

Item 3.2

More Than Homes Needed to Address the Homelessness Crisis

File No: S051491

Minute by the Lord Mayor

To Council:

There is no place for homelessness in a prosperous, global city like Sydney. Homelessness is a complex problem with complex causes. It reflects poverty, inequality and an escalating housing affordability crisis.

I welcome the Government's new [NSW Homelessness Strategy 2025-2035](#) ('the Strategy') which promises significant reform on how homelessness services are provided. The Strategy builds on their 2024-2025 \$6.6 billion budget commitment to build more social and affordable housing. The Strategy however notes that the extent of reform is dependent on the level of investment in future state budgets.

It is critical that there is investment not only in the bricks and mortar, but also the human services that respond to the underlying causes of homelessness. We are also in a mental health crisis. Without urgent investment in mental health and homelessness services, many people lucky enough to secure housing will not be in a position to keep their tenancies and safely participate in their communities.

Action on homelessness

The City of Sydney was the first council in Australia to establish a dedicated Homelessness Unit, connecting people sleeping rough with essential services. These services are needed now more than ever.

The annual Street Count in February 2025 found a staggering 24% increase (346 people) in people sleeping rough in our area compared to the same time last year (280 people). There were also 380 people staying in temporary and crisis accommodation on the night of the count, an occupancy rate of 97.5%.

The City invests over \$2.4 million every year to reduce homelessness and its impact in Sydney. This includes \$1.4 million in direct funding to specialist homelessness services such as Neami Way2Home, Aboriginal Corporation for Homelessness and Rehabilitation Community Services and Launchpad for outreach and case coordination services, post crisis support services, and youth homelessness prevention.

NSW Homelessness Strategy 2025-2035

The new Strategy proposes significant reform as the current system is expensive, inefficient, crisis driven and unable to meet demand. It suggests an integrated whole of government response that will prioritise prevention and use Housing First principles to ensure people are housed in the longest-term form of accommodation available, with the supports they need.

The reforms aim to better coordinate services at a local level and provide more flexible funding models so services can respond to local needs. The NSW Government will also establish a street sleeping registry so people sleeping rough don't have to keep retelling their story to every agency they engage with.

While this sounds promising, the Strategy has not committed any new or long-term funding for projects and initiatives, and we know that existing services are already under pressure with so many people in need of support. Instead, each agency is responsible for directing existing resources and allocating new funding in their area. With every agency being responsible, there is a risk no single minister is accountable.

Complex causes

While cost of living pressures and the housing affordability crisis are contributing to more people sleeping rough, we know that more than half those sleeping rough in our area don't meet social housing eligibility criteria because of their residency status, a former failed tenancy, or complex mental health issues.

The Strategy explains that where structural factors like lack of affordable housing, low incomes and discrimination exist, many people are one challenging life event or climate crisis away from homelessness. Homelessness can be triggered by poor mental and/or physical health, drug and alcohol use and critical life events, such as domestic and family violence, divorce, job loss and trauma.

The homelessness crisis is compounded by the mental health crisis

We cannot solve homelessness without housing, but we also need to provide support to keep people in their homes and fix our mental health system.

As the City's submission to the Strategy explained, overwhelmingly our housing, homelessness and mental health systems are crisis-driven and poorly integrated. People with complex needs are cycling through services without receiving adequate support.

People with complex needs and behaviours often lose social housing tenancies and are excluded from crisis accommodation and other necessary services, leaving them in inadequate housing that either hinders their recovery or worsens their mental health. This leads to some people refusing help or choosing to remain on the streets.

The tragic deaths of [Collin Burling at the Waterloo Estate](#) in July this year, and [Jesse Deacon in Glebe](#) in 2023, show that even when someone is lucky enough to have secured public housing, that without a properly funded mental health system, Police will increasingly be relied upon as first responders to mental health episodes.

[A Law Enforcement Conduct Commission](#) report found almost half of the people involved in critical incidents with NSW Police over the past 5 years were experiencing a mental health crisis. Critical incidents were defined as those resulting in serious injury or death.

In Jesse's case, if he lived in a different part of the city, he may have had a different response. At that time, the NSW Government were trialling the Police, Ambulance, Clinical Early Response (PACER) program in 10 Police Area Commands including, Kings Cross, Surry Hills and South Sydney, but not in the Leichhardt Police Area Command where Jesse lived.

Under the program, experienced mental health clinicians employed by NSW Health respond with Police to people experiencing a mental health crisis in the community, providing on-site mental health assessments and interventions, and reducing the need for use of force and restraint by police officers. It is critical that this program continues and expands.

The mental health system in NSW is also in crisis. In the South East Sydney Local Health District, there are only 27 beds for people in a mental health crisis. Beds are always at capacity, and people in crisis are routinely stuck in emergency department beds. Earlier this year more than 200 senior NSW Health psychiatrists resigned, sounding the alarm bell on patient safety concerns.

We need greater investment in homelessness services, wrap around supports and mental health services to support the urgently needed reform in homelessness and mental health in NSW and support people to obtain and retain housing tenancies.

Common Ground

The pathway out of homelessness is long-term housing with high support, such as Common Ground on Pyrmont Bridge Road in Camperdown.

The \$33.8 million Common Ground project was jointly funded by State and Federal Governments and made possible by the City amending its planning controls to enable this type of development, and architects Hassell and developer Grocon providing preliminary designs on a pro bono basis, before providing full design services at cost to Housing NSW. It provides 104 homes including 52 for people experiencing long-term homelessness with wrap around support and 52 social and affordable homes. On-site support services include a 24/7 concierge service, health, mental health, psychiatric, counselling and chiropractic services, computer training, podiatry, gym, cooking classes and art and movie sessions.

In our area, around 40% of people sleeping rough currently need high-support accommodation like Common Ground. Without more investment in models like Common Ground, homelessness services will have to place people into insecure and unsafe housing. If people are lucky enough to be offered social housing, services will try to piece together supports for those with complex needs, but this takes time, often fails and can lead people back to sleeping rough.

We need another Common Ground in the City of Sydney as soon as possible.

Recommendation

It is resolved that:

(A) Council note:

- (i) the 2025 City of Sydney Street Count found a 24% increase in people sleeping rough in our area and on the same night, crisis and temporary accommodation beds were at 97.5% occupancy;
- (ii) the NSW Government's new NSW Homelessness Strategy 2025-2035 which promises significant reform is welcome, but the extent of reform is dependent on the level of investment in future state budgets; and
- (iii) there is an urgent need for more supported crisis accommodation in the City of Sydney area, and long-term secure housing with wrap around supports like Common Ground on Pyrmont Bridge Road in Camperdown, supported by all levels of government; and

- (B) the Lord Mayor be requested to write to:
- (i) the Hon. Rose Jackson, NSW Minister for Homelessness and NSW Minister for Mental Health, and the Hon. Clare O'Neil, Minister for Housing and Minister for Homelessness, calling on the NSW and Australian Governments to:
 - (a) work with Community Housing Providers and Specialist Homelessness Services and the City of Sydney to investigate a second Common Ground in the City of Sydney; and
 - (b) increase and maintain adequate investment in homelessness and mental health services in NSW to support the reforms outlined in the NSW Homelessness Strategy 2025-2035; and
 - (ii) Allegra Spender, Member for Wentworth and the Hon. Tanya Plibersek, Member for Sydney to also advocate for a second Common Ground in the City of Sydney and for increased and sustained investment in mental health services in NSW.

THE RT. HON. CLOVER MOORE AO

Lord Mayor of Sydney