

Pre-budget submission NSW 2022-23

Submission



**MISSION
AUSTRALIA**

Mission Australia

Pre-Budget Submission to NSW Treasury January 2022

About us

Mission Australia is a national Christian charity motivated by a shared vision of an Australia where everyone has a safe home and can thrive. Since 1859, we have been standing alongside people in need across Australia, offering real hope that has lasting impact.

In the 2020-21 financial year, we supported over 150,000 individuals through 474 programs and services across Australia. In NSW we assisted about 57,000 people through 260 services that enable children, young people, families and communities to escape homelessness and thrive. These services assisted children, young people and families with support around housing and homelessness, parenting and child wellbeing, domestic and family violence (DFV), mental health, alcohol and other drugs, and employment, education and training.

Summary of recommendations

Mission Australia's pre-budget submission focuses on recommendations across three themes.

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

- Provide long-term investment for a minimum of seven years to roll out of the NSW Government's Investment Approach to at least 12 locations of greatest need, including the South Western Sydney Investment Approach.
- Extend the age of leaving out-of-home care from 18 to 21 years for any young person who chooses to remain in out-of-home care.
- Guarantee long-term investment in community services with a minimum of seven-year funding contracts, indexed at 3%, to realise the full benefits of programs and initiatives and give service providers, staff and clients certainty. The Youth on Track program is an example where a long-term funding view is urgently needed.
- Improve universal access and affordability of early childhood education and care for low- and middle-income families.

Housing and homelessness

- Shift the homelessness system to have a greater focus on and investment in prevention and early intervention, with particular regard to:
 - rolling out the Universal Risk Screening tool for homelessness in all NSW schools

- developing an action plan and secure funding arrangements to implement the *No Exits from Government Services into Homelessness: A framework for multi-agency action*
- expanding the Sustaining Tenancies in Social Housing program.
- Establish a mechanism to fund social and affordable housing through a permanent and annual funding source which can grow the supply of social housing by 5,000 dwellings per annum, and similar for affordable housing, starting with options to permanently house those in extended temporary arrangements through:
 - the identification and purchase of vacant, or soon-to-be completed, developments for conversion to social or affordable housing
 - identification of government owned properties for conversion to social housing
 - mandate inclusionary zoning to increase the supply of social and affordable housing
- Invest in Housing First responses with regard to the support needs of high-risk groups such as:
 - people sleeping rough
 - older people 55+
 - people with severe mental ill-health.

COVID-19 recovery

- Ensure schools are appropriately funded, have the skilled workforce and links with specialist services in the community necessary to meet the mental health needs of children and young people.
- Prioritise action to increase women's economic security following the gendered impacts of the pandemic, with regard to adequate investment in:
 - lifting women's education and employment participation
 - DFV services.

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

RECOMMENDATION:

Provide long-term investment for a minimum of seven years to roll out of the NSW Government's Investment Approach to at least 12 locations of greatest need within the next three years.

Mission Australia strongly supports the NSW Government's Investment Approach¹ that utilises data and evidence to direct funding to initiatives and programs that improve long-term outcomes for children, young people, and families with the highest needs. However, the implementation of this approach has been slow and lacking significant long-term investment. Further, it remains unclear that the NSW Audit Office recommendations to embed and improve the governance of the Investment Approach in line with the intentions of the Tune Review have been implemented in full.² The Investment Approach requires a whole of government effort with active leadership from Communities and Justice, Education, Health, Attorney General's and other State agencies as well as Commonwealth and local government.

The 2022-23 Budget provides an opportunity for the Government to renew its commitment to the Investment Approach. We highlight the following evidence-based programs and initiatives that would further support this work and contribute to the NSW State Outcome of 'Children and families thrive'.

South Western Sydney Investment Approach

Mission Australia has been involved in consultations on this promising project being led by the Department of Communities and Justice. The project currently in development phase intends to improve the overall safety, wellbeing, resilience, and lifetime trajectories of mothers aged 25 years and under, and their children aged 0-6 years, including (antenatal), who reside in the South Western Sydney District. It follows the policy direction set by the Tune Review and Their Futures Matter reforms.

Locational disadvantage is a complex problem that needs systems change and innovation, requiring a coordinated place-based collective impact approach. We know that to target intergenerational disadvantage and make real lasting change there needs to be long-term funding. From our own experience, projects like this in South Western Sydney require a minimum of seven years' commitment to the local community plus upfront funding to plan and shift the service system to be better integrated and person-centred.

While we understand this project is still in the conceptualisation stage and there is a budget attached, we strongly urge for the investment to be transparent, and commensurate with the nature and

¹ Department of Communities and Justice, n.d. About the Investment Approach, <https://www.theirfuturesmatter.nsw.gov.au/investment-approach/about-the-investment-approach>.

² Audit Office of NSW, 2020. Performance Audit Their Futures Matter, <https://www.audit.nsw.gov.au/sites/default/files/documents/Their%20Futures%20Matter%20-%20PDF%20Report.pdf>.

requirements of long-term, collaborative place-based interventions. We further recommend the fast-tracking of the rollout to a minimum of 12 locations within the next three years.

RECOMMENDATION:

Extend the age of leaving out-of-home care from 18 to 21 years for any young person who chooses to remain in out-of-home care.

The average age of young people in Australia moving out of home is 24 for women and 23 for men and has been trending up.³ The reasons that are compelling young people to stay at home – financial security, housing affordability and tight labour markets – are also issues for young people leaving care, but they are left to cope without parental housing and support. A survey of Australians conducted by Home Stretch, a coalition of organisations advocating to extend care to 21, found 87.8% of respondents believe all young people deserve a place they can call home to 21 years.⁴

This is an urgently needed reform as young people leaving out-of-home care are more likely to be homeless, become young parents and involved in the criminal justice system, and less likely to have completed year 12 or to be employed.⁵ CREATE Foundation in a survey of over 300 care leavers found 30% reported they had been homeless at some stage within their first year after leaving care, and of those young people 37% were homeless for six months or more.⁶

Regrettably, NSW and Queensland are the only states that have not committed to extending care to 21 years. This is despite comparable countries to Australia adopting this policy, including New Zealand, UK and states within Canada and the United States. International research from these countries has shown the policy has halved homelessness, doubled education participation, reduced arrests, and doubled the odds of employment for this group.⁷ As a result these outcomes have delivered considerable savings to government. Analysis by Deloitte Access Economics has found the NSW Government will more than triple its return on investment for every dollar spent on keeping young people in care, with \$3.40 return for every \$1 when wellbeing costs are counted.⁸

³ Wilkins, R., Vera-Toscano, E., Botha, F. and Dahmann, S.C., 2021. The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 19. Melbourne Institute: Applied Economic & Social Research, the University of Melbourne. https://melbourneinstitute.unimelb.edu.au/__data/assets/pdf_file/0009/3963249/HILDA-Statistical-Report-2021.pdf

⁴ Home Stretch, 2019, foster care in Australia - facts & stats, <https://thehomestretch.org.au/site/wp-content/uploads/2019/07/Foster-care-facts-and-stats.pdf>

⁵ Legislative Council. General Purpose Standing Committee, 2017. Child Protection, New South Wales Parliament, <https://www.parliament.nsw.gov.au/lcdocs/inquiries/2396/Final%20report%20-%20Child%20protection.pdf>.

⁶ McDowall, J. J., 2020. Transitioning to Adulthood from Out-of-Home Care: Independence or Interdependence. CREATE Foundation, <https://create.org.au/wp-content/uploads/2021/05/CREATE-Post-Care-Report-2021-LR.pdf>.

⁷ Deloitte Access Economics, 2018. Extending Care to 21 in NSW, http://thehomestretch.org.au/site/wp-content/uploads/2019/10/A-Federal-and-State-Cost-Benefit-Analysis-Extending-Care-to-21-years_Deloitte-Access-Economics.pdf

⁸ Deloitte Access Economics, 2018. Extending Care to 21 in NSW, http://thehomestretch.org.au/site/wp-content/uploads/2019/10/A-Federal-and-State-Cost-Benefit-Analysis-Extending-Care-to-21-years_Deloitte-Access-Economics.pdf

What this policy would look like for the young person is the choice to either remain with their foster/kinship carer if the young person agrees, or entering a guaranteed supervised independent living arrangement. They would be supported with ongoing financial assistance or housing subsidy, case management, and financial brokerage for education and employment.

RECOMMENDATION:

Guarantee long-term investment in community services with a minimum of seven-year funding contracts, indexed at 3%, to realise the full benefits of programs and initiatives and give service providers, staff and clients certainty. The Youth on Track program is an example where a long-term funding view is urgently needed.

Businesses need certainty to operate successfully as do social service organisations. Mission Australia strongly urges for a shift to long-term funding contracts to more effectively support organisations to develop and deliver services for individuals, families and communities experiencing disadvantage. We support the minimum length of seven-years as advocated by NCOSS in their pre-budget submission. Often programs and initiatives are funded on a short-term basis and while many produce promising outcomes, it may not result in lasting changes due to discontinued funding, or ad hoc extensions for as short as six to 12 months. This funding environment is detrimental to service delivery with implications for retaining/hiring qualified staff and continuity of care for clients. Additionally, ensuring indexation of funding at 3% will enable the sector to cover the rising cost of service provision, and provide workers in the industry, who are predominantly women, with job security and wage parity.

Youth on Track

Mission Australia is one of the providers of the Youth on Track program which is a highly successful early intervention program that identifies and responds to young people at risk of long-term involvement in the criminal justice system. The program provides an opportunity for agencies to refer young people (70% of participants identify as Aboriginal or Torres Strait Islander), known to be at medium to high risk of offending, to a support service without requiring a legal mandate. Participation is voluntary, and the program aims for service providers to work collaboratively to ensure consistent service provision without duplication of service.

Data from Youth Justice NSW confirm that the program has a high rate of success across several measures. Data from the first six months of 2021 indicate that, of the 180 young people who participated in the program:

- 75% reduced or stabilised formal contact with police after referral.
- 100% reduced their risk of reoffending at program completion.
- 65% of high-risk young people improved their education and employment risk factors.
- 52% of high-risk young people improved their family and community risk factors.⁹

⁹ Youth Justice NSW Youth on Track Unit, 2021. Youth on Track Snapshot Jan – Jun 2021, Department of Communities and Justice.

Youth justice is a key service delivery area for Mission Australia. In NSW we provide a range of diversionary programs, alternatives to incarceration and pre- and post-release support services, which includes Youth on Track. Following combined advocacy with our sector colleagues in 2021, we were relieved that an extension for funding was granted. However, this is only for one year and should be extended to seven years in line with our recommendation.

RECOMMENDATION:

Improve universal access and affordability of early childhood education and care for low- and middle-income families.

Mission Australia welcomes the Premier's desire to improve early childhood education and care and strongly support his focus on affordability.¹⁰ As the Premier outlined recently in his National Press Club on achieving outcomes for children, "*... there is a direct link between their educational ability when they first walk into the classroom and their academic prospects and earning capacity later in life.*"¹¹

Further, there is significant evidence that children from low socio-economic communities and from jobless families are less engaged with school and perform more poorly on standardised tests. It is also well documented that attendance at childcare improves developmental outcomes for children and that participation in quality early childhood education and care has lasting benefits for children across a range of life domains, including cognitive, emotional and physical wellbeing and that the benefits accrued in childhood remain into adulthood.

As part of our work to advocate for better access and affordability for early childhood education and care, we support the Thrive by Five initiative of Minderoo Foundation and its five actions for universal access and improved affordability:

- a new national agreement to deliver universal three-year-old preschool across the country to match the partnership agreement in place for four-year-old preschool
- lift the childcare subsidy to 95% for all children and set agreed fee caps
- provide the childcare subsidy to all children regardless of the setting and the income or work status of the parents
- start workforce planning for a universal system and fund appropriate pay and conditions for educators to end the problem of skill shortages, high vacancy rates and high staff turnover rates across the sector
- Include early childhood education and care as part of the National Cabinet reform agenda.

We strongly encourage the Government to consider supporting the actions of Thrive By Five in its policy pursuit to make early childhood education and care more accessible and affordable.

¹⁰ Perrottet, D. 2021, National Press Club – Future of federation in a post-COVID world, <https://www.domperrottet.com.au/speeches/national-press-club-address-the-future-of-federation-in-a-post-covid-world>.

¹¹ Perrottet, D. 2021, National Press Club – Future of federation in a post-COVID world, <https://www.domperrottet.com.au/speeches/national-press-club-address-the-future-of-federation-in-a-post-covid-world>.

Housing and homelessness

Homelessness is a significant issue in NSW, with over 37,700 people in NSW homeless on Census night 2016 and a further 37,200 people at risk of homelessness. In 2020-21, 70,500 people sought support from NSW Specialist Homelessness Services.¹² Our 41 NSW homelessness services assisted approximately 11,000 individuals and 1,367 families in need in that period.

Homelessness was already a major social issue prior to the COVID-19 pandemic, and several known drivers of homelessness have increased during the pandemic, including mental health issues¹³ and DFV.¹⁴ While we welcomed the Government's response to homelessness during the COVID-19 pandemic, we have continued to note in conversation and correspondence with Government members the ongoing need for further investment in social and affordable housing to address the long-term issues associated with homelessness.

Below we have put forward recommendations that will help the Government fulfil its NSW State Outcome of 'People have a safe and affordable place to live'.

RECOMMENDATION:

Shift the homelessness system to have a greater focus on and investment in prevention and early intervention, with particular regard to:

- rolling out the Universal Risk Screening tool for homelessness in all NSW schools
- developing an action plan and secure funding arrangements to implement the *No Exits from Government Services into Homelessness: A framework for multi-agency action*
- expanding the Sustaining Tenancies in Social Housing program.

We recognise that significant effort will be required to transform the homelessness service system from one focussed on crisis responses to one focused on early intervention. It is difficult for service providers to focus on prevention and early intervention when the system is oversubscribed and many people entering into it are already in crisis. The challenge will be to shift to a greater systemic investment and focus on prevention and early intervention while in the meantime continuing to respond to the immediate presenting issues of those seeking assistance.

Measures that have a sole focus on prevention and early intervention, such as a universal screening tool in schools, preventing exits into homelessness from institutional care, and funding for tenancy support programs, will make a contribution to the systemic shift required.

¹² Australian Institute of Health and Welfare, 2020. Specialist homelessness services annual report 2020-21, <https://www.aihw.gov.au/getmedia/5f604810-d674-42a7-a547-82e3eec318e2/AIHW-HOU-327-SHS-data-tables.xlsx.aspx>.

¹³ Kaleveld, L, Bock, C, Maycock-Sayce, R, 2020. COVID-19 and mental health: CSI response, https://www.csi.edu.au/media/uploads/csi_fact_sheet_covid_and_mental_health.pdf.

¹⁴ Pfitzner, N, Fitz-Gibbon, K and True, J, 2020. Responding to the 'shadow pandemic': practitioner views on the nature of and responses to violence against women in Victoria, Australia during the COVID-19 restrictions. Monash Gender and Family Violence Prevention Centre, Monash University, Victoria, Australia.

Universal screening tool in schools

Preventing or intervening early in homelessness for young people is particularly important. For children and young people, homelessness can be particularly devastating to their development and its effects are often long-lasting. Stable, affordable and suitable housing is essential for a young person's economic, mental, physical and social wellbeing. It is also connected to a positive sense of self, good health, social cohesion and educational completion.¹⁵ The total costs of health services and the justice system due to young people experiencing homelessness is an average of \$17,868 per person per year, not including the additional lifetime impact of early school leaving and low engagement with employment.¹⁶

The rollout of the Universal Risk Screening tool is an important advance in building early identification of young people at risk in a universal setting and has been successfully piloted in secondary schools in Albury, Penrith and Mount Druitt since 2019. It should now be extended to all schools in NSW.

Preventing exits into homelessness from institutional care

In 2020-21, around 3,600 people leaving institutional care settings received assistance from a specialist homelessness services agency.¹⁷ These included health settings, prisons and detention centres as well as young people leaving care. The number of those who exited these settings into homelessness or insecure housing without seeking assistance from an SHS agency is unknown. Effective planning in advance can significantly contribute to preventing homelessness and other associated challenges.

As an overarching framework setting out the Government's approach to preventing homelessness among people leaving institutional care arrangements, the *No Exits from Government Services into Homelessness: A framework for multi-agency action* is a positive step. Now we need to move beyond a framework to develop an action plan and secure funding arrangements that will support its implementation.

As recommended above, we urge the Government to stop the flow of young people from out of home care into homelessness by extending care to 21 years as recommended above.

Tenancy support programs

The expansion of the Sustaining Tenancies in Social Housing program is welcome and we would like to see its further expansion to support all at-risk tenancies. The program is funded by NSW Department of Communities and Justice and aims to sustain the tenancies of tenants living in social housing and increase their social connections and wellbeing over a 12-month period. It is based on evidence that intervention strategies can work effectively if wrap-around support and brokerage is available early for at-risk tenancies.

¹⁵ Australian Institute of Health and Welfare, 2020. Australia's children. Cat. no. CWS 69. Canberra: AIHW, <https://www.aihw.gov.au/reports/children-youth/australias-children>.

¹⁶ MacKenzie, D, Flatau, P, Steen, A and Thielking, M, 2016. The cost of youth homelessness in Australia, accessible at <https://apo.org.au/sites/default/files/resource-files/2016-04/apo-nid63479.pdf>.

¹⁷ Australian Institute of Health and Welfare, 2020. Specialist homelessness services annual report 2020-21, <https://www.aihw.gov.au/getmedia/5f604810-d674-42a7-a547-82e3e318e2/AIHW-HOU-327-SHS-data-tables.xlsx.aspx>.

Following a successful pilot the program has now been extended to a limited number of regions across NSW, but has the potential to benefit people across all areas of NSW who need support to maintain their tenancy. The program could also be expanded to support low income households in private rental tenancies as well as those in social housing.

Additionally, by focussing on prevention and early intervention activities the cost of tenant exits and delivering crisis support and accommodation for the NSW Government could be reduced. An analysis of NSW public housing and Aboriginal housing tenancies that ended in 2008-9 found 33% of households went on to experience unstable housing. They ended up accessing one or more of the following: private rental assistance, temporary accommodation, and social housing (or applied to the social housing registry). If action had been taken to assist the 33% of households that exited in 2008-9 to sustain their tenancies, an estimated saving of \$8.8 million per annum in direct costs (includes product and employment related expenses for temporary accommodation, RentStart, Private Rental Subsidy, delivering rehousing assistance) and \$630,000 in avoided SHS costs could have been realised.¹⁸

RECOMMENDATION:

Establish a mechanism to fund social and affordable housing through a permanent and annual funding source which can grow the supply of social housing by 5,000 dwellings per annum, and similar for affordable housing, starting with options to permanently house those in extended temporary arrangements through:

- the identification and purchase of vacant, or soon-to-be completed, developments for conversion to social or affordable housing
- identification of government owned properties for conversion to social housing
- mandate inclusionary zoning to increase the supply of social and affordable housing.

A systemic approach to the prevention, reduction and eventual elimination of homelessness relies on having an adequate supply of affordable housing in which people can live safely and securely and, if necessary, be supported to maintain their tenancy and address other health and wellbeing issues. Even with the Government's 2020 Budget investment of \$812 million in social housing and recently an additional investment of \$183 million, demand for affordable housing far outstrips supply. As of June 2021, there were almost 50,000 people in NSW on the social housing waiting list, with waiting periods between two and 10 years,¹⁹ and many more are homeless or in marginal housing.

Alongside our sector colleagues, we have advocated for investment in a permanent and annual funding source which can grow the supply of social housing by 5,000 dwellings per annum. This will not only help meet demand and end homelessness, but also provide construction jobs and support for associated small businesses during a period of economic recession.

¹⁸ Bermingham, S., and Park, Y., 2013. 'Tenancy Exit Cost Analysis: A Report on AHO and public housing tenancy ends and subsequent assistance', Department of Families and Community Services.

¹⁹ Department of Community and Justice, n.d. 'Applying for Housing Assistance: Expected Waiting Times', <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>.

Mandatory inclusionary zoning

Inclusionary zoning has proven to be an effective tool in increasing affordable housing. Considering the urgent need to increase social and affordable housing, there have been calls to ensure mandatory inclusionary zoning on both government owned and private owned lands. Therefore, we recommend a significant expansion of the current mandatory inclusionary zoning policies to meet the emerging housing demand.

RECOMMENDATION:

Invest in Housing First responses with regard to the support needs of high-risk groups such as:

- people sleeping rough
- older people 55+
- people with severe mental ill-health.

People experiencing homelessness need effective responses to help them regain stable housing and, if necessary, access ongoing assistance with health, wellbeing, education, employment and other issues. Housing First approaches have demonstrated excellent housing outcomes and positive impacts on a range of health and wellbeing outcomes both in Australia and internationally. The Housing First model respects the rights of all people to housing, no matter their personal circumstances, and evaluations have repeatedly demonstrated their value in housing retention over the long term.

People sleeping rough

For people with chronic histories of homelessness and more intensive support needs, Housing First is an economically viable and personally valuable approach to addressing homelessness. This is demonstrated by the MISHA project in the breakout box below.

The End Street Sleeping Collaboration (ESSC) is a vital part of delivering on the Premier's Priority to reduce street homelessness in NSW by 50% by 2025. As a partner in the ESSC, Mission Australia is committed to work with government and sector agencies to access secure and long-term housing as well as to implement preventative measures to intervene before homelessness occurs.

Michael's Intensive Supported Housing Accord (MISHA Project) NSW²⁰

The MISHA project was a successful Housing First model providing holistic care to men who were chronically homeless. It began in late 2010 with the aims of providing homeless men with support to enter and sustain permanent housing, ensuring access to mental and physical health supports, reducing social isolation and equipping clients to live successfully within the community.

²⁰ Mission Australia, 2014. From Homelessness to Sustained Housing, 2010 – 2013, MISHA research report, <https://www.missionaustralia.com.au/documents/279-from-homelessness-to-sustained-housing-2010-2013-misha-research-report-2014/file>.

As a result of services provided, 98% of clients were able to support their tenancy over a 12-month period. Research on the project from 2010-2013 demonstrated costs associated with use of health and justice services were more than halved over 2 years – delivering a saving to government of more than \$8,000 per person each year.

Overall financial savings to government attributed to the MISHA Project were estimated at close to a million dollars over two years, through fewer nights spent in hospitals, mental health facilities or drug and alcohol centres, fewer visits from justice officers, less police interaction and less time spent in detention facilities.

There were also savings generated to housing providers due to reduced evictions, estimated at \$1,880 per client, in the first 12 months of the client being housed. The total net saving to housing providers generated by providing tenancy support services to 74 MISHA clients over a one-year period was estimated at \$138,880.

Older people 55+

From 2011 to 2016, the number of people aged 55 and over experiencing homelessness in NSW increased by 42% (from 4,529 to 6,411).²¹ There is a growing trend for people to become homeless in later life for the first time, particularly amongst women. The incidence of housing stress and homelessness among older people is expected to increase over time due to an ageing population and declining rates of home ownership.

A strong focus on older women is urgently needed. From 2013-14 to 2016-17 there was an 88% increase in women aged 55 and over accessing specialist homelessness services. Applications for social housing have also increase over time for this group, from 4,407 in 2012 to 4,966 in 2020.²² We expect this underrepresents the problem as often older women have had ‘conventional’ housing histories, and may not recognise their circumstances as being homeless, and do not know where to turn to for assistance.

More affordable housing options with appropriate supports are needed for older people, including tenancy support to older people to find and maintain housing, upgrading or renovating current social and affordable housing stock to meet the accessibility needs of older people, and incorporating universal design standing for age accessibility in appropriate new developments.

Home at Last in Victoria²³ is a state-wide housing information and support service for older people and is suitable for adopting and adapting to NSW. Older people in a housing crisis are provided with one-on-one support to access appropriate and affordable housing. Older people are also encouraged to access help earlier and plan for their housing future before reaching crisis point.

²¹ Australian Bureau of Statistics, 2016. 2049.0 - Census of Population and Housing: Estimating homelessness, accessible at: <https://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.

²² Ageing on the Edge NSW Forum, 2021. Home at Last: Solutions to End Homelessness of Older People in NSW. https://www.older tenants.org.au/sites/default/files/home_at_last_report_web.pdf.

²³ Housing for the Aged Action Group, Home at Last Service, https://www.older tenants.org.au/home_at_last

Home at Last has been evaluated and shown to be cost-effective in helping clients gain secure housing and diverting demand from Specialist Homelessness Services. The KPMG evaluation found that the service had a cost saving of \$220.81 per client compared to Specialist Homelessness Services.²⁴

People with severe mental ill-health

In NSW we operate effective models based on a housing first approach that support people with mental health issues and a range of other complex needs. They include Housing and Accommodation Support Initiative (HASI), HASI plus and Enhanced Adult Community Learning Service (EACLS) which are delivered in Greater Sydney, Western NSW and the Far West of NSW.

All three service models provide psychosocial support to people living with severe and persistent mental illness. This results in improvements in the participant's overall quality of life and, most importantly, assists in their recovery from mental illness. However, one of the challenges with HASI and EACLS service is the lack of availability of appropriate step-down accommodation for those people who are ready to transition to a lower level of care to maintain their independent living. More safe and affordable accommodation is required to ensure people can continue their journey to recovery from a place of safety and stability.

Endorsement of Homelessness NSW submission

Mission Australia supports the recommendations made by Homelessness NSW in their pre-budget submission. In addition to the funding of 5,000 social housing dwellings per annum, we lend our support to their call for the NSW Government to:

- Commit an additional \$500 million to repair existing social housing stock
- Acquire existing stock to meet immediate need
- Sufficiently fund the Specialist Homelessness Sector to meet demand with a minimum 20% increase in recurrent baseline funding
- Boost the recurrent baseline funding for existing Aboriginal Community Controlled Organisations (ACCOs) over 3 years
- Directly contract currently subcontracted ACCOs and increased recurrent baseline funding.
- Increase the number of ACCOs to meet demand across districts and regions

COVID-19 recovery

Governments took on a greater role during the lock-down phase of COVID-19 and as we progress through the recovery phase there remains a strong role for the NSW Government to ensure that those most vulnerable and affected are not excluded in the recovery effort. As we know, the disparities of people's experience of the pandemic have turned on whether they remained connected to employment

²⁴ KPMG, 2015. Evaluation of the homelessness IAPs, summative evaluation report, <http://www.nwhn.net.au/admin/file/content101/c6/Evaluation-of-homelessness-innovation-action-projects- executive-summary-0115.pdf>.

and education, were kept safe, maintained their health and wellbeing and continued to be securely housed.

The end of financial assistance (disaster payments, job keeper and the jobseeker supplement) removed a vital safety net that helped many people meet costs of living and avoid poverty and homelessness. On the ground demand for some of our services increased during the last two years, and as more data becomes available it confirms this was a state-wide experience for service providers. For example, the latest specialist homelessness services data found during 2020-21 around 70,500 clients received support, which was 25% (or 12,300) more clients than services were funded for.²⁵

The Government's *COVID-19 Economic Recovery Strategy* is a much needed first step on the journey to recovery, and we welcome the extra funding it delivered for mental health, DFV and social housing. However, as COVID-19 continues to be a disruptive presence in people's lives and with the long-term impacts still unknown, continued monitoring and proactive investment in critical services and supports for people and communities most in need is necessary.

Below we highlight key areas of focus that should be prioritised in NSW's recovery from COVID. They include mental health supports for children and young people based in schools and addressing the worsened economic security of women.

RECOMMENDATION:

Ensure schools are appropriately funded, have the skilled workforce and links with specialist services in the community necessary to meet the mental health needs of children and young people.

The Productivity Commission has identified mental health prevention and early intervention for children and young people as a priority reform area, with a particular focus on promoting wellbeing through schools.²⁶ COVID-19 has added multiple stressors for young people, including uncertainty about their future, social isolation, increasing rates of unemployment and financial distress. This is increasing psychological distress among young people, making them more vulnerable to mental ill health, with a concurrent rise in suicide rates predicted.²⁷ Poor mental health that is not address early can put people at risk of homelessness and struggling to sustain employment.

Mission Australia's annual Youth Survey, the largest survey of its kind in Australia, has continued to highlight the ongoing prominence of mental health issues as a concern for young Australians and the links to COVID-19. In 2020, unsurprisingly COVID-19 was in the top three personal concerns for young people, with those who choose it most commonly citing the impacts on their education, being and

²⁵ Homelessness NSW, 2020. COVID has shown us we know how to end homelessness – but latest homelessness stats show that we are failing to do this, <https://homelessnessnsw.org.au/covid-has-shown-us-we-know-how-to-end-homelessness-but-latest-homelessness-stats-show-that-we-are-failing-to-do-this>.

²⁶ Productivity Commission, 2020. Mental health: Productivity Commission Inquiry Report Vol 1, No, 95, <https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf>.

²⁷ Dolgin, R., 2020. The impact of Covid-19 on suicide rates, accessible at <https://www.psychom.net/covid-19-suicide-rates>

feeling isolated and mental health.²⁸ Similarly in 2021, half of survey respondents reported that COVID-19 had negatively impacted their mental health. Even more concerning is that young people who reported there were barriers to achieving their study or work goals, of those, over half nominated mental health as a barrier.²⁹

Schools are important places for identifying and providing support as most children and young people attend school. We commend the Government on its recent announcement of additional behaviour specialists supporting wellbeing and behaviour in schools. However, clinical school counsellor numbers remain low with approximately 3,000 of the 27,000 psychologists in the Australian workforce employed in school settings.³⁰ More than ever, all levels of governments should act to protect the mental health of young people in the transition to a post- pandemic world.

RECOMMENDATION:

Prioritise action to increase women’s economic security following the gendered impacts of the pandemic, with regard to adequate investment in:

- lifting women’s education and employment participation
- DFV services.

Women continue to experience a range of negative outcomes comparative to men and are among the groups hit hardest by COVID-19: they have been more affected by job losses, have seen the gender pay gap widen, and too many have been subjected to DFV, placing them at risk and increasing their chances of homelessness.³¹

Lifting women’s education and employment participation

Efforts to bridge the gender equality gap in Australia have been set back by the pandemic. Female dominated industries have disproportionately borne the toll of COVID-19, and in addition to women being more likely to lose their jobs, they are also more likely to do significantly more unpaid work and less likely to receive government support.³² For example, women aged 15-24 at the start of the

²⁸ Greenland, N., 2021. Young Voices of the Pandemic: Youth survey COVID-19 report 2020. Mission Australia, NSW. <https://www.missionaustralia.com.au/publications/youth-survey/2052-young-voices-of-the-pandemic-mission-australia-s-youth-survey-2020-sub-report/file>

²⁹ Tiller, E., Greenland, N., Christie, R., Kos, A., Brennan, N., & Di Nicola, K., 2021. Youth Survey Report 2021, Mission Australia

³⁰ Brennan, N., Beames, J. R., Kos, A., Reily, N., Connell, C., Hall, S., Yip, D., Hudson, J., O’Dea, B., Di Nicola, K., and Christie, R., 2021. Psychological Distress in Young People in Australia Fifth Biennial Youth Mental Health Report: 2012-2020. Mission Australia: Sydney NSW. <https://www.missionaustralia.com.au/publications/youth-survey/2061-psychological-distress-in-young-people-in-australia-fifth-biennial-youth-mental-health-report-2012-2020/file>

³¹ Equity Economics, 2021. Rebuilding Women’s Economic Security – Investing in Social Housing in New South Wales, Sydney, https://www.ncoss.org.au/wp-content/uploads/2021/10/EE_Rebuilding-Womens-Economic-Security_Social-Housing_SPREADS_WEB.pdf.

³² Wood, D., Griffiths, K., and Crowley, T., 2021. Women’s work: The impact of the COVID crisis on Australian women. Grattan Institute <https://grattan.edu.au/wp-content/uploads/2021/03/Womens-work-Grattan-Institute-report.pdf>.

pandemic made up 7.5% of the labour force but accounted for 22% of job losses between February and May 2020, and 58% of job losses between June and September 2021.³³

While the end of lockdown will see improvements, there is also a risk that the overall strength of the jobs recovery will be weak and spread unevenly without policy intervention. There is a clear need for supporting young women's education and training pathways; addressing women's unique employment issues; as well as initiatives to support gender equity more broadly in NSW.

DFV services

The number of clients seeking homelessness assistance due to DFV increased in 2020-21 with over 28,000 people accessing specialist services.³⁴ We support the call by Domestic Violence NSW for a whole-of-government plan to be developed to meet the increased demand for DFV services now that lockdown has ended. This is in light of the impact on DFV services in NSW during 2021, which found:

- 73% of services faced a significant increase in demand
- 84% of services said there was an increase in the complexity of the situations for the clients referred
- Of the 33 services operating waitlists, there had been an increase in the length of the waitlist of almost half of the services at 48.5%.³⁵

Mission Australia is an experienced provider of DFV services, providing integrated service responses including early intervention and prevention, crisis accommodation and specialist services, men's behavioural change programs as well as sector advocacy. We know how valuable these services are and that they operate in a service system that is at capacity.

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³³ Equity Economics, 2021. Changing the trajectory investing in women for a fairer future, https://static1.squarespace.com/static/539fdd0de4b09fc82dfddd08/t/619dc118ba1a7568435be0d6/1637728544864/EE_Women_Fairer+Future_WEB_SPREADS.pdf.

³⁴ Australian Institute of Health and Welfare, 2020. Specialist homelessness services annual report 2020-21, <https://www.aihw.gov.au/getmedia/5f604810-d674-42a7-a547-82e3eec318e2/AIHW-HOU-327-SHS-data-tables.xlsx.aspx>.

³⁵ Domestic Violence NSW, 2021. The impact of the 2021 Greater Sydney COVID-19 lockdown on specialist domestic and family violence services, and their clients, <https://www.dvns.org.au/wp-content/uploads/2021/08/DVNSW-COVID-Impact-Report.pdf>.