

Towards system change

Update on a new homelessness approach in NSW

January 2024



An update on the new homelessness approach for NSW

NSW is experiencing a homelessness and housing crisis.

It is time to make a change. Business as usual is not working. The issues are complex, and we need to be bold to deliver positive outcomes for people experiencing or at risk of homelessness.

The NSW Government is developing a new homelessness strategy and action plans. They will set out our plan to prevent and respond to homelessness in NSW. The new strategy and action plans will commence from July 2024.

Over the next two years, the NSW Government will also be developing a new approach to commissioning homelessness services, the major provider of homelessness support in NSW. Current contracts have been extended for two years. New five-year contracts will commence from July 2026ⁱ. These homelessness services contracts will be guided by the principles and approaches of the strategy.

In developing new approaches to homelessness, we want to:

- **build on what we know** - enormous effort has been made over many years by service providers, peak bodies, people with lived experience, researchers, housing providers and public inquiries to examine the issues, make suggestions and design solutions for change.
- **work together to find and implement solutions** - we know homelessness is a complex issue that requires a comprehensive approach. It is not prevented or resolved by housing alone, but by providing integrated support in areas like income, education, disability, health and mental health.
- **stop re-inventing the wheel** - we want to avoid consultation fatigue, duplication and frustration. We will draw on that effort and learn from the lessons that have already been shared.
- **do stakeholder engagement differently** - in the development of the strategy, action plans, and commissioning of homelessness services, as well as the design and delivery of priorities, programs and policy for implementation.

This update aims to:

- **summarise the key learnings and evidence** that we have gathered from across a range of sources
- **explain the NSW Government's high-level direction** for the next homelessness strategy, action plans, and commissioning of homelessness services
- **outline how we hope to work with the homelessness sector and people with lived experience of homelessness**, particularly Aboriginal people and communities, as we develop the strategy, develop and implement action plans, and commission homelessness services.

Preventing and responding to homelessness in NSW

Everyone has the right to housing that is safe, appropriate, affordable, and sustainable. Allowing people to fall into, and remain homeless because of structural, systemic and/or individual factors is not acceptable.

But NSW is in a housing and homelessness crisis. The NSW Government has inherited a housing system that is broken after over a decade of neglect. The homelessness service system is operating above capacity. This has worsened because of broader challenges like limited early intervention and prevention services to stem the flow of clients to homelessness services, and a chronic shortage of safe and affordable longer-term housing options. It is hard for people to find and get appropriate accommodation and support, and they have to tell their stories multiple times.

Homelessness is not a personal failing. Many people are one bad job, one bad relationship, one serious illness, or one climate disaster away from facing homelessness. People who experience discrimination, disadvantage, and access barriers are even more at risk. The current cost of living pressures such as rental affordability, high interest rates and utilities mean more people are finding themselves at risk of homelessness, or are becoming homeless for the first time, or are unable to exit homelessness.

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

But we know we need to do more. We need to strengthen our housing system across the state to ensure people do not fall through the cracks. We need an integrated service system so that people can move seamlessly between services and housing tenures. This means the first door a person enters provides them with an assisted pathway to all services that meet their individual needs – out of homelessness, when exiting custody, recovering from a natural disaster, maintaining a tenancy, or living independently with the right supports at the right time.

This will require a whole-of-NSW plan to join up the many service systems, bed down common approaches and provide greater accountability. We are committed to doing what is needed to make the right changes, focusing on key levers to improve the system.

We will work closely with the Commonwealth Government to align our processes and approaches with development of the new National Housing and Homelessness Plan, and other national housing reforms, to make sure we get the best outcomes for NSW. NSW is advocating with the Commonwealth Government to use all available levers to build a housing and homelessness system that ensures secure affordable housing for all Australians of all ages and circumstances.

Working together to deliver an integrated service system

We will need to work together, to take steps towards addressing homelessness. The voices of people who are experiencing and who have experienced homelessness must be at the heart of this process.

The NSW Government recently engaged ARTD and Cultural and Indigenous Research Centre Australia (CIRCA) to provide advice on how stakeholders can be involved meaningfully in the development of the homelessness strategy. Twenty-five online focus groups were held, with a total of 224 NSW Government and non-government representatives, including people with lived experience, across urban, regional, and remote NSW.

Key findings

Stakeholders told us that the following things are important to them:

1. **Transparency and coordination:** People want to be meaningfully engaged in developing a strategic response to homelessness. They want a process that rebuilds and regains their trust by being clear upfront about what cannot be negotiated, and any other boundaries (for example, whether innovative approaches are being considered).
2. **Accountability and mutual benefit:** Consultation fatigue and disengagement are real risks. It is important to find ways for the people engaging in consultation to benefit, not just the NSW Government. A well-structured process has multiple opportunities for people to provide feedback.
3. **Systems thinking:** There are many drivers of homelessness. It is important to take a broad view and consider other policy settings that may support or constrain access to housing.
4. **Using existing knowledge and networks:** People with lived experience of homelessness balance a range of commitments. Many parts of the homelessness sector have limited resources and capacity. People are fatigued by lots of consultation. It is important for any new engagement process to start with what we already know. It needs to acknowledge previous contributions and identify what was (or was not) done as the result of the work, and why.
5. **Being trauma informed:** Engagement should use a trauma informed approach. This means engaging in an environment where there is safety, trustworthiness, choice, collaboration, and empowermentⁱⁱ.
6. **Tailoring to places and people:** It is important to have a clear, place-based view of people's needs, an understanding of the existing system, supports and services, and any gaps.

Aboriginal stakeholders told us the NSW Government can engage meaningfully with Aboriginal communities by:

- putting Aboriginal voice and experiences first
- supporting local leadership and expertise within Aboriginal communities
- empowering Aboriginal communities to co-design solutions
- developing a prior understanding of the community
- building an ongoing relationship between DCJ and community
- engaging the community early and regularly
- respecting Aboriginal ways of knowing and being
- respecting cultural protocols
- having a clear and transparent scope
- recognising and acknowledging prior harm
- providing a safe space for expressing views
- telling participants how their data will be stored, shared and distributed
- closing the loop by telling Aboriginal communities how their views informed the strategy development.

We will continue to listen to what stakeholders tell us about working together to prevent and respond to homelessness, but we know we need to go further. We need to make sure stakeholders, including people with lived experiences and Aboriginal communities, are active participants in the development and implementation of responses to homelessness. This will require government to share decision-making and we will continue to work with stakeholders to do better.

Building on what we all know

Development and implementation of the new strategy will be informed by:

- the voices of people with lived experience of homelessness
- advice from stakeholders¹
- research and best practice
- evidence and data
- government reviews and evaluations of current homelessness programs
- recommendations from parliamentary inquiries.

What we know about the current homelessness service system

We know that:	But:
Prevention is best practice and cost effective	...services are focused on crisis support
Every community in NSW is different	...services are predominantly generic
Different groups of people have different needs	...we don't meet people's changing needs across the lifespan ...support is not localised, tailored, culturally safe
When people are homeless, they need fast, easy access to housing and the right supports	...it's hard for people to find and get support and they have to tell their stories multiple times ...there is a chronic shortage of appropriate long-term housing and private rental
People need individualised, joined-up services at the right time	...services are designed as programs, not around people
Some form of crisis support will always be needed as an important safety net	...short-term responses have become the standard way to respond to homelessness long-term
Outcomes for people need to be sustained over time	...the data we have can't track sustainable outcomes for people once they exit the homelessness or housing systems. ...funding for sustained outcomes is piecemeal, not systemic

What we know about improving homelessness service delivery

Best practice tells us that homelessness service delivery is most effective when it is culturally safe, trauma-informed, person-centred, place-based and sustainable.

We need to put people at the centre of everything we do

We need a homelessness service system that puts people as individuals at the heart – a one-size-fits-all approach is not effective. This means:

- prioritising prevention and early intervention responses, with a focus on young people
- integrating the system so it can respond to people's changing needs

¹ Appendix A outlines recent and relevant consultations, government reviews and parliamentary inquiries.

- treating people respectfully, with dignity and without discrimination
- reducing the stigma attached to seeking early support by making sure people know where to go to get support and can talk to someone they trust before they reach crisis point
- providing individualised responses to make sure people are housed and/or supported effectively in ways that meet their needs and gives them choice
- providing trauma-informed services, which means ensuring safety, trustworthiness, choice, collaboration, and empowerment
- training staff in housing, homelessness and related sectors including domestic and family violence, education, transport, aged care, disability support, health and police to make sure people seeking housing and homelessness assistance are appropriately and holistically supported.

We need to close the gap

Aboriginal people are overrepresented in our service systems. Many Aboriginal people and families across NSW experience deep-rooted socio-economic challenges. These challenges affect their access to safe and affordable housing on Country, or in their community of belonging, and are also impacted by remoteness and overcrowding.

This is a real concern, so empowering Aboriginal communities will be at the heart of the new homelessness strategy.

The program of work we need is significant and wide ranging. The way of working outlined in the National Agreement on Closing the Gap – in close partnership with Aboriginal communities – challenges the Government to share decision-making responsibility and data in new ways. The new homelessness strategy will deliver on our commitments under the Agreement, including embedding the Priority Reforms in the Government’s approach to homelessness and improving housing experiences and outcomes for Aboriginal communities.

We have heard from Aboriginal stakeholders that their communities need culturally safe, trauma-informed services and support to achieve improved housing, safety and wellbeing. This means the service system needs to provide:

- Aboriginal-led responses to local homelessness
- separate, culturally appropriate, Aboriginal-led procurement to increase the number of Aboriginal Community Controlled Organisations (ACCOs) delivering homelessness services
- dedicated Aboriginal and lived experience workers.

Service delivery should be place-based

Every community is different. The service system needs to represent the experience, strengths and emerging needs in each local community. This means:

- designing and implementing responses and approaches in a holistic way
- creating a shared, long-term vision and commitment to outcomes
- working differently together across the community
- developing strong, collaborative governance at a local level
- broad community engagement
- local planning for prevention and response to climate risks.

Service delivery should be sustainable

Services need to deliver the right supports in the right places and be responsive to changing need. This means:

- community-led solutions with services designed by and for Aboriginal people, and people with lived experience
- clear, well-known pathways to avoid homelessness
- clear, well-known pathways to access support
- a focus on outcomes and being accountable for results
- maximising resources and using them efficiently
- targeted and efficient investment
- place-based procurement approaches that lead to collaboration, not competition
- a skilled, resilient and valued workforce in nationally recognised accredited organisations
- resources, baselines and reporting so we can monitor and influence outcomes
- flexible funding and contracting
- planning for prevention and response to the impacts of climate risks
- funding services sustainably and consistently within available budgets, and with long-term funding certainty (i.e. five-year contracts)
- commissioning services based on evidence of need and what works
- creating co-investment models for new initiatives.

A new strategic response to homelessness

The new strategy will be based on the Government's commitment to make NSW a place where homelessness is **rare, brief and not repeated**ⁱⁱⁱ because people have a **safe** home and the **support** to keep it.

This means shifting the service system from:

- a focus on crisis responses to a focus on **prevention**
- a service-centred system to a **person-centred** system
- district-focused to flexible, **place-based** service planning, design and delivery
- government and non-government service design to the **voices of people with lived experience of homelessness** as part of program design and delivery.

To achieve and sustain this we need to transform the service system. We need flexible service delivery, local autonomy, joined-up local services, shared accountability and strong governance. A place-based approach for commissioning homelessness services in NSW can:

- bring together stakeholders from different groups and sectors to develop solutions
- support preventative, cost effective responses by building community and using local resources efficiently, and
- target investment based on what is needed and works locally.

The new approach to commissioning homelessness services will be guided by these principles and approaches.

The strategy will build on what we already know about why making homelessness rare, brief and not repeated is important, and how we can get there.

Homelessness is rare

'Homelessness is prevented from happening in the first place, making it a rare occurrence.'

Why is this important?

Homelessness prevention initiatives work to reduce the likelihood that someone will experience homelessness. This can include policies and strategies that impact homelessness at the structural and systemic levels, as well as early intervention practices that address individual and situational factors. Prevention also means providing people who have been homeless with the necessary resources and supports to stabilise their housing, enhance social inclusion, and ultimately reduce the risk of repeat homelessness.

Prevention and early intervention can assist many different people, including young people, people experiencing domestic and family violence, older people, people whose tenancies are at risk, people exiting from government services, people renting in the private market and people living in housing stress.

The experience of homelessness can worsen a person's existing mental and physical health issues and the impacts of past trauma. Prevention and early intervention can limit the impacts and consequences of homelessness. It also reduces community costs because we know homelessness contributes to expensive crisis responses, including health and justice costs, over many years or a lifetime.

Intervening early to prevent homelessness is particularly important for children and young people. Research shows that a person who experiences homelessness as a child is more likely to become homeless in their adult years^v. For example, universal screening programs through schools, such as the [Universal Screening and Supports Pilot](#) in NSW, can identify young people and families that may be at risk of homelessness and connect them with local supports to prevent homelessness.

How can we get there?

We know that for homelessness to be rare, we need a service system that includes:

- embedding and scaling successful prevention approaches, including screening and predictive tools and poverty reduction strategies
- policies and practices that do not discriminate
- tailored responses to meet people's diverse needs
- accessible and inclusive services and supports available
- available supports that are well known by the community
- strengthened social and community capacity, including training for community and mainstream services to identify people at risk and connect them to homelessness services
- viable and effective private rental products and reforms to create an accessible, affordable and secure rental market
- a coordinated service system across all levels of government (local, State and Commonwealth), in partnership with non-government services
- no exits from government services to homelessness.

Homelessness is brief

'When homelessness does occur, people are quickly connected to housing and the supports they need.'

Why is this important?

Despite efforts to prevent homelessness, there will be times when people find themselves without a safe or secure place to stay. When this happens, there should be a range of supports and services available to meet their needs in a timely way.

Just as people's pathways into homelessness vary, it is unlikely that any two people will have the same path out of homelessness. Some will find long term stability by reconnecting with family or friends. Others will find new housing, get a new job, or connect with benefits that quickly allow them to exit homelessness on their own. Some will need more intensive supports like rapid re-housing or permanent supportive housing to help them find housing, pay for it, and maintain it.

When homelessness happens, we need to be able to offer a range of high-quality accommodation options and supports to address people's urgent safety needs, provide the time and space to stabilise and develop skills, and work together to find suitable long term housing options such as private rental, with family, or in social or affordable housing.

Housing First is an internationally recognised philosophy that promotes flexibility, individualised supports, individual choice and autonomy⁶. It is based on the idea that stable housing is required before people can address other issues in their lives. People select the supportive services they need and want, tailoring them to their own situation. This can include formal support services, like a doctor, therapist, or social worker. It might involve informal supports, like re-establishing connections with family, friends, or community groups.

We want to work to embed this person-centred, recovery-oriented approach into the NSW homelessness service system. We will need to understand how to design tailored Housing First responses for specific cohorts such as children and young people who have different developmental needs and require targeted social, emotional and physical wellbeing support.

How can we get there?

We know that for homelessness to be brief, we need a service system that includes:

- accessible, effective and streamlined access, triage and intake points
- case management that is inclusive and responsive to the complexity of a person's needs
- with consent, shared care plans and client records so people do not have to repeat their story
- service coordination across housing and other support needs, such as health, mental health, domestic and family violence, corrections, and alcohol and other drugs
- person and family centred service delivery with well trained, trauma-informed, supported staff
- supports provided across all accommodation services and types
- high quality crisis models that do not worsen experiences of trauma and continue cycles of homelessness
- a sustainable Housing First service response that is tailored to the person's needs and life stage, and provides pathways out of homelessness
- long-term quality housing that is safe, sustainable, accessible, appropriate and diverse
- intermediate independent housing options for thin markets
- flexible place-based commissioning and service delivery
- cross system data collection and sharing
- fully implemented outcomes measurement, and embedded accreditation

- targeted strategies and actions for Aboriginal people and unaccompanied children and young people experiencing or at risk of homelessness
- funding to continue essential services and address gaps
- national settings (including funding arrangements) that recognise the need to maintain effective crisis responses while prevention is building up.

Homelessness is not repeated

‘Where homelessness cannot be prevented, people should not experience multiple episodes of homelessness.’

Why is this important?

Three in five (or 63%) of people who accessed a specialist homelessness service in Australia in 2021/22 had accessed one previously in the past 10 years. At the end of the support period 34% of clients were still homeless.

People who have experienced chronic homelessness (extended periods of homelessness) are more likely to have complex needs and require a higher degree of support to remain out of homelessness.

We want to break this cycle and create long term, positive outcomes for people.

How can we get there?

We all know that for experiences of homelessness to not be repeated, we need a service system that includes:

- local resources, plans, and system capacity to stop households becoming homeless in the future
- access to supports through other streams, such as the National Disability Insurance Scheme and aged care
- services designed by and with Aboriginal communities and people with lived experience of homelessness
- supported transitions into individualised housing solutions
- longer term wrap around supports to sustain accommodation
- person-centred responses
- mental health and alcohol and other drugs support
- housing that supports the lifespan (e.g. ageing in place)
- building resilience through connections to family and community
- continued investment in and improved access to linked and longitudinal data
- embedding the Specialist Homelessness Services Outcomes Framework and accreditation through place-based approaches
- rigorous program evaluation and continual improvement
- Commonwealth-State funding arrangements based on sustained outcomes and the true cost of service delivery.

Next steps

The NSW Government wants to work in partnership with peaks, service providers and people with lived experience of homelessness to design and implement priorities, approaches, programs and policy.

Rather than have large, generic consultations that duplicate other efforts, we will aim to have targeted, meaningful sector engagement.

We will:

- draw together key service providers, peaks and experts for focused planning sessions
- seek advice and guidance on priorities and approaches for specific cohorts to develop tailored approaches that better respond to their experiences of homelessness
- aim to keep stakeholders informed and report back on progress
- leverage existing forums to avoid duplication
- work closely with Aboriginal communities and people with lived experience in program design and implementation
- work towards a flexible, place-based commissioning model, where we work in partnership with local communities, people with lived experience and local service providers so that we develop local approaches to people's changing needs.

Ending homelessness is not something we can achieve overnight. And because we need to make sure people continue to get timely support, we will need to rebuild the aeroplane while we are flying it.

We have a once in a generation opportunity to make things better and we must take it. Business-as-usual is not an option - we must be bold and deliver innovative solutions that make real change in our community.

We look forward to working with the sector and the community to create real change.

Appendix A: Initial planning and information gathering

DCJ has commenced initial planning and information gathering to provide advice to the NSW Government on the new homelessness strategy. This has included analysis of recent data, literature, consultations, government reviews and parliamentary inquiries.

Advice from stakeholders has recently been captured via a number of consultations, including:

- Forums on ideas to develop Homes NSW, a new entity bringing together the DCJ housing functions, Aboriginal Housing Office (AHO) and Land and Housing Corporation (LAHC)
- ‘Have your say’ submissions on [improving NSW rental laws](#) to rebalance the private rental market and make it fairer
- Initial consultations to understand how stakeholders can be involved meaningfully in the development of the homelessness strategy
- Sector-led consultation and stakeholder submissions to the NSW Government prior to the 2023 state election and budget.

DCJ has also undertaken analysis of recommendations and stakeholder submissions from parliamentary inquiries and government reviews, including:

NSW

- Audit Office of NSW ‘Responses to homelessness’ report^{vi}
- Cox Inall Ridgeway ‘Consultation report and strategic advice for improving the provision of specialist homelessness services for Aboriginal people in NSW’^{vii}
- Follow-up review of the management of NSW public housing maintenance contracts^{viii}
- Independent Pricing and Regulatory Tribunal (IPART) NSW Review of Social and Affordable Housing Rent Models^{ix}
- Inquiry into homelessness amongst older people aged over 55 in New South Wales^x
- Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage^{xi}
- Inquiry into the Protocol for Homeless People in Public Places^{xii}
- Joint Select Committee on Coercive Control^{xiii}
- Regional Housing Taskforce Findings Report^{xiv}.

National

- Housing and Homelessness Agreement Review^{xv}
- Inquiry into homelessness in Australia^{xvi}
- Commonwealth-led consultation on the National Housing and Homelessness Plan, a 10-year strategy developed by the Commonwealth in collaboration with state and territory governments that sets out a shared vision to inform future housing and homelessness policy.^{xvii}
- Inquiry into housing affordability and supply in Australia report ‘The Australian Dream’^{xviii}
- Inquiry into the national housing reforms^{xix}
- Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. Public Hearing 26: Homelessness, including experience in boarding houses, hostels and other arrangements^{xx}
- Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. Final Report^{xxi}.

-
- ⁱ <https://www.facs.nsw.gov.au/providers/homelessness-services/specialist-homelessness-services-shs-recommissioning>
- ⁱⁱ ARTD (2022), [Trauma-informed interviewing – tips and reminders](#)
- ⁱⁱⁱ UK Centre for Homelessness Impact's [framework](#)
- ^{iv} University of Melbourne (2012) [Journey's Home research report no. 1: Wave 1 findings](#)
- ^v Roggenbuck, C. (2022) [Housing First: An evidence review of implementation, effectiveness and outcomes, report prepared by AHURI, https://www.ahuri.edu.au/sites/default/files/documents/2022-08/AHURI-Prof-Services-Housing-First-An-evidence-review-of-implementation-effectiveness-and-outcomes.pdf](#)
- ^{vi} Audit Office of NSW report '[Responses to homelessness](#)'
- ^{vii} Cox Inall Ridgeway '[Consultation report and strategic advice for improving the provision of specialist homelessness services for Aboriginal people in NSW](#)'
- ^{viii} Parliament of NSW Public Accounts Committee [follow-up review of the management of NSW public housing maintenance contracts](#)
- ^{ix} Independent Pricing and Regulatory Tribunal (IPART) NSW [Review of Social and Affordable Housing Rent Models](#)
- ^x Parliament of NSW Legislative Council Standing Committee on Social Issues [inquiry into homelessness amongst older people aged over 55 in New South Wales](#)
- ^{xi} Parliament of NSW Legislative Assembly Committee on Community Services [inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage](#)
- ^{xii} Parliament of NSW Legislative Assembly Committee on Community Services [inquiry into the Protocol for Homeless People in Public Places](#)
- ^{xiii} Parliament of NSW [Joint Select Committee on Coercive Control](#)
- ^{xiv} Regional Housing Taskforce [Findings Report](#)
- ^{xv} Australian Government Productivity Commission Housing and Homelessness Agreement Review report '[In Need of Repair: The National Housing and Homelessness Agreement – Study Report](#)'
- ^{xvi} Parliament of Australia House of Representatives Standing Committee on Social Policy and Legal Affairs [inquiry into homelessness in Australia](#)
- ^{xvii} Australian Government, Department of Social Services <https://engage.dss.gov.au/developing-the-national-housing-and-homelessness-plan/>
- ^{xviii} Parliament of Australia House of Representatives Standing Committee on Tax and Revenue inquiry into housing affordability and supply in Australia report '[The Australian Dream](#)'
- ^{xix} Parliament of Australia Senate Standing Committee on Economics [Housing Australia Future Fund Bill 2023 \[Provisions\] National Housing Supply and Affordability Council Bill 2023 \[Provisions\] and Treasury Laws Amendment \(Housing Measures No.1\) Bill 2023 \[Provisions\] inquiry](#)
- ^{xx} Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. [Public Hearing 26: Homelessness, including experience in boarding houses, hostels](#)
- ^{xxi} Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. [Final Report.](#)