the NSW government started to diversify how social housing was delivered, including growing the nascent mainstream community housing sector. Today, the sector is diverse and spans organisations managing thousands of properties across multiple regions, to small or specialist providers with a few homes. CHPs now provide and manage both social and affordable housing across a range or ownership models – some build and manage their own properties, manage properties owned by the state or local government, or rent from private landlords. The Aboriginal housing sector delivers housing for Aboriginal people, but it is much smaller, has not received similar levels of investment in capacity building as the mainstream CHP sector and is currently in a period of capacity building and consolidation (NSWALC 2019; AHO 2019).

In addition to housing, the social housing sector delivers support services, including SHS, disability housing, aged care, employment programs and education assistance.

5.2 NSW policy context

The NSW Government is committed to ensuring people in NSW have safe, secure housing. It is currently in the process of developing a new homelessness strategy for NSW, which will aim to make homelessness a rare, brief, and non-recurring. The NSW government is also in the process of recommissioning SHS.

The NSW Government recognises there is an urgent need for long-term, affordable, and secure housing and is focussed on growing the supply of social and affordable housing in NSW. The Premier has ordered an urgent audit of public land that could be used for housing and an initial target of at least 30 per cent has been set for social, affordable, and universal housing on surplus government land.

A pause has been placed on the sale of social housing properties after the government became aware of the scale of sales in the last decade. Land and Housing Corporation has been tasked with identifying opportunities to increase the portion of social and affordable homes in its redevelopments.

A range of programs and initiatives are in place to prevent and reduce homelessness, focusing on Housing First approaches, crisis and transitional accommodation, assertive outreach, sustaining at risk tenancies, risk screening and supports in schools, and building new social housing.

The Government wants to build on these approaches and look at new and innovative ways to address homelessness and rebuild NSW's social housing system, so will be developing strategic policies that set a new way forward.

NSW will work closely with the Commonwealth Government to align NSW's processes and approaches with development of the new National Housing and Homelessness Plan, and the national housing reforms.

5.3 Need for evidence based and needs based responses to housing and homelessness

As homelessness and housing research in Australia over the past 20 plus years has shown, what limits the effectiveness of the homelessness system are constraints on the availability of social housing and the lack of access to supports that are sufficiently responsive in terms of duration, intensity and types of support provided. The lack of system integration contributes to this. While the Homelessness Strategy acknowledges that in order to be effective it 'depends on and links to other state and Commonwealth services and systems' (p.7), effective integration relies on shared funding and overarching plans.

For example, there has not been a high level of integration between the homelessness and social housing strategies. To be effective, it would be desirable that social housing and homelessness are addressed under the one strategy. This is consistent with evidence-based approaches to homelessness, such as Housing First, which demonstrate that to effectively address homelessness, people must be provided with both, long term housing and long term support, where long terms means for as long as people need it.

5.4 Tenure types in NSW

Table 1 shows the household tenure types in NSW. Home ownership is the most prevalent form of tenure, with 64.3 per cent of households in 2019-2020 either owning their home outright or with a mortgage, while 33 per cent of households were renting either in the private rental markets (27.7%) or in public housing (2.5%). It is worth noting that the proportion of public housing renters decreased from 4.7 per cent in 2011-2012 to 2.5 per cent in 2019-20. This is likely due to the fact that during that time there was a reduction in the total number of public housing dwellings in NSW, while the population continued to grow.

Table 1: Households by tenure type, NSW and Australia, 2011-12 to 2019-20

	2011-12	2013-14	2015-16	2017-18	2019-20
	%	%	%	%	%
NSW					
Total renters*	31.7	31.4	30.6	33.6	33
Public housing	*4.7*	*3.7*	*3.9*	*3.7*	*2.5*
Private rental	*25.7*	*25.5*	*25.5*	*27.8*	*27.7*
Home owners with a mortgage	34.5	34.7	34.9	34.8	34
Home owners without a mortgage	31.2	32.5	32.2	29.7	30.3
Australia					
Total renters	30.3	31	30.3	32	31.4
Public housing	*3.9*	*3.6*	*3.5*	*3.1*	*2.9*
Private rental	*25.1*	*25.7*	*25.3*	*27.1*	*26.2*
Home owners with a mortgage	36.6	35.8	37.1	36.7	36.8
Home owners without a mortgage	30.9	31.4	30.4	29.5	29.5

Source: ROGS 2023 data tables

* Some data values have been randomly adjusted to avoid the release of confidential data. Discrepancies may occur between sums of the component items and totals.

5.5 Size and scope of NSW social housing sector

In 2022, 169 CHPs were managing over 54,000 properties across 116 local government areas in NSW (CHIA NSW 2022). Figure 6 shows that in NSW, between 2014 and 2021, there was an increase of 12,935 social housing dwellings and the composition of the sector changed. Overall, the number of public housing dwellings decreased from 110,805 in 2014 to 96,728 in 2021. Correspondingly, the number of community housing dwellings increased from 26,425 in 2014 to 53,233 in 2021. This change was driven in large part by the significant transfer of public housing properties to mainstream CHPs in 2018-2019. By comparison, numbers in the Aboriginal housing sector remained relatively static. In 2014, there were 4,632 SOMIH and in 2021, there were 4,531. Similarly, in 2014, there were 4,730 Aboriginal community housing dwellings, and in 2021 there were 5,035.

Figure 6: Number of dwellings, by social housing program, NSW, at 30 June, 2014 to 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Public housing	110,805	110,214	110,174	110,221	111,341	100,623	96,939	96,728
Community housing	26,425	28,214	32,266	34,398	35,345	46,557	49,509	53,233
SOMIH	4,632	4,641	4,613	4,608	4,603	4,591	4,560	4,531
Indigenous community housing	4,730	4,878	4,845	5,066	4,971	4,985	5,011	5,035
All programs	146,592	147,947	151,898	154,293	156,260	156,756	156,019	159,527

Source: AIHW Housing Data Tables

These data must be understood in the context of the demand for social housing in NSW. In June 2022, there were 57,550 applicants on the social housing waitlist (general and priority) in NSW. This is an increase in 7,622 applicants from June 2021 (Shelter NSW 2023). It should be noted that while this represents a significant indicator of the shortfall of social housing, it does not capture all households who need and are eligible for social housing. Many eligible people face barriers to applying for social housing, some households are rejected due to stringent eligibility criteria or removed from the waitlist for not responding to DCJ correspondence in a 'timely' manner, others give up on being allocated a home and fall off the list (see also Pawson and Lilley 2022). Unpublished statistics for NSW suggest that in 2020-21, over 6,000 registrations were cancelled or otherwise ended during the year, in addition to the 12,000 ended via a social housing tenancy allocation (Shelter NSW 2023). Thus, the unmet demand for social housing is likely to be higher than indicated by these data.

Table 2: Social housing applicants on the NSW Housing Register at 30 June

Year	Number of applicants
2012	55,479
2013	*57,451*
2014	*59,534*
2015	59,035
2016	59,907
2017	55,949
2018	*52,932*
2019	*51,014*
2020	51,395
2021	49,928
2022	57,550

Source: DCJ 2023b

5.6 Impact of the THP on the demand for social housing

The THP helped identify additional people that required and were eligible for social housing and provided a more comprehensive picture of housing need. However, this placed additional pressures on NSW social housing waitlists. These effects were also detailed in qualitative data from the Interim Implementation Report. To be eligible for the program, clients were required to be approved or eligible for priority housing using the Application for Housing Assistance (AHA). It is likely that by adding new eligible applicants to the NSW Housing Register, this impacted waiting lists, as some clients entering the THP did not have an active AHA, possibly causing some applicants, not in the THP, to wait longer for social housing. However, there is not currently sufficient quantitative data to ascertain how many new AHAs were created because of the THP (Districts indicated that most THP clients were already on the priority wait list).

5.7 Homelessness in NSW

Table 3 shows ABS Census data for NSW from 2006 to 2021 on the number, proportion, and rate of homelessness. Data show that the overall rate of homelessness per 10,000 of the population increased from 34 in 2006 to a high 51 in 2016, and then dropped to 43 in 2021 (driven largely by the number of people living in severely overcrowded dwellings). Data show a stark drop in the number of people living in improvised dwellings, tents, or sleeping out (the THP target cohort) from 2,588 in 2016 to 963 in 2021. This reflects the impact of the COVID-19 pandemic and the accompanying emergency response to house street sleepers in temporary accommodation, hotels and through the THP. It also reflects the fact that the 2021 Census was undertaken during the COVID pandemic and therefore figures on homelessness may not be as accurate and may not be comparable to previous years.

Data show that female homelessness has increased since 2006, though there was a slight drop in the homelessness rate for women from 39.6 in 2016 to 35.8 in 2021. See section 6.5 for a discussion of potential gender equity issues in relation to the THP.

The number of Aboriginal homeless people increased from 1,885 in 2008 to 2,508 in 2021, the rate per 10,000 of the population decreased (136.1 in 2008, 90.2 in 2021).

Table 3: NSW, Homeless persons, by selected characteristics, 2006, 2011, 2016 and 2021

	Number of homeless persons				Proportion (%)				Rate per 10,000 of the population			
	2006	2011	2016	2021	2006	2011	2016	2021	2006	2011	2016	2021
Types of homelessness												
People living in improvised dwellings, tents, or sleeping out	1,601	1,924	2,588	963	7	7	7	3	2.4	2.8	3.5	1.2
People in supported accommodation for the homeless	3,866	4,924	5,861	5,043	17	18	16	14	5.9	7.1	7.8	6.2
People staying temporarily with other households	4,758	4,937	5,350	4,100	21	18	14	12	7.3	7.1	7.2	5.1
People living in boarding houses	5,939	5,793	6,869	8,842	27	21	18	25	9.1	8.4	9.2	11.0
People in other temporary lodgings	150	244	222	1,427	1	1	1	4	0.2	0.4	0.3	1.8
People living in 'severely' crowded dwellings	5,898	9,655	16,821	14,640	27	35	45	42	9.0	14.0	22.5	18.1
Total	**22,212**	**27,477**	**37,711**	**35,015**	**100**	**100**	**101**	**100**	**34**	**40**	**51**	**43**
Sex												
Male	13,656	16,352	22,698	20,377	61	60	60	58	42.3	48.0	61.6	51.1
Female	8,563	11,125	15,010	14,641	39	40	40	42	25.8	31.7	39.6	35.8
Indigenous status												
Aboriginal and/or Torres Strait Islander	1,885	2,205	2,278	2,508	8	8	6	7	136.1	127.7	105.4	90.2
Non-Indigenous	18,567	23,012	31,327	27,816	84	84	83	79	30.8	35.9	45.9	37.6
Not stated	1,770	2,265	4,102	4,687	8	8	11	13	45.2	66.1	93.7	120.3

Source: Census 2021, Estimating Homelessness

6. Program data

This section provides a high-level summary of THP program data in relation to client characteristics and housing outcomes up until January 2023. It utilises the data reported in the Interim Implementation Report, which provides greater detail.

6.1 Number of packages across tranches

By January 2023, a total of 1,117 THP packages had been allocated. This included 35 packages for the Aboriginal-led model; 22 packages from the Step C program were absorbed, and three ad hoc packages were allocated in regional areas (Table 4).

Table 4: Overall THP packages allocated by tranche, cumulative data, January 2023

Tranche	Metropolitan	Regional	Total
T1	200	204	404
T2	250	150	400
T3	184	69	253
Aboriginal-led model		35	35
Step C		22	22
Total	**634**	**480**	**1,114**
Ad hoc packages (Wagga Wagga × 2, Illawarra × 1)		3	
Total	**634**	**483**	**1,117**

Source: DCJ.

6.2 Number of clients and supports received

By January 2023, there had been 1,639 referrals to the THP and 1,355 clients (83%) had been accepted into the program; 411 clients had exited the program (Table 5).[7] Most accepted clients (1,320 clients or 97%) had been linked to support services and a high proportion (1,092 clients or 81%) had been housed.

Table 5: THP clients and supports, cumulative data, January 2023

	T1	T2	T3	Aboriginal-led model	Total
Number of referrals	656	573	352	58	1,639
Number of clients accepted	535	481	303	36	1,355
Number of clients linked to support services	515	476	293	36	1,320
Number of clients housed	464	402	205	21	1,092
Number of clients provided with High Needs Packages	79	28	20	0	127
Number of client exits	254	99	44	14	411

Source: DCJ.

Note: At the time of writing, T3 was still being implemented and consequently data for supports received, clients housed, and High Needs Packages was not complete.

6.3 Client demographic data

Table 6 summarises client demographic data for each of the tranches and the Aboriginal-led model to January 2023. Around two-thirds of clients were male (67%) and one-third female (32%); 33 per cent identified as Aboriginal (Table 6). This reflects the characteristics of the target cohort for the THP, as most street sleepers are male, and Aboriginal people are overrepresented.

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7 Where clients dropped out of the program, their packages were allocated to other clients, which explains why the number of clients is greater than the number of allocated packages.

Table 6: THP client demographic characteristics, cumulative data, January 2023

		Tranche 1		Tranche 2		Tranche 3		Aboriginal-led model		All participants	
		Number	%	Number	%	Number	%	Number	%	Number	%
Age	<25	30	6	41	9	34	11	7	22	114	8
	25–44	238	44	205	43	132	44	11	34	589	43
	45+	260	49	233	48	137	45	14	44	643	47
Gender	Female	159	30	158	33	95	32	11	34	425	32
	Male	376	70	323	67	208	67	21	66	930	67
Cultural Identity	Aboriginal	170	32	152	32	95	31	31	97	450	33
	Non-identifying	291	54	312	65	204	67			810	60
	Unknown	74	14	17	4	4	1	1	3	95	7
Disability	Client reports disability	239	45	184	38	124	41	8	22	555	41
	No disability	296	55	297	62	179	59	28	78	800	59
	Jobseeker/ Newstart/ Youth Allowance	253	47	231	48	165	54	15	42	664	49
Main income source	Employed/ education	14	3	10	2	7	2	1	3	32	2
	Disability Support Pension	182	34	155	32	87	29	10	28	434	32
	Unknown/ other	86	16	85	18	44	15	10	28	225	17
Total accepted into THP		535	100	481	100	303	100	36	100	1,355	100

Source: DCJ.

Almost half (48%) of all program participants were aged over 45, and this was broadly consistent across all three tranches. There were relatively few younger clients (8%) across tranches, although this increased slightly from T1 (6%) to T3 (11%). The notable exception was the Aboriginal-led model, which had more young people (22%) and relatively fewer people in the 24–44 years age group (34%), although the proportion of older people was similar to that in the mainstream THP (44%).

A third of all THP clients identified as Aboriginal (33%). All Aboriginal-led model clients (except for one whose status was unknown) identified as Aboriginal.

A high proportion of clients reported a disability (41%). This proportion was noticeably lower for participants in the Aboriginal-led model (22%). This could be due to the younger age profile of the Aboriginal-led model or to fewer clients reporting a disability. These issues will be further explored in the case study of the Aboriginal-led model that will be included in the Final Report.

About half of the clients across all tranches were on Jobseeker (49%), and around a third were on the Disability Support Pension (32%), which attests to the very low income levels of THP clients. A low 2 per cent of clients were employed or in education.

6.4 Housing outcomes

The THP produced strong outcomes in terms of housing clients and sustaining tenancies (Table 7). Across all tranches and the Aboriginal-led model, the program housed 1,092 clients, which represents 81 per cent of all program participants; 74 per cent of these had sustained their tenancies at January 2023.

Most clients referred and accepted in T1 and T2 were housed (87% and 84% of the program target respectively). However, at the time of reporting, only 68 per cent of clients in T3 and 58 per cent of those referred and accepted to the Aboriginal-led model were housed. Despite the successes in housing clients, housing outcomes fell short in terms of the program goal of housing all accepted clients. This reflects the highly competitive and expensive rental markets that impacted the headleasing model and increased the amount of time it took to find suitable accommodation for clients (see section 3).

The THP struggled to rapidly house clients. Overall, only 48 per cent of all clients referred to the THP were housed within four weeks (Table 7). Program data to January 2023 showed that across all tranches, the THP did not achieve the target of housing 80 per cent of accepted referrals within four weeks (76% in T1; 72% in T2; 71% in T3; 89 for the Aboriginal-led model) (Table 7).

Figures on the proportion of remaining clients that were housed within six weeks showed that the THP again struggled to meet the target. In T1, 70 clients out of the target of 90 clients (75%) were housed within six weeks of referral; this was 72 per cent for T2, 44 per cent for T3 and 48 per cent for the Aboriginal-led model.

Several factors contributed to the delays in housing clients. First, the program operated in a housing-poor environment, which limited the efficacy of the headleasing model (see Section 3). Challenges included a lack of housing stock in private rental markets, high costs, and low vacancies in private rental markets. Second, private rental housing was not always the most appropriate type of housing for the THP cohort. This meant that CHPs often housed THP clients in their own capital stock, rather than in headlease properties. Delays in placing clients into longer-term housing meant that TA allocations were used up. Overall, a lack of suitable and available housing was the biggest obstacle to rapidly housing clients.

A very high proportion of THP clients remained housed after first receiving housing through the THP (55% in T1; 86% in T2: 86; 95% in T3; 90% in the Aboriginal-led model) (Table 7). In T2, T3 and the Aboriginal-led model, the target was that 80 per cent of the tenancies of clients who were initially housed by the THP should be sustained, and this was exceeded (108% in T2, 118% in T3, 113% in the Aboriginal-led model). The target of 60 per cent of clients remaining housed was only narrowly missed in T1 (91% of target reached). This is likely due to the time-pressured rollout of T1; the fact that intake and assessment processes were still being refined; and, in some instances, supports were still being put into place as the program was being rolled out.

Program data show that by January 2023, a substantial proportion of THP clients across all tranches remained engaged with their support provider (Table 7). This was 57 per cent for T1, 75 per cent for T2, 77 per cent for T3, and 59 per cent for the Aboriginal-led model. These figures attest to the effectiveness of the THP model in producing housing outcomes, and the willingness of clients to engage with offered supports to achieve and sustain housing as well as non-housing outcomes.

The THP expects CHPs to absorb clients into their long-term housing portfolios and CHPs had a strong commitment to doing so. However, CHPs noted that systemic issues—such as a shortage of appropriate, secure and available housing—constrained their ability to effectively transition clients to long-term housing. Cumulative program data to January 2023 (Table 7) show that, a narrow majority of clients referred and accepted across the three tranches had a long-term housing plan in place (60% T1, 68% T2, 68% T3, 67% Aboriginal-led model). The degree to which the program was successful in producing long term housing outcomes and sustained tenancies beyond the THP remains to be seen.

Table 7: Housing outputs and outcomes, cumulative data, January 2023

						Outputs		Outcomes	
		Accepted referrals	Housed	Housed within 4 weeks of referral	Housed within 6 weeks of referral	Has support provider support plan	Has long-term housing plan	% remained housed after being housed initially	% remaining engaged with a support provider
Target KPI		*All packages*	*All clients referred*	*80% of all clients*	*20% of all clients*	*All clients referred*	*All clients referred*	*(KPI = 60% T1, 80% others)*	*Accepted referrals*
T1	Target	404	535	371	93	535	535	60%	n/a
	Actual	535	464	282	70	515	321	55%	57%
	Actual as % of target	**132%**	**87%**	**76%**	**75%**	**96%**	**60%**	**91%**	**n/a**
T2	Target	400	481	322	80	481	481	80%	n/a
	Actual	481	402	233	58	476	328	86%	75%
	Actual as % of target	**120%**	**84%**	**72%**	**72%**	**99%**	**68%**	**108%**	**n/a**
T3	Target	275	303	164	41	303	303	80%	n/a
	Actual	303	205	116	18	293	205	95%	77%
	Actual as % of target	**110%**	**68%**	**71%**	**44%**	**97%**	**68%**	**118%**	**n/a**
Aboriginal-led model	Target	35	36	17	4	36	36	80%	n/a
	Actual	36	21	15	2	36	24	90%	59%
	Actual as % of target	**103%**	**58%**	**89%**	**48%**	**100%**	**67%**	**113%**	**n/a**
All tranches & Aboriginal-led model	Target	1114	1355	874	218	1355	1355	n/a	n/a
	Actual	1355	1092	646	148	997	812	74%	76%
	% of target reached	**122%**	**81%**	**74%**	**68%**	**74%**	**60%**	**n/a**	**n/a**
	% of all clients referred	**100%**	**81%**	**48%**	**11%**	**74%**	**60%**	**n/a**	**n/a**

Source: DCJ, THP administrative data.

6.5 Gender equity

Data from the ABS Census of population and housing shows that fewer women in NSW are homeless overall (40% women and 60% men in 2021), but women are underrepresented in the THP (Table 3). Table 6 shows that across all tranches of the THP, approximately one third of clients were women (Table 6). Women's homelessness presents differently from men. Women are less likely to be sleeping rough, and are more likely to be couch surfing, sleeping in their cars or staying with friends (Table 8). The underrepresentation of women in the THP is due to eligibility criteria for the program, which targets rough sleepers.

Table 8: Number and proportion of homeless persons by type of homelessness and gender, NSW 2011-2021, ABS Census

People living in	Number						Proportion					
	2021		2026		2011		2021		2016		2011	
	Male	*Female*	*Male*	*Female*	*Male*	*Female*	*Male*	*Female*	*Male*	*Female*	*Male*	*Female*
Improvised dwellings, tents, sleeping out	660	301	1,831	755	1,435	484	3%	2%	8%	5%	9%	4%
Supported accommodation for the homeless	2,249	2,797	2,877	2,982	2,448	2,478	11%	19%	13%	20%	15%	22%
Temporarily with other households	2,263	1,837	3,180	2,176	2,779	2,155	11%	13%	14%	14%	17%	19%
Boarding houses	6,342	2,503	5,138	1,727	4,976	1,531	31%	17%	23%	12%	30%	13%
Other temporary lodgings	849	579	119	101	120	124	4%	4%	1%	1%	1%	1%
Severely crowded dwellings	8,011	6,627	9,548	7,273	5,025	4,632	39%	45%	42%	48%	30%	41%
Total	**20,374**	**14,644**	**22,693**	**15,014**	**16,783**	**11,404**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Table 9 shows that women were slightly less likely to be housed than all THP clients (77% and 81% respectively) and that it took longer to house women (38% of women were housed within 4 weeks and 48% within 6 weeks, compared to 48% and 59% of all THP clients respectively). This may be because women with children and those fleeing domestic and family violence have specific housing needs that may be more difficult to address.

The change in eligibility criteria from T1 to T2, which allowed referrals from SHS, meant that the proportion of women referred to the THP increased slightly. During stakeholder consultations undertaken for the Interim Implementation Report, some stakeholders noted that the amount of funding per package was the same for a family as it was for a sole individual. This meant that although the costs of housing and supporting a family with children were higher, these additional costs impacted the housing and support that could be provided when CHPs supported families. Delays in housing women indicate that it was more difficult for CHPs to find housing suitable to families than it was to house individuals. Stakeholder consultations for this paper indicated that the THP model was flexible enough to support women and that being able to accept referrals from SHS had increased the number of women in the program.

Overall, the accessibility and effectiveness of the program for women could be improved if funding were restructured to consider the higher costs of supporting and accommodating families.

Table 9: Housing and non-housing outputs by population group, cumulative data current January 2023

	All persons	Women	Aboriginal and Torres Strait Islander	NESB	High Needs	Disability			Age
							< 25	25 -44	45+
Number of persons referred	1,355	431	450	99	127	555	114	589	643
Proportion of persons referred	100%	32%	33%	7%	9%	41%	8%	43%	47%
Housing outputs									
Housed	81%	77%	80%	78%	94%	91%	75%	81%	82%
Housed within 4 weeks	48%	38%	45%	53%	41%	43%	42%	47%	49%
Housed within 6 weeks	59%	48%	54%	64%	54%	55%	53%	57%	61%
People with long term housing plan	60%	57%	59%	68%	48%	70%	57%	58%	63%

Source: DCJ

* Percentage of all persons or demographic subgroup with a plan for this item

6.6 Culturally safe support

Program administrative data show that across all tranches, approximately a third of clients identified as Aboriginal or Torres Strait Islander (Table 6).

6.6.1 Cultural safety and self-determination

The concept of cultural safety originated in New Zealand in the 1980s as a way to redress Māori health inequities and its value is being increasingly recognised in Australia. Cultural safety offers a framework for understanding how policies and practices can create risk for Aboriginal people, including because policies and programs fail to respond adequately to intergenerational trauma (Australian Human Rights Commission 2018). Cultural safety must be understood in the context of colonisation and dispossession and their lasting impact and consequences.

A cultural safety and wellbeing evidence review conducted for DCJ (GUIR 2021) identified six critical elements of cultural safety:

- recognising the importance of culture

- self-determination

- workforce development

- whole of organisation approach

- leadership and partnership

- research, monitoring and evaluation.

These six elements align broadly with the Victorian Aboriginal *Torres Strait Islander Cultural Safety Framework*, which defines cultural safety as 'an environment that is safe for Aboriginal people and Torres Strait Islanders, where there is no assault, challenge or denial of their identity and experience' (DHHS 2019 drawing on Williams 2008).

Self-determination is a foundational principle of cultural safety (Ramsden 2005). It means that Aboriginal people are involved in the design and delivery of policies, programs and services that affect them. Lack of cultural safety can be a significant barrier to accessing services. In its most basic form, self-determination is about choice – the choice to engage (whether it be with an ACCO or a mainstream organisation) and the choice to have a say in all services and service delivery.

The right to self-determination for Indigenous peoples is affirmed in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which was endorsed by the Australian Government in 2009 (DCJ 2023). Within service delivery, self-determination and ensuring that Aboriginal clients feel safe and empowered begins with Aboriginal people meaningfully leading, designing and implementing services (Davis 2019).

6.6.2 Cultural safety in the THP

THP program design emphasises cultural appropriateness and safety in program governance, guidelines and operation. The THP Interim Implementation Report (2023: 101) identified that CHPs undertook a range of activities to facilitate culturally safe support, including cultural competence training for staff, establishing processes to refer clients to ACCOs if requested, partnerships with Aboriginal organisations, and policies and practices to actively recruit and retain Aboriginal staff. Nonetheless, the degree to which the THP delivered culturally specific support varied. The THP Interim Implementation Report (2023: 100) found that some providers had good relationships with local support providers and worked with ACCOs, while others had no identifiable strategy to provide culturally specific support. Most CHPs did not contract formally with Aboriginal organisations to provide support.

In contrast, the Aboriginal led model of the THP provided culturally specific support that was delivered by an ACCO to a small number of program participants (see below).

Across the entire program, a small proportion of packages (35 packages) were allocated through the Aboriginal led model that was delivered by the ACCO Yerin Eleanor Duncan Aboriginal Health Services. The remainder of Aboriginal program participants received the same THP support as their non-Aboriginal counterparts. It is too early to assess, based on quantitative data, whether these two approaches led to different outcomes for Aboriginal clients receiving the standard program model versus those who received support through the Aboriginal led model. This will be explored in the Final Evaluation Report due to be provided in 2024. However, findings from consultations and the case study of the Aboriginal led model identified several benefits from the Aboriginal led model.

The Aboriginal led model benefitted clients in that they received culturally safe and culturally immersive support that used a family and kinship-based approach to providing support. The Aboriginal led model used a transdisciplinary model of care, where clients are involved at every stage of their care and decisions made put clients' voice first. Evidence from the case study of the Aboriginal led model shows that it delivered considerable benefits for clients and the ACCO. For the ACCO benefits included capacity building.

7. The Housing First model and the THP context

This section of the Impacts Paper examines the degree to which the THP was aligned with Housing First Principles and discusses the implications of delivering a large Housing First informed program, such as the THP in a housing and homelessness system that is not aligned to Housing First principles.

7.1 Housing First principles and evidence

In the early 1990s, Housing First was developed as a service response to homelessness in the US through the 'Pathways to Housing' program. The Housing First model is based on the premise that housing is a human right, and a precondition to addressing other issues in a person's life (Roggenbuck 2022). Housing First does not require clients to first address issues such as problematic alcohol and substance use and transition through a range of housing types (emergency accommodation, transitional housing) to prove their 'housing readiness' before gaining access to long term independent housing (Tsemberis 1999; Johnson, Parkinson et al. 2012). The focus of Housing First is supporting people experiencing homelessness that have high and complex needs—for example, mental ill-health and substance misuse (Pleace, Baptista et al. 2019). Housing First emphasises the social cost of ineffective systems to address the needs of those experiencing homelessness and to prevent homelessness (Pierse, Ombler et al. 2019).

More recent work has sought to provide a level of consistency across Housing First programs in Australia through the development of a set of Housing First Principles for Australia (Dodd, Rodrigues et al. 2020). The principles include:

- **People have a right to a home.** This means that people have immediate access to permanent, suitable, safe and secure housing without demonstrating housing readiness, with security of tenure and in housing that will be sustained in the event of temporary absences.

- **Housing and support are separated.** Refers to the functional separation of housing and support, with no requirements to participate in support or treatment to retain housing, where support follows the client, and people are supported to maintain their tenancy.

- **Flexible support for as long as it is needed.** Supports are directed by the recipient, are flexible in level of support provided, do not have a fixed end date and is built from an authentic relationship to respond to individual circumstances as required.

- **Choice and self-determination.** People exercise choice and self-determination in what makes a place a home, where they live, who they live with, the support they receive and how.

- **Active engagement without coercion.** Participation is voluntary and clients can choose the services they prefer and whether to participate, without this affecting their tenure. Relationships with clients is built on trust, workers maintain the relationship to support engagement with services, support is designed to fit the individual, caseloads are small and support is available outside working hours.

- **Recovery-oriented practice.** Recognises that while recovery is a goal, people may be at different stages along the continuum of behaviour change. It focuses on people developing a sense of self and place, offers hope, takes a strengths-based approach and is appropriate to a person's developmental stage, cultural and gender identities.

- **Social and community inclusion.** Centres on rebuilding a sense of belonging, where people are supported to build relationships, to participate in a wide range of pursuits and connect to community.

- **Harm reduction approach.** Assists people to reduce the negative impact of high-risk behaviours, provide information to enable people to make informed decisions, acknowledges recovery is not a linear journey and where housing and support is provided regardless of participation in high-risk behaviours.

Trauma informed practice recognises and responds to the impact of trauma on individuals. It is based on the understanding that the experience of trauma may be a factor in people's distress, that the impact of trauma may be lifelong, and that trauma can impact the person, their emotions and relationships with others (NSW Health 2023). Trauma informed services aim not to re-traumatise victims. The core principles of trauma-informed care are safety, trustworthiness, choice, collaboration, and empowerment (Blue Knot Foundation 2023; Harris and Fallot 2001).

7.1.1 Evidence of success and international adoption

Quantitative evidence from studies of the effectiveness of the Pathways to Housing program in improving clients' housing stability and reducing their use of public services has been central in the widespread uptake of the approach within and beyond North America (Anderson-Baron and Collins 2019; Baker and Evans 2016). Widely cited program evaluations have lent the Pathways program and the Housing First approach the status of an effective and evidence-based response within a policy climate dominated by evidence-based norms (Baker and Evans 2016; Stanhope and Dunn 2011).

Housing First programs typically are assessed by tenant housing and non-housing outcomes, and their cost-effectiveness. Evidence is relatively consistent in showing that Housing First is effective in providing housing stability for individuals with a history of chronic homelessness, with 66-90 per cent of tenants sustaining their housing. Though housing outcomes improve on average for the Housing First cohort, around 12-25 per cent of Housing First tenants are not successful at becoming stably housed, typically because of longer histories of homelessness, lower educational levels, connections to street-based social networks, more serious mental health conditions and greater cognitive impairment (Roggenbuck 2022; Padgett, Henwood et al. 2015; Goering, Velhuizen et al. 2014). Evidence is less conclusive for non-housing outcomes but does show that Housing First is most cost effective for people experiencing chronic homelessness with complex and high needs (Roggenbuck 2022).

Because the target cohort for Housing First programs, the chronically homeless, represents a small proportion of those experiencing homelessness and housing need, evidence of the ability of Housing First programs to improve broader housing and homelessness outcomes is limited (Roggenbuck 2022). Some studies mention the wider social benefits of supporting people to sustain their tenancies, and the long-term impacts of reducing chronic homelessness, such as on inter-generational poverty (Padgett, Henwood et al. 2015), although it has been observed that considerations of associated cost savings neglect the wider 'human costs' of homelessness. Housing First in Finland, which is implemented as part of a systematic response to homelessness, is the sole example of Housing First having a tangible impact on broader housing and homelessness outcomes, achieving a 62 per cent reduction of chronic homelessness and a 77 per cent reduction in homelessness overall between 2008 and 2021 (The Housing Finance and Development Centre 2022).

7.1.2   Policy transfer

Housing First has influenced homelessness policies and program planning worldwide, including in Canada, Australia, New Zealand and various European countries, and the original approach has been adapted to new contexts.

The evidence demonstrates that implementing Housing First to a 'high-fidelity' model delivers better outcomes (Johnson, Parkinson et al. 2012). Alongside the proliferation of Housing First programs internationally has been the observation that a number of these follow some but not all the principles branded as Housing First. Whilst many programs refer to themselves as Housing First,[8] few are completely congruent with Pathways Housing First principles (Johnson, Parkinson et al. 2012; Tsai and Rosenheck 2012).

Though fidelity to Housing First principles has been shown to be critical for successful client outcomes, it is widely recognised Housing First models need not exactly replicate the Pathways to Housing program. Rather, Housing First programs need to find the right balance between adhering to key principles of Housing First and being congruent with the welfare service systems and cultural context in which the program is situated (Nelson, Stefancic et al. 2014; Tsemberis 2012). Importantly, Housing First programs must be adaptable to suit local conditions and address the needs of the cohort the program targets (Johnson, Parkinson et al. 2012).

The risk is that labelling programs as Housing First without implementing and operationalising key principles and considering the factors that make the model work, can diminish its effectiveness (Johnson, Parkinson et al. 2012).

In reviewing the evidence on the effectiveness of Housing First, Roggenbuck (2022) identifies key success factors for implementing Housing First. These include:

- rapid access to secure, affordable housing that meets the needs of tenants
- separating housing support from wraparound support to ensure tenancy and case management function independently
- effective partnerships between stakeholders (government agencies, housing providers, support service providers, local communities)
- ensuring organisational capacity to deliver Housing First
- support services that are recovery-oriented, person-centred, and adequately resourced
- having case managers to coordinate and provide access to services
- assessing program fidelity to ensure it is implemented as planned and to identify potential for improvement.

Challenges to the successful implementation and effectiveness of Housing First include:

- limited integration of housing and support services, and the policy systems in which they operate (Greenwood, Bernad et al. 2018)
- resource and funding constraints to maintain on-going service support (Austin, Pollio et al. 2013; Greenwood, Bernad et al. 2018)
- constrained access to secure and affordable housing (Parkinson and Parsell 2018).

7.1.3   Delivering Housing First within a system that is not oriented to Housing first

A key question facing the THP is whether programmatic Housing First models can be effective responses within broader housing and homelessness systems that are not oriented towards Housing First.

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8   Most providers delivering Housing First are referring to and drawing on the programmatic approach rather than the Finnish systems approach.

Finland is the only country that has implemented a system wide Housing First response (Y-Foundation 2017). Consequently, most of the international evidence on the efficacy of Housing First is from countries where housing and homelessness systems are not geared towards Housing First. This evidence shows that Housing First programs can be effective in a range of different system contexts *while* clients are participants in these programs. The challenge lies in sustaining tenancies and avoiding repeat homelessness when time-limited Housing First programs and supports end and clients are required to re-enter the broader housing and homelessness systems.

This is also the case with the THP. Once clients exit the THP, they are subject to the usual settings of the housing, homelessness, and human services systems, which offer less support and are less tailored, less flexible and less responsive to their needs. This is likely to put a proportion of THP tenancies at risk. However, longitudinal data analysis will be needed to ascertain how severe the impact of this will be. While a range of mitigating actions can be taken to support clients in the longer term, evidence from Canada suggests that Housing First as a solution to homelessness cannot work unless changes are made system wide. This is because the same structural factors that contribute to clients' homelessness (housing shortages, lack of social and affordable housing, low vacancy rates, high cost of rental) constrain the effectiveness of Housing First programs within non-Housing First systems. Unless we address system factors that limit the availability of housing that is affordable and appropriate, and unless there are sufficient support services available, Housing First programs cannot be sustained to be effective long term.

For example, the THP targets a specific cohort of the homeless and provides them with housing and support, both of which are scarce resources for which other cohorts are equally entitled and eligible. If no change occurs at a system level, then the THP is just another way of rationing and re-distributing these resources (in the same way that priority groups are in the context of the wider housing and homelessness system). Thus, at a system level, this creates more inequity rather than less inequity, highlighting the point that there is a need for adopting system wide reforms to ensure that all people who are eligible receive the housing and support they need.

Practically, this means that one can only re-house (with support) Housing First participants (such as THP clients) as long as that housing and support is available within the system. The risk is that a focus on programmatic solutions to homelessness can detract from the need to address the underlying causes of homelessness and homelessness-serving systems. What is needed are system wide policies and approaches to build more social and affordable housing and to recalibrate the homelessness system, so it prevents and ends homelessness rather than sustaining and replicating homelessness.

7.2 THP fidelity with Housing First principles

Homelessness NSW has developed eight Housing First principles to provide a consistent and locally relevant set of principles for the Australian context (Homelessness Australia 2022). Table 8 sets out the degree to which the THP adheres to Housing First principles, identifies achievements and risks, and areas for improvement.

The analysis shows that the THP had a relatively high degree of fidelity to some Housing First principles, especially around access to housing and support, but that others, such as active engagement without coercion and a harm reduction approach to service delivery were not mentioned in the program model.

THP program data show that program outcomes consistent with the international evidence on the effectiveness of Housing First approaches (section 7.1.1). International evidence shows that Housing First is effective in delivering housing stability for long-term rough sleepers (60-90% tenancy sustainment) (Roggenbuck 2022). For the THP, the proportion of clients who remained housed were 55 per cent in T1,[9] 86 per cent in T2, 95 per cent in T3 and 90 per cent in the Aboriginal-led model (see Table 7).

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9   The comparatively lower proportion of clients remaining housed in T1 was due to the rapid pace of program implementation during the height of the COVID-19 pandemic.

Table 10: THP fidelity to Housing First principles

Housing First principle[†]	THP model	THP implementation / outcome	Areas for improvement
People have a right to a home	Rapidly rehouse people who were street sleeping during the COVID-19 pandemic with a plan for long term housing.[†]	**Achievement:** By January 2023, the THP had housed 81 per cent of all clients, but only 48 per cent were housed rapidly (within 4 weeks). CHPs were committed to absorbing THP clients into their long-term housing portfolios, but experienced difficulties due to the shortage of appropriate, secure housing. The Transition Program is a mechanism by which the THP generates additional social housing stock (up to 250 additional dwellings). **Risk:** Shortage of affordable and appropriate housing; headleasing model not appropriate for all clients; headleasing model not viable in housing markets with low rental vacancies; it is too early to ascertain the degree of long-term tenancy sustainment.	Reduce reliance on headlease properties. Strengthen monitoring of and support for tenancy sustainment beyond the THP.
Flexible support for as long as it is needed	THP provides support for 24 months (sometimes longer). THP funds CHPs to contract with support providers to deliver clients' non-housing support needs. High Needs Packages provide funding for additional support to clients who need it.	**Achievement:** THP provides scalable and flexible support for clients while they are in the program. High Needs Packages are effective in meeting client needs that cannot be met elsewhere. **Risk:** The level of support cannot continue after clients leave the program. How non-housing support is provided under the THP is not as well developed as other aspects of the program. It is largely up to CHPs and support providers to decide how and how much support is provided. Program data, outcomes measures and contracting arrangements do not capture well how much and what support clients receive.	Develop approaches that enable THP clients to access the type and intensity of non-housing support they need beyond the duration of the program.
Housing and support are separated	In line with Housing First principles, when delivering THP, 'housing' must be separated from 'support'… Where a CHP also has a support provider function, these must be distinct roles to ensure that the support is separated.[†]	**Achievement:** Twelve providers adhere to the principle of separating housing and support. **Risks:** Six providers did not adhere to the principle of separating housing and support. While they had varying arrangements in place to ensure that these functions were operationally separated within the organisation, there remain risks to tenants' ability to raise issues in relation to housing and support without fear of negative repercussions. However, no clear evidence has emerged yet to show whether in-house provision or separate provision of housing and support leads to better outcomes.	Closely monitor whether there are any adverse effects for clients when housing and support are combined with the same provider and implement steps to mitigate this.

† *THP Program Guidelines 2022*

Housing First principle[†]	THP model	THP implementation / outcome	Areas for improvement
Choice and self-determination	Ensure a commitment to individual choice and self-determination, where possible (in particular for property & location selection, health management & goal setting).[†]	**Achievement:** Where feasible, clients were given a choice of where and in what type of housing they wanted to live. **Risks:** Constraints on housing availability meant that choice was not always possible. It is unclear from the available data to what degree clients had a choice over services and the approach to service provision.	Closely monitor the degree to which choice and self-determination are possible due to constraints on housing and services. Monitor whether having housing and support delivered by the same provider impacts choice and self-determination.
Social and community inclusion	Facilitate engagement with positive structured activities such as social groups, education and/or employment.[†] Rebuild family, community, and cultural connections.[†]	**Achievement:** Case study research showed that the Aboriginal-led model had strong outcomes in terms of connecting clients with culture and communities. **Risks:** According to administrative data, only 16 per cent (target 90%) of clients had a support plan to rebuild family, community, and cultural connections, and only 76 per cent of these were supported to do so. According to administrative data, only 31 per cent of clients who needed it were supported with structured activities.	Develop reliable data at the program level to ascertain the degree to which this principle is supported.
Recovery-oriented practice	Provide support using a strength based, person centred approach that leads to independence and growth of capability.[†] Require both accommodation and support providers to take a hope-inspiring, recovery-oriented approach to service delivery.[†]	**Achievement:** Many providers strove to implement a trauma-informed approach (qualitative research). **Risks:** Due to the way the THP was designed and contracted, with support services being sub-contracted by CHPs, there is limited information on and oversight over how support services are provided at a program level. While THP program guidelines assist CHPs in choosing appropriate support providers by referring to a Support Provider Capability Checklist[†], it is not possible to ascertain actual support provider performance at a program level.	
Active engagement without coercion	Not mentioned in program guidelines	Not measured	Revise the THP program model and program guidelines to include these principles and develop monitoring tools to ensure they are adhered to.
Harm reduction approach	Not mentioned in program guidelines	Not measured	

†   *THP Program Guidelines 2022*

7.2.1 Access to housing and efficacy of the headleasing component

The THP was strongly committed to providing access to housing and pathways to long term housing. Headleasing was a key feature of the program design and worked well in markets that had enough properties and healthy vacancy rates. However, the headleasing model faced challenges due to system constraints on the availability of suitable and affordable long term housing options in some regional markets (both rental housing available for headleasing and social housing, see section 3). In addition, and as detailed in the Interim Implementation Report, headleases are not an appropriate tenure for some THP clients.

The program could be further improved if reliance on headleasing were reduced in some areas and a broader range of housing options were provided. Importantly, however, the THP model demonstrates that it is possible to generate additional needed housing at the program level using short to medium term options such as headleasing and also increasing the long-term supply available to the overall system via the Transition Program to attempt to overcome systemic housing shortages.

Section 7.1.3 highlights that delivering a Housing First program in an environment where housing that clients can afford is a scarce resource, has system wide impacts. This includes impacts on local rental markets where already low vacancy rates can experience further pressure as headlease programs compete with low-income renters for the few available low cost properties.

The effectiveness of the headleasing model in procuring the housing needed for THP clients varied depending on local housing markets (see section 3). The headleasing model worked where there were enough rental vacancies and available appropriate housing stock (e.g., metropolitan Sydney). In some markets however, evaluation feedback indicated that the effectiveness of the headleasing model as a source of housing for THP was constrained due to a confluence of factors, including:

- low vacancy rates and high rents (see section 3)

- headleases are not an appropriate tenure for some THP clients

- competition between headlease programs and other low-income renters for scarce affordable rental housing headleases have reputational risk to CHPs arising from property damage and tenant behaviour (Brackertz, Alves et al. 2023).

These factors meant that THP CHPs housed more THP clients than planned in their own capital stock and struggled to source replacement properties via headleases. This highlights the risks associated with relying on a headleasing model as the primary source of housing. Rather, a combination of tenure types (social housing, supported housing, headleases) is required, and it is necessary to invest in developing and new supply of social housing.

Ideally, there would be a system-wide response to generating the needed additional housing. However, the THP model shows that it is possible to generate additional social housing at the programmatic level. The THP is unique in that it has a capital component designed to increase the availability of social housing in a housing-poor environment. The Transition Program aims to deliver around 250 additional social dwellings to address the lack of social housing available to the program. The Transition Program is delivered by participating THP CHPs and in partnership with DCJ through the Community Housing Innovation Fund (CHIF) approach.[10] NSW state government investment in the Transition Program is $72.5 million: $35.5 million in the first round and $37 million in the second round. Under CHIF, DCJ provides upfront capital grants that are accessible via a tender process. CHPs provide a co-contribution in the form of debt, land, cash, reserves, or support, and DCJ provides capital investment. Buildings are then acquired or developed by the CHP, who has full ownership of the final property but also full liability and maintenance responsibility. DCJ registers an interest on the property title for perpetuity (80 years) and cannot refuse any reasonable use proposed by the CHP.

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10 https://www.facs.nsw.gov.au/reforms/future-directions/partner-with-the-nsw-government/community-housing-innovation-fund-chif.

Consistent with Recommendation 4 of the Interim Implementation Report, sustainability, and effectiveness of the THP within a non-Housing First aligned housing and homelessness system would be enhanced if a capital component (Transition Program or similar) were embedded in any future model.

7.2.2 Separation of housing and support

The THP did not enforce the strict separation of housing and support provision, with six CHPs providing both housing and support, which can put tenancies and access to support at risk for clients. Over time, it would be desirable to work towards separating housing and support for all providers, and to do so for all new providers. At the same time, mechanisms need to be put in place to monitor for any adverse effects on clients where housing and support are provided together and to mitigate any adverse effects (so far, the evidence is anecdotal).

Factors that influenced CHPs' choice of whether to separate housing and support were the availability of support services in some areas, existing capacity within CHPs, and existing organisational structures within CHPs. The six CHPs that delivered both housing and support had varying arrangements in place to separate the operation of the housing and support functions within their organisation. These included clearly defined roles, and guidelines and processes to ensure separation of housing and support provision. In some organisations, housing and support functions were delivered by separate line managers or business streams. CHPs that delivered both housing and support in-house emphasised the operational efficiencies, as well as being able to respond early and effectively to any client issues (e.g., better value for money, lower administration costs, eliminating subcontracting agreements, employing qualified staff directly).

CHPs' views on the efficacy of separating housing and support varied. Some were deeply committed to the Housing First principle of separating housing and support to ensure their independence and that tenants would not be at risk of losing support and tenancy at the same time if one or other broke down. Contracting support was seen to enable flexible access to specialist supports and facilitated continuity of care where there was a pre-existing relationship between the service provider and the client. Difficulties arose where there were cultural differences between support providers and CHPs, which could make working together challenging, until partners learned to understand each other's priorities and obligations. Clearly defined roles, good communication and regular formal meetings were key to positive working relationships between CHPs and support providers.

Other CHPs identified a range of benefits that arose operationally and in terms of being able to respond early and effectively to any client issues, when support was provided internally. These included better value for money, lower administration costs and savings on the administrative and management burden associated with subcontracting agreements. 'Quality control' by directly employing staff who have experience working with people with complex needs, previous experience delivering SHS and previous challenges working with external support providers were also cited as reasons for in-house service provision. The disadvantages were the potential blurring of boundaries between tenancies and support. Providing supports in house was not a viable option for most smaller providers.

It should be noted that there is no data available on whether clients themselves had differing experiences when accessing THP through and integrated in-house model or the Housing First approach where housing and support were provided separately.

Overall, there are benefits and challenges in each model, and each model can be successful if done well. As yet, there is no clear and consistent evidence to ascertain the impact of delivering housing and support together or separating them.

7.2.3 Access to support and integration with the wider housing, homelessness, and human services systems

The Interim Implementation Report showed that the THP facilitated greater integration between the NSW housing and homelessness systems by strengthening connections between CHPs and support providers.

High Needs Packages provided clients with a whole package of support for an extended amount of time to meet needs that could not be addressed through the standard welfare and human services systems. High Needs Packages were particularly suited to clients who were ready to make a commitment to remain engaged with supports and who had complex support needs. Once funding for High Needs Packages had been allocated, the THP introduced One-Off Funding Grants that allowed unspent High Needs Package funds to be reallocated. One-Off Funding Grants entailed a lower level of commitment (in terms of service engagement) from the client but did not provide the same level of support as High Needs Packages. Each, High Needs Packages and One-Off Funding Grants, have their advantages and disadvantages for providers and clients. Going forward, it may be worth considering a hybrid approach to offering this additional support.

The THP had a high level of commitment to meeting the Housing First principle of providing flexible support for the duration of the program. However, once clients left the program after around 24 months, the same level of support could not be guaranteed, which was contrary to Housing First Principles, and which could place tenancies at risk.

Section 7.1.3 has outlined the challenges that arise when Housing First Programs are delivered in the context of a housing and homelessness system that is not aligned with Housing First principles. Table 10 shows that strengthening monitoring of and support for tenancy sustainment beyond the THP and developing approaches that enable THP clients to access the type and intensity of non-housing support they need beyond the duration of the program would more closely align the program with Housing First principles and contribute to better housing outcomes. Consistent with recommendation 3 from the Interim Implementation Report, the THP design could be amended to 'Ensure that former THP clients who need it continue to receive Housing First-informed support beyond the program timeframe'.

The degree to which this is possible is circumscribed by the settings of and the integration with the wider housing, homelessness, and human services systems in NSW, noting that it is unlikely that 'regular' or 'business as usual' system settings would provide former THP clients with the same level and intensity of support as the THP. Continuing flexible support consistent with that provided through the THP will require funded exit options.

One option would be to provide direct funding for ongoing support. This funding could be attached to the client (consistent with person-centred approaches). It would require strong, ongoing case coordination (e.g., using the established CRAG or other local support coordination mechanisms). It would also require that former THP clients can be identified in the housing and homelessness data systems when they access services. One mechanism to do this would be to introduce a 'THP flag' into the broader housing and homelessness data systems (e.g., Community Housing Information Management and Engagement System, Client Information Management System, NSW Housing Register) so that support providers and housing providers can identify current and former THP clients and either re-refer them to the THP or provide Housing First aligned support, if this is needed. An additional benefit of introducing a THP flag is that it would enable DCJ to track former THP clients longitudinally, after they exit the program, to ascertain the degree to which the program has been effective in combating repeat homelessness.

Alternatively, ongoing support funding could be made available to the housing provider to enable them to continue to contract the support needed by the client (consistent with the current THP model). However, this option would not be viable for THP clients who are not housed in CHP capital stock or in public housing properties.

The case-study of the Aboriginal-led model of the THP showed that there were considerable benefits associated with the support provider, an ACCO being the lead agency and receiving direct funding. These benefits included delivering culturally safe and culturally immersive support and building the capacity of the ACCO. These findings suggest that there is merit in funding select support providers directly to continue support for THP clients beyond the program duration.

At present, the NDIS is an important source of funding and ongoing support for eligible THP clients who are exiting the program. The Interim Implementation Report noted that program data at January 2023 was unclear on how many clients were successful in accessing an NDIS package. When NDIS packages were approved, this was of great benefit to clients. While the NDIS is an important option to provide former THP clients with ongoing support using existing resources within the mainstream service system, this option is not available to all THP clients. Consequently, there is a need to develop alternatives to enable continued access to the type and levels of support needed.

7.2.4 Principles underpinning support provision

The THP adhered to principle of choice and self-determination where this was feasible, but constraints on available housing stock and support services (especially in regional areas) meant that this is not always possible. The evidence on the degree to which the THP had fidelity to the principles of social and community inclusion, and recovery-oriented practice was insufficient to make a considered assessment of the program's fidelity in relation to these aspects. Active engagement without coercion and harm reduction approach are not mentioned in the THP program model or program guidelines.

8. Conclusion and recommendations

This section draws together findings from the discussion paper and stakeholder consultations to address the following questions:

- How can a future THP be designed to support a Homelessness Strategy that aims to make homelessness 'rare, brief, and non-recurrent'?
- What improvements could be considered in a future Housing First model?
- How can the THP client experience be improved?

8.1 How can a future THP be designed to support a Homelessness Strategy that aims to make homelessness 'rare, brief, and non-recurrent'?

Overall, the THP is a good model that has been producing positive outcomes for clients while they are in the program. The analysis presented here shows that while there are some adjustments that could be made at the program level to align it more closely with Housing First principles, the primary constraints on the effectiveness of the THP are systemic.

The THP must be considered within the context of the wider housing, homelessness, and human services systems in NSW, which are under pressure, and which are not well interconnected. Homelessness responses are oriented towards time limited and crisis responses, rather than enduring and person-centred approaches consistent with Housing First principles.

As homelessness and housing research in Australia over the past 20 plus years has shown, the effectiveness of the homelessness system is constrained by a lack of social housing and a lack of access to supports that are sufficiently responsive in terms of duration, intensity and types of support provided.

There has not been a high level of integration between the homelessness and social housing strategies. To effectively address homelessness, it would be desirable that social housing and homelessness are addressed under the one strategy. This is consistent with evidence-based approaches to homelessness, such as Housing First.

The key issues impacting the effectiveness and sustainability of the THP and other Housing First informed programs at a systems and program levels are the availability of appropriate, affordable, and safe housing and timely access to needed, appropriate and flexible services and supports.

In the medium term it is possible for the THP and other similar programs to address system constraints by designing, implementing, and operating individual programs in a way that facilitate access to housing and services during and after the program. However, the sustained success of the THP and other similar programs, will depend on whether systems settings can be amended.

To ensure that homelessness is rare, brief, and non-recurring, it will be necessary for the system to aim to end homelessness and adopt a longitudinal and intergenerational view of homelessness. This will require a system wide focus on ending and preventing homelessness, a commitment across all systems to 'no exits into homelessness', as well as shared language and outcomes across all parts of the system (housing, homelessness, human services). It will require the system to develop a sophisticated understanding of homelessness and homelessness response beyond the narrow confines of the homelessness system i.e., the housing and homelessness systems should be integrated and require strong interconnections with the human services system.

If the system becomes effective in ending homelessness, then over time, there will be fewer people with a long-term history of rough sleeping and homelessness will indeed become rare and brief and non-recurring. When this point is reached, then the complexity of clients is likely to decrease, and the types of interventions needed to end homelessness are likely to be different.

In the absence of system wide reform, there are opportunities for the THP and other similar programs to better integrate with the wider service system, noting that this is already happening in many instances. Avenues for better integration include:

- Assist CHPs and support providers to develop a better understanding of alternate pathways of support instead of relying on homelessness system funding (e.g., NDIS, aged care, Housing Pathways, Rent Choice, Disability Support Pension).

- Develop funding models that ensure clients have ongoing and flexible access to the supports they require at the level needed. This could be done in a variety of ways, including using client centred approaches. Another example would be to make ongoing support funding available (beyond the program timeframe) to enable CHPs to continue to contract the support needed by the client (consistent with the current THP model). Note that this option would not be viable for THP clients who are not housed in THP CHP properties. The case study of the Aboriginal-led model identified that there were benefits in the support provider being the lead agency. This suggests that there may be merit in funding select support providers directly to continue support for THP clients beyond the program duration.

- Establish and support ongoing local collaborations, which are a strength of the model. Mechanisms such as the CRAGs, attendance at By-Name-List meetings, and regular well-run case management forums with problem solving and collaboration aid system integration and allow discussion of appropriate referrals and provision of ongoing support for clients.

8.2 What improvements could be considered in a future Housing First model?

The THP has a relatively high degree of fidelity to some Housing First principles, especially around access to housing and support, but other principles, such as active engagement without coercion and a harm reduction approach to service delivery are not mentioned in the program model.

A key question facing the THP is whether programmatic Housing First models can be effective within broader housing and homelessness systems that are not oriented towards Housing First. The evidence from the literature shows that Housing First programs can be effective in a range of different system contexts while clients are participants in these programs. The challenge lies in sustaining tenancies and avoiding repeat homelessness when time-limited Housing First programs and supports end and clients are required to re-enter the broader housing and homelessness systems.

This is also the case with the THP. Once clients exit the THP, they are subject to the usual settings of the housing, homelessness, and human services systems, which offer less support and are less tailored, less flexible, and less responsive to their needs.

The risk is that a focus on programmatic solutions to homelessness can detract from the need to address the underlying causes of homelessness and homelessness-serving systems. What is needed are system wide policies and approaches to build more social and affordable housing and to recalibrate the homelessness system, so it prevents and ends homelessness rather than sustaining and replicating homelessness.

8.2.1 Housing

Access to housing is a key constraint at the systems and program levels. For Housing First to operate successfully, housing shortages need to be addressed at the program and systems levels.

The THP had strong commitment to providing access to housing and pathways to long term housing. Headleasing was a key feature of the program design and worked well in markets that had enough properties and healthy vacancy rates. However, the headleasing model faced challenges due to system constraints on the availability of suitable and affordable long term housing options in some regional markets (both rental housing available for headleasing and social housing, see section 3). In addition, headleases are not an appropriate tenure for some THP clients. Some THP clients would benefit from alternative housing models, such as permanent supportive housing or living on congregate settings.

Ideally, there would be a system-wide response to building additional needed social housing. However, the Transition Program component of the THP model demonstrates that it is possible, using a co-contribution model, to generate additional social housing at the program level and increase the long-term supply of social housing available to the overall system. DCJ provides upfront capital grants that are accessible via a tender process. CHPs provide a co-contribution in the form of debt, land, cash, reserves or support, and DCJ provides capital investment. Buildings are then acquired or developed by the CHP, who has full ownership of the final property but also full liability and maintenance responsibility. DCJ registers an interest on the property title for perpetuity (80 years) and cannot refuse any reasonable use proposed by the CHP.

> **Recommendation 1 – Provide a range of housing options**
>
> The THP, or any future Housing First program model, should provide a broad range of housing options including headleasing, social housing, supported housing, and congregate housing.

> **Recommendation 2 – Include capital component**
>
> The THP, or any future Housing First program model, should include a capital component by which to generate (build or purchase) additional capital stock to ensure the model remains sustainable in markets with constrained access to affordable, safe, and appropriate rental and social housing.

> **Recommendation 3 – Strengthen monitoring of and support for tenancy sustainment beyond the program timeframe**
>
> The THP, or any future Housing First program model, should strengthen monitoring of and support for tenancy sustainment beyond the program timeframe to ensure the effectiveness of the program and facilitate long term housing stability; this is consistent with the objective of developing a homelessness rare, brief, and non-recurring.

8.2.2 Support

The THP had a strong commitment to providing clients with needed support while they were in the program. However, system constraints mean that the same level of support cannot be guaranteed beyond the program timeframe.

Flexible support for as long as it is needed

Access to flexible support for as long as needed is a key principle of Housing First. Implementation of this principle in NSW is primarily a systems and funding issue. The THP enhanced integration between the NSW housing and homelessness systems by strengthening connections between CHPs and support providers. The program provided flexible support to meet client needs for the duration of the program. However, once clients left the program, after around 24 months, the same level of support could not be guaranteed. Some CHPs continued support beyond THP as part of their business as usual model, though not at the same intensity. Beyond the THP, it is unlikely that 'regular' or 'business as usual' system settings would provide former THP clients with the same level and intensity of support as the THP. Continuing flexible support consistent with that provided through the THP will require funded exit options, as well as options to scale the level of support according to client need.

Recommendation 4 – Provide access to flexible support beyond any fixed program timeframe

The THP, or any future Housing First program model, should provide access to flexible support beyond any fixed program timeframe. Mechanisms to achieve this could include flexible and scalable models of care; funding that is tied to the client (rather than the housing or support provider); or ongoing support funding through the housing provider to enable them to continue to contract the support needed by the client.

Housing and support are separated

The THP did not enforce the strict separation of housing and support provision, with six CHPs providing both housing and support and the remainder contracting out support (in alignment with Housing First principles). Overall, there are benefits and challenges in each model, and each model can be successful if done well. As yet, there is no clear and consistent evidence to ascertain the impact of delivering housing and support together or separating them.

Recommendation 5 – Monitor the impact of in-house provision of housing and support

The THP, or any future Housing First program model, should closely monitor whether there are any adverse effects for clients when housing and support are combined with the same provider and implement steps to mitigate this.

Principles underpinning support provision

CHPs are funded by DCJ to deliver housing and sub-contract support services. As contracting of support is at arm's length from DCJ, the department have limited oversight over the types and amount of support contracted by CHPs. It is also unclear whether different models of contracting services (e.g., fixed contracts versus fee for service models) are more effective. It would be desirable to gather better data on this to understand the impact of different models and to monitor and report on how much (intensity) and what type of support clients receive.

Because of the contracting structure, it is difficult to ascertain the degree to which Housing First principles for support provision were adhered to. The program guidelines specify the approaches and capabilities sought in support providers, however, how this was operationalised depended on the capabilities and availability of suitable support providers.

The THP adhered to principle of choice and self-determination where this was feasible, but constraints on available housing stock and support services (especially in regional areas) meant that this is not always possible. The evidence on the degree to which the THP had fidelity to the principles of social and community inclusion, and recovery-oriented practice was insufficient to make a considered assessment of the program's fidelity in relation to these aspects. Active engagement without coercion and harm reduction approach are not mentioned in the THP program model or program guidelines.

Recommendation 6 – Strengthen adherence to principles underpinning support provision

The THP, or any future Housing First program model, should be designed and structured to enable, to the greatest degree possible, adherence to the principles of choice and self-determination, social and community inclusion, recovery-oriented practice, active engagement without coercion and harm reduction approaches.

Recommendation 7 – Strengthen data on type and intensity of support provided

The THP, or any future Housing First program model, should develop data, monitoring and reporting to better capture the type and intensity of support provided to clients.

High Needs Packages and One-Off Funding Grants

High Needs Packages and One-Off Funding Grants are an important component of the THP as they allow clients to access needed supports and services that are not available to them via the standard housing, homelessness and human services systems. In this way they act as a mechanism at the program level that is designed to address shortcomings at the systems level. Stakeholder consultations showed that both, High Needs Packages and One-Off Funding Grants, had their advantages and disadvantages for providers and clients. High Needs Packages delivered a whole package of support for an extended amount of time and were suited to clients who were ready to make a commitment to remain engaged with supports and who had complex support needs. One Off Grants entailed a lower level of commitment (in terms of service engagement) from the client but did not provide the same level of support as High Needs Packages. Each, High Needs Packages and One-Off Funding Grants, have their advantages and disadvantages for providers and clients.

Recommendation 8 – Maintain High Needs Packages and/or One-Off Funding Grants

The THP, or any future Housing First program model, should maintain additional funding to meet client needs that are not addressed by the standard housing, homelessness, and human services systems. Going forward, it may be worth considering whether the High Needs Package approach, the One-Off Funding Grants approach or a hybrid approach to offering this additional support is most suitable and sustainable.

8.2.3 Culturally safe support

Around a third of all THP clients identify as Aboriginal. THP program design emphasises cultural appropriateness and safety in program governance, guidelines and operation. The Interim Implementation Report (2023: 101) identified that CHPs undertook a range of activities to facilitate culturally safe support, but that this varied across providers. In addition, the Aboriginal led model provided 35 packages to deliver culturally specific support that was led and delivered by an ACCO.

The case-study of the Aboriginal-led model showed that there were considerable benefits associated with the support provider, an ACCO being the lead agency and receiving direct funding. These benefits included delivering culturally safe and culturally immersive support and building the capacity of the ACCO. These findings suggest that there is opportunity to better align the program model to meet the needs of Aboriginal clients.

Recommendation 9 – review the THP program model to more closely align with models that deliver culturally safe support

The THP, or any future Housing First program model, should be co-designed with ACCOs to ensure an explicit focus of delivering housing and support in ways that support cultural safety.

8.3 How can the THP client experience be improved?

By the time clients enter the THP most have already experienced numerous failures of the wider housing, homelessness, and human services systems, which did not meet and contributed to their homelessness. At present the understanding of how clients experience the THP is underdeveloped and there is a need to strengthen this aspect of the program. However, an understanding of the client experience needs to consider clients' experience of the whole system (not just the THP). The most effective approaches will seek to not merely understand the client experience but provide avenues to include clients in governing and delivering the program.

There are numerous approaches that could be used to better understand the THP client experience. These include:

- better mechanisms to capture client feedback on the program, including quantitative (e.g., client survey) and qualitative (e.g., focus groups, interviews or discussion groups) methods
- client journey mapping
- inclusion of lived experience participants on governance bodies and CRAGs
- training peer support workers to assist clients in the program.

Recommendation 10 – Develop effective mechanisms to better understand the client experience and utilise clients' lived experience in the governance and delivery of the program

The THP, or any future Housing First program model, should develop and apply mechanisms to better understand the client experience and develop and implement approaches to utilise clients' lived experience in the governance and delivery of the program.

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Appendix 1: Vacancy rates

Figure 7: Vacancy rates, all rentals, Sydney, January 2019 to June 2023

		Inner	Middle	Outer	Sydney Total
2019	January	3.2%	4.2%	3.5%	3.7%
	February	2.9%	3.6%	3.1%	3.2%
	March	3.7%	3.1%	3.5%	3.6%
	April	3.2%	3.3%	3.3%	3.2%
	May	3.1%	3.3%	3.6%	3.4%
	June	3.4%	3.4%	3.5%	3.4%
	July	3.0%	4.1%	3.4%	3.5%
	August	3.4%	3.9%	3.5%	3.6%
	September	3.1%	3.0%	2.7%	2.9%
	October	2.7%	4.2%	3.9%	3.6%
	November	2.4%	3.7%	3.6%	3.2%
	December	3.4%	3.4%	3.4%	3.4%
2020	January	3.1%	3.6%	3.3%	3.3%
	February	2.8%	3.9%	3.5%	3.4%
	March	2.5%	3.6%	3.0%	3.0%
	April	4.3%	4.4%	3.1%	3.8%
	May	5.0%	4.6%	2.7%	4.1%
	June	5.8%	5.2%	2.6%	4.5%
	July	5.3%	5.4%	4.3%	5.0%
	August	4.7%	4.6%	2.4%	3.7%
	September	5.5%	5.5%	2.1%	4.1%
	October	5.8%	4.9%	2.6%	4.3%
	November	4.6%	4.4%	1.8%	3.4%
	December	4.4%	4.7%	1.8%	3.3%

Very low: 0-2%   Low: 2-4%   Sustainable: over 4%

		Inner	Middle	Outer	Sydney Total
2021	January	4.8%	4.2%	2.5%	3.6%
	February	3.7%	4.3%	1.9%	3.1%
	March	4.5%	5.8%	2.5%	4.0%
	April	4.0%	5.8%	3.2%	4.3%
	May	3.3%	4.6%	2.5%	3.3%
	June	4.0%	3.2%	2.2%	3.1%
	July	3.1%	3.9%	2.3%	2.9%
	August	2.9%	4.0%	1.7%	2.6%
	September	3.7%	3.9%	2.2%	3.1%
	October	3.9%	3.1%	1.8%	2.8%
	November	4.4%	2.9%	1.8%	3.0%
	December	3.7%	2.9%	1.8%	2.8%
2022	January	3.4%	2.9%	1.5%	2.5%
	February	2.8%	2.4%	1.5%	2.1%
	March	2.6%	2.7%	1.7%	2.3%
	April	2.1%	3.3%	1.7%	2.3%
	May	2.3%	1.6%	1.6%	1.8%
	June	2.9%	1.4%	1.5%	2.0%
	July	2.2%	1.4%	1.6%	1.7%
	August	2.2%	1.2%	1.6%	1.7%
	September	2.1%	1.1%	1.5%	1.6%
	October	2.3%	1.1%	1.7%	1.8%
	November	1.6%	1.3%	1.8%	1.6%
	December	2.5%	1.0%	1.5%	1.8%
2023	January	1.7%	1.2%	1.6%	1.5%
	February	1.4%	1.3%	1.5%	1.4%
	March	1.4%	0.8%	1.7%	1.3%
	April	1.5%	1.2%	1.3%	1.3%
	May	2.1%	0.7%	1.2%	1.4%
	June	2.1%	1.5%	1.5%	1.7%

Source: authors, based on REINSW
https://www.reinsw.com.au/Web/Web/Members/Property_data/Vacancy_Rates_Survey.aspx

Very low: 0-2%   Low: 2-4%   Sustainable: over 4%

Figure 8: Sydney inner, middle and outer areas
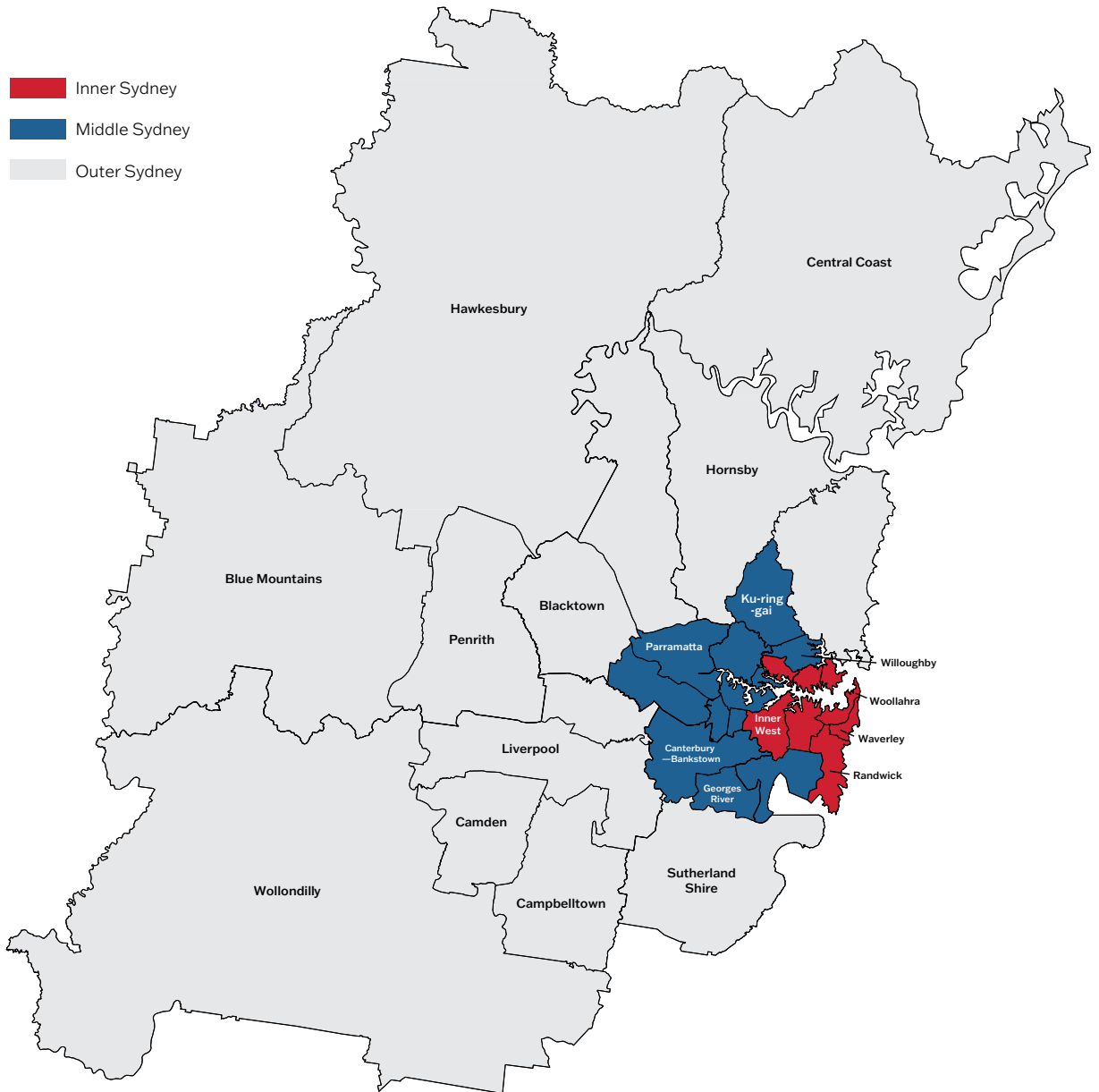
Inner Sydney	Middle Sydney	Outer Sydney
Inner West	Bayside	Blacktown
Lane Cove	Burwood	Blue Mountains
Mosman	Canada Bay	Camden
North Sydney	Canterbury-Bankstown	Campbelltown
Randwick	Cumberland	Central Coast
Sydney	Georges River	Fairfield
Waverley	Hunters Hill	Hawkesbury
Woollahra	Ku-ring-gai	Hornsby
	Parramatta	Liverpool
	Ryde	Northern Beaches
	Strathfield	Penrith
	Willoughby	Sutherland Shire
		The Hills Shire
		Wollondilly

Appendix 2: Consultation participants

Organisations that were represented in the stakeholder consultation on 25 September 2023.

- Bridge Housing
- Community Housing Limited
- Home in Place
- Evolve Housing
- Homes North
- Housing Plus
- Housing Trust
- Hume Housing
- Metro Housing
- Mission Australia Housing
- Northern Rivers Housing
- Pacific Link Housing
- StGeorge Community Housing
- Southern Cross Community Housing
- Yerin Eleanor Duncan Aboriginal Health Services
- Vinnies
- Jeder Institute
- Coast Shelter
- Newtown Neighbourhood Centre
- Wollongong Homeless Hub and Housing Services
- DCJ