

Pre-Budget Submission: A safe and thriving community 2026 – 2027

20 December 2025
Final Submission

Introduction

NCOSS urges the Government to prioritise budget initiatives that drive equity of opportunity and access in NSW, which will strengthen community cohesion and resilience and underpin our future economic prosperity as a state. This can be achieved through a focus on people experiencing poverty and disadvantage, and investment in sustaining the essential services that support them.

Across NSW, individuals and families on low incomes face daily hardship, trapped in cycles of intergenerational poverty and disadvantage. Without decisive action, these challenges will deepen, creating lasting barriers to opportunity, well-being, and social cohesion. Choosing to not deal with these issues proactively negatively impacts personal wellbeing and creates significant economic costs for NSW.

For the sector that supports the people of NSW, organisations face an existential crisis. Only 1 in 3 sector organisations are confident in their future financial viability, and 9 in 10 report that their costs increase more than indexation received from Government¹. If front-line providers of critical services are not financially sustainable, supports for people experiencing homelessness, escaping domestic and family violence, facing eviction, or struggling with poverty are at risk.

This PBS outlines recommendations designed to ensure all people have access to basic essentials, such as healthcare and housing. They are built around three principles that could ensure the 26/27 Budget responds to the needs of the community, enhances wellbeing, and boosts economic outcomes:

1. Prevention, early intervention and addressing root causes of inequality.
2. Housing and wellbeing supports for people living in poverty and disadvantage.
3. Focus on the viability and resilience of the social sector, which provides essential services to the community.

By prioritising investment in these areas, the Government has the opportunity to achieve both economic returns and long-term outcomes for the people of New South Wales. By taking the right steps now, the Minns Government can ensure a brighter future where everyone has a chance to thrive.

¹ Survey performed by NCOSS in October 2024; approximately 130 participants, covering the diversity of the sector across geographies, service types, and revenue size. Further results available: <https://ncoss.org.au/wp-content/uploads/2025/11/NSW-Council-of-Social-Service-2025-PBS-2-A-Sector-in-Existential-Crisis-Final-Submission.pdf>

Summary of Recommendations

1. Focus on prevention, early intervention and root causes

- 1.1 Establish a budgeting mechanism that incentivises and enables greater investment in early intervention and prevention
- 1.2 Invest in preventative health strategies
- 1.3 Support excluded communities to access healthcare in regional NSW
- 1.4 Adequately fund early support for children and families
- 1.5 Strengthen accountability for First Nations children
- 1.6 Improve access to health and social services for children, young people and their families

2. Focus on housing and wellbeing supports for people living in poverty and disadvantage

- 2.1 Prevent homelessness
- 2.2 Make renting fair and safe
- 2.3 Increase baseline funding for the DV sector
- 2.4 Properly fund local neighbourhood and community centres
- 2.5 Properly fund community legal centres

3. Focus on the viability and resilience of the social sector, which provides essential services to the community

- 3.1 Respond to the sustainability crisis before critical supports fall apart
- 3.2 Develop and implement a sector specific indexation model to cover real, significant cost growth
- 3.3 Establish a SCHADS Award Transition Fund to support the sector and its workforce
- 3.4 Co-design a community sector workforce strategy
- 3.5 Continue Justice Connect's not-for-profit law services in NSW
- 3.6 Widen the eligibility for Essential Worker Housing to include community sector workers

Recommendations

1. Focus on prevention, early intervention and addressing root causes.

The current social service system is skewed towards reactive, crisis driven responses. This is fiscally unsustainable and leading to poorer health, education and social outcomes. The community needs a significant increase of investment in services and systems that effectively address issues before they escalate.

By shifting funding up-stream, the NSW Government can take major steps toward breaking the cycle of disadvantage for the next generation.

1.1 Establish a new budgeting mechanism that incentivises and enables greater investment in early intervention and prevention.

Current budgetary approaches excessively favour crisis response and do not sufficiently consider investment in early intervention initiatives. To achieve long-term cost savings and better human outcomes, the government should strategically shift investment toward early intervention.

In response, the NSW Government could establish an Early Intervention and Prevention Investment Mechanism. This mechanism could enable and incentivise a systemic shift toward greater investment and innovation in early intervention and prevention strategies.

Drawing on the success of the Victorian Early Intervention Investment Framework² and the recommendations of the recent Productivity Commission report – *Delivering quality care more efficiently* – NSW could become the leading Australian jurisdiction in achieving better human outcomes and realising substantial, long-term cost savings for the state budget.

To ensure the Early Intervention and Prevention Investment Mechanism (EIPIM) achieves systemic change, financial efficiency, and improved social outcomes, five elements should be components of its design and implementation:

² Early Intervention Investment Framework | dtf.vic.gov.au

- **Strategic Alignment:** Design the mechanism to align with key Government priorities and the NSW Performance and Wellbeing Framework to support impact and stakeholder buy-in.
- **Whole-of-Government Collaboration:** Mandate collaboration across Government agencies to achieve a whole-of-government approach. This is essential to address complex issues across silos, and ensure integrated service delivery through shared financial pools and joint reporting.
- **Embed Social Sector Expertise:** Embed the social sector's expertise and leadership throughout the mechanism. A cross-sectoral governance body would add significant value by ensuring on-the-ground, lived experience is utilised throughout the investment lifecycle.
- **Sector Capability and Data Sharing:** Invest in the sector's capability in outcomes measurement and data management to directly improve service quality and accountability. Clear protocols for secure data sharing and Indigenous Data Sovereignty would enable effective, ethical and evidence-based decision-making across Government and non-Government partners.
- **Staged Implementation and Pilot Program:** A staged implementation of the model will mitigate risk and allow proper design and testing. This includes two pilot projects in FY 2026/27 – one project led by Government and one by the NGO sector, with the Cross-Sectoral Working Group providing governance and oversight.

Recommendation 1.1: Establish a new budgeting mechanism that incentivises and enables greater investment in early intervention and prevention. As a first step, establish a targeted Cross-Sectoral Working Group to further develop options for consideration and pilots for NSW Budget 26/27.

1.2 Invest in preventative health strategies

NSW's public health system is overburdened, predominantly reactive and crisis-driven. The result is overwhelmed services, long wait times and poorer long-term outcomes for people and communities. Each budget cycle is an opportunity to shift the balance of government investment towards prevention and early intervention. This would deliver superior individual and community outcomes while creating a more efficient, sustainable healthcare system.

Prevention measures can reduce the severity, occurrence and frequency of acute and chronic health conditions by supporting general wellbeing and addressing issues before they escalate, leading to better outcomes and reduced demand for acute services.

While the NSW Future Health Strategy 2022–2032 recognises the importance of prevention, this is not reflected in the overall balance of investment. NSW Health's own report to the recent Special Commission of Inquiry into Healthcare Funding stated that health funding in NSW has had "insufficient focus on" and "low proportional investment in" preventive health.³ Increased investment in preventative health approaches will also drive improved health outcomes for First Nations people, supporting Closing the Gap Targets One and Two.

Estimates suggest as little as 1.8% of total health spending in Australia is allocated to prevention,⁴ with prevention within mental health likely an even smaller fraction of that amount. NCOSS supports the National Preventive Health Strategy⁵ which recommends allocating 5% of all healthcare expenditure to prevention by 2030.

Recommendation 1.2: Shift the overall balance of investment to prevention, growing the share of health spending on genuine prevention to at least 5% in line with the National Preventative Health Strategy

3 Chant, K., Lyons, N. & Willcox, D. (2023) Joint Report of Ms Deb Willcox AM, Dr Kerry Chant AO PSM, Dr Nigel Lyons. NSW Special Commission of Inquiry into Healthcare Funding. Available at: <https://healthcarefunding.specialcommission.nsw.gov.au/assets/Uploads/Joint-Report-of-Ms-Deb-Willcox-AM-Dr-Kerry-Chant-AO-PSM-Dr-Nigel-Lyons-17-November-2023.pdf>

4 Shiell et. al. (2024), 'How do we fund Public Health in Australia? How should we?', Australian and New Zealand Journal of Public Health, Vol.48, Iss.5. Available at: <https://www.sciencedirect.com/science/article/pii/S1326020024000633?via%3Dihub>

5 Australian Government Department of Health, Disability and Ageing (2021), National Preventive Health Strategy 2021–2030. Available at: <https://www.health.gov.au/resources/publications/national-preventive-health-strategy-2021-2030?language=en>

1.3 Support excluded communities access healthcare in regional NSW

Regional and rural communities in NSW continue to face barriers to healthcare. Distance, cost, and gaps in local services force many people to travel long distances, often delaying or forgoing timely treatment. The NSW Isolated Patients Travel and Accommodation Assistance Scheme (IPTAAS) provides crucial support, offering subsidies for travel and accommodation to help offset these burdens, but currently covers a limited number of specialist services, leaving many patients without assistance for essential care.

Boosting funding for IPTAAS would enable more services to be included and more financial support for people to access a wider range of vital healthcare. NCOSS notes that the NSW Ministry of Health has already identified some services that may be suitable for inclusion under IPTAAS.⁶ These include:

- women's health clinics
- health screening services
- paediatric allied health services.

NCOSS also recommends that general dental services be included under IPTAAS. Our 2025 research found that people in remote NSW are more likely to be hospitalised for preventable dental conditions, including conditions that could have been prevented and managed through general dental care. They are also more likely to live in a 'dental desert' – up to 300km away from the nearest dental clinic in some areas.⁷

By increasing overall investment in IPTAAS and expanding the list of eligible services, the NSW Government can ensure more equitable healthcare access, reduce financial hardship, and address persistent health inequities for regional and rural communities.

Recommendation 1.3: Increase annual funding to the Isolated Patients Travel and Accommodation Assistance Scheme (IPTAAS) by \$6.4 million to expand eligible services.

⁶ <https://www.parliament.nsw.gov.au/ladocs/inquiries/3034/Government%20response%20-%20Office%20of%20the%20Minister%20for%20Health,%20Regional%20Health.pdf>

⁷ Mandala Partners 2025, Prevention Pays: Cutting the cost of dental hospitalisations, Sydney. Report commissioned by NCOSS.

1.4 Adequately Fund Early Support for Children and Families

Providing timely support to children and families is crucial for child development and family wellbeing, yet current services need to be significantly enhanced to meet this critical need. Several recent reports⁸ have highlighted opportunities to strengthen our child protection system by providing support for children and families earlier. These reports demonstrate that the costs for the NSW Government can be significantly reduced if it shifts its focus to primary prevention and early intervention programs. While the NSW Government publicly recognises the importance of this shift, there is significant opportunity to expand investment in this space.

As of 30 June 2024, there were close to 14,000 children and young people in Out of Home Care in NSW. Of these children, 45.1% were Aboriginal or Torres Strait Islander. In addition, of the 116,286 children and young people were reported as at risk of significant harm, only 24,234 were seen by Department of Communities and Justice caseworkers. For the children who had their case closed,⁹ over a third were re-reported within 12 months.¹⁰

Programs like Community and Family Support (CAFS) and Family Preservation programs are vital, addressing issues early and reducing risks of abuse and neglect. Yet, historic underfunding has left these programs struggling to meet rising demand and meet the costs of keeping the doors open. First Nations children and their families also face limited access to culturally safe and appropriate care through Aboriginal Community Controlled Organisations.

These funding constraints have a serious impact for youth crime prevention. Most young people who are in the criminal justice system have experienced severe neglect, abuse, or trauma and/or have had contact with the out of home care system.¹¹ A high proportion also have a disability.¹² Connecting these children – especially First Nations children – to effective community-based supports earlier will avoid behaviour that leads to contact with law and justice systems or can support them during or after any experiences they have with the system.

⁸ NSW Treasury (2024) [NSW Indigenous Expenditure Report](#); Audit Office of NSW (2024) [Oversight of the child protection system](#); NSW Department of Communities and Justice (2025) [Targeted Earlier Intervention Evaluation](#).

⁹ Based on the cohort of children who had closed cases during the 12 month period with case closure reasons of either (i) case plan goal achieved OR (ii) no further intervention required.

¹⁰ NSW Department of Communities and Justice (2025) Annual Statistical Report 2023–24. As accessed from <https://dcj.nsw.gov.au/about-us/families-and-communities-statistics/annual-statistical-reports/asr-landing-page/asr-cft-oohc.html> on 27/11/25.

¹¹ Colvin, E., Gerard, A., and McGrath, A. (2020) Children in out-of-home care and the criminal justice system: A mixed-method study. As accessed via https://www.aic.gov.au/sites/default/files/2020-09/CRG_221617_final_report.pdf

¹² Boiteux, S. and Poynton, S. (2023) Offending by young people with disability: A NSW linkage study. As accessed via <https://bocsar.nsw.gov.au/research-evaluations/2023/cjb254-offending-by-young-people-with-disability.html>

Recommendation 1.4.1: Double investment in early intervention and family preservation, prioritising funding for Aboriginal Community Controlled Organisations. Estimated Additional Cost: \$384 million annually.

Recommendation 1.4.2: Raise the age of criminal responsibility from 10 to 14 years without exception.

1.5 Strengthen accountability for First Nations children

First Nations children in New South Wales face persistently poor outcomes, particularly within the child protection system where they are over-represented at every stage of intervention. Multiple reviews, including the landmark Family is Culture Review (2019), have identified that accountability mechanisms are severely inadequate for all children and fail to represent the perspectives of First Nations communities. Building on national commitments through the Closing the Gap Agreement and Safe and Supported framework (2021–2031), there is now an opportunity to strengthen government accountability and address the deepening disparities affecting these children across child protection, youth justice, housing, education, disability, and health systems.

To address this, NCOSS, alongside AbSec, proposes establishing two complementary statutory bodies:

1. **NSW Child Protection Commission** to consolidate and strengthen fragmented oversight functions and provide end-to-end system regulation, and a
2. **NSW Commissioner for Aboriginal Children and Young People** with a legislated mandate to promote and protect the rights and interests of First Nations children across child protection, youth justice, education, housing, health and disability.

Working in coordination, these bodies would bring much-needed specialisation, while enabling meaningful inclusion of First Nations communities in accountability processes. By addressing structural deficiencies in the current oversight mechanisms and supporting ongoing reforms, these complementary roles aim to create the conditions necessary for First Nations children to thrive, while restoring

community confidence in government systems and fulfilling collective responsibilities to protect all children.

Recommendation 1.5: The NSW Government should establish a fully resourced Commission for Child Safety and Wellbeing, comprising:

1. A NSW Child Safety and Wellbeing Commission
2. A NSW Commissioner for Aboriginal Children and Young People.

Estimated cost: \$12.39 million p.a.

1.6 Improve access to health and social services for children, young people and their families

Young people and families with the greatest need are the least likely to access services, receive support or have the social networks to overcome their challenges.¹³ The fragmented, inflexible and hard-to-navigate service system prevents access, compounding existing disadvantage and perpetuating cycles of vulnerability.

Between 2018 and 2021, developmental vulnerability among children from low socio-economic areas starting school increased by 13.4%, disproportionately affecting First Nations children.¹⁴ The health and social supports these children need mostly exist, but they are difficult to access.

The NCOSS School Gateway Project, based on the Victorian Our Place approach, demonstrates how to break this cycle. By embedding services within the familiar and trusted environment of schools, in this case Ashcroft Public School, it removes barriers to access and creates a platform for integrated support. Delivering services in familiar, welcoming environments encourages positive family functioning and parental involvement in children's learning, promoting equitable educational outcomes, strengthening wellbeing and preventing the need for crisis intervention.

¹³ Youth Action (2025) From Fragmented to Coordinated: Building stronger systems for young people through youth hubs. As accessed through https://youthaction.org.au/wp-content/uploads/2025/12/Youth_Action_Fragmented_to_Coordinated.pdf?utm_medium=email&_hsenc=p2ANqtz--7deZ2ai7BlivPC4SuLNWmnO50SlfArXwNT6c5COoR9XAImigMOXUDmf36fewOstot63ffq5xtmHRuN9_lrcJWCkAlw&_hsmi=393730413&utm_content=393730413&utm_source=hs_email on 11 December 2025.

¹⁴ Impact Economics and Policy (2022), Ibid

Focusing on whole-of-family wellbeing, Ashcroft has achieved fantastic results:

- attendance improved from 82.5% (2022) to 90.4% (2025) – now above NSW's 88% state average.
- academic performance improved significantly, with 44% of year 1 students meeting stage expectations in phonics in 2025, compared to 12% in 2022.¹⁵
- The 2025 NSW Public School Survey reported that students at Ashcroft outperform the state in measures including sense of belonging and connectedness to the school.

The Mitchell Institute found that full-service schools integrating education, health, and social supports, such as Ashcroft, deliver substantial benefits, with USA cost-benefit studies showing returns up to \$23 in social and economic value per dollar invested.¹⁶

Investing in integrated wellbeing hubs in schools and early education settings provides an essential framework for implementing current national and state reforms including Thriving Kids. These hubs offer families a single point of access to holistic support, reducing barriers to accessing early intervention and early education services and ensuring reforms translate into meaningful outcomes for children. Research has demonstrated that hubs with a dedicated, funded linker compared to those that do not have this role provided on average 22 times more value in partnered services.¹⁷ By investing in dedicated linker roles, we can increase the impact of the Building Early Education Fund (BEEF), and NSW's new preschools commitment, by ensuring vulnerable children receive the support they need, when they need it.

NCOSS is aware of a growing network of schools who have turned to this way of working, or who are keen to explore integration. However, knowledge and awareness of how many hubs and where they are in NSW is informal and not coordinated. This knowledge gap presents a significant barrier to strategic investment. Before any further investment can be made in either supporting existing hubs and investing in new ones, the NSW Government should partner with the sector to map this service system and identify any critical gaps.

¹⁵ NCOS (2025) Mirrung Impact Report. As accessed via https://ncoss.org.au/wp-content/uploads/2025/11/Mirrung-Impact-report-2025_FINAL-1.pdf

¹⁶ The Mitchell Institute (2025) Achieving Better and Fairer Schools: the case for full-service school models in Australia. As accessed via https://content.vu.edu.au/sites/default/files/documents/2025-11/achieving-better-and-fairer-schools-report.pdf?_gl=1*146jroq*_gcl_au*MTY1ODQIMzM5MC4xNzY1NDk0MTM3*_ga*MTUxOTQ4MzE3MS4xNzY1NDk0MTM3*_ga_O1IS42WZC4*cZF3NjU0OTQxMzc_kbzEkZzEkdDE3NjU0OTQ0NjkkajYwJGwwwJGgw

¹⁷ Social Ventures Australia (2025) From vision to viability: Funding requirements for effective Early Childhood Hubs. As accessed via <https://www.socialventures.org.au/wp-content/uploads/2025/10/Funding-requirements-for-effective-Early-Childhood-Hubs-1.pdf>

Recommendation 1.6.1: Establish a targeted grant program to fund dedicated linker roles in existing wellbeing hubs located in schools within areas of concentrated disadvantage. Estimated cost: Each grant up to \$200,000 p.a.

This same system fragmentation affects young people as they grow up. For young people, navigating these systems can be overwhelming, particularly for those experiencing mental health challenges, disconnection from education, housing insecurity, economic inequities and exposure to the justice system. Existing youth services are fragmented, over capacity and under resourced.

Youth hubs offer a parallel solution for older cohorts. Like the School Gateway approach, they provide locally based, integrated support that meets young people where they are. As a central ‘third place’, young people can access trusted, professionally qualified youth workers and build peer connections. By strengthening social cohesion and empowering young people as active, valued community members, youth hubs extend the principles of accessible, place-based support beyond the school years.

Recommendation 1.6.2: Fund 15 new youth hubs across NSW, with at least 9 in regional, rural and remote communities. Estimated total cost: \$12 million.

Recommendation 1.6.3: Invest in strengthening 10 existing youth hubs, including 4 in regional, rural and remote communities. This additional funding will empower services to engage more staff or specialists, bolster programs, increase hours of availability or explore other opportunities to upgrade service delivery to meet the growing needs of their communities. Estimated cost: \$8 million p.a.

The NCOSS School Gateway project – Mirrung

Ashcroft Public School is a culturally diverse primary school of approximately 300 students in the Liverpool LGA, serving a community with considerable strength and resilience but also significant disadvantage. Research¹⁸ has shown that the local service system in Ashcroft is fragmented and crisis-focused rather than preventative, with families facing barriers including unfamiliarity with available support, cost concerns, and transport limitations. Mirrung, now in its third year, is an innovative place-based wellbeing hub at the school that addresses children's and families' health and wellbeing needs while creating a safe, valued environment and reducing barriers to accessing community support services.

Codey's story

Codey (real name) is a sole parent with two children at the school. She says that Mirrung is 'amazing' and that Ashcroft Public School 'feels like a second home'.

It's just really amazing. Very heartwarming as well, knowing that we've got that support and anything like that, anytime we have any issues or we can just go see the school and they're happy to help, whether it is big or small.

In 2024, Codey was facing eviction from the public housing apartment in which she had lived since she was two years old, because the lease was in her grandmother's name when she unexpectedly passed away. Codey turned to the Mirrung team for support. They helped organise legal support and supported her in meetings with Homes NSW. Ultimately, Codey was successful in reversing the decision to evict her and she was able to retain her lease.

It's made a huge difference to both me and my kids because I thought we were going to end up on the street living in a tent somewhere. ... I can't thank [Mirrung] enough for all their help ... [and everything] they've done even to this day.

Before starting school, Codey's younger child was identified as having significant developmental delays. In preschool this year, she has been supported with speech therapy and has shown progress in meeting developmental milestones. Codey's older daughter loves the enrichment activities, and is 'happier, enjoying more time with her friends, doing the things that she loves'.

In 2025, Codey commenced studying a Certificate III at TAFE in School-based Education Support. She is doing her placement at Ashcroft Public School and hopes to transition to paid employment at the school when she completes her studies.

I'm excited to finish this course and start the new chapter of my life.

¹⁸ NCOSS (2023) Creating a thriving learning community. https://www.ncoss.org.au/wp-content/uploads/2023/12/Mirrung-Creating-a-Thriving-Learning-Community-2023.pdf?vgo_ee=IJfFtxIDCiNnnbtd%2BN6oFB%2BgTxDsa2WXvj3de8k5PvreV2lh%3AkZqVDz7cxLuatQ9whyx%2BXuE_dj2%2Fms4GO viewed 6 February 2024

2. Focus on housing and wellbeing supports for people living in poverty and disadvantage.

Housing is a fundamental determinant of human health, dignity, and wellbeing; everyone deserves safe and secure housing, regardless of income or where they live. For the thousands of people across New South Wales already experiencing poverty and disadvantage, the ongoing failure to ensure safe and secure accommodation is not just a financial issue, it's a pervasive cycle weighing heavily on their mental and physical health. NSW needs continued investment and reform to support those experiencing or at risk of homelessness and ensure the private rental market is fair, safe, and sustainable.

2.1 Prevent Homelessness

While NCOSS acknowledges the increased investment in social housing and homelessness services in recent budgets, it is not enough to address the decades of neglect and falls far short of addressing the overwhelming need across New South Wales.

Over two-thirds of low-income households are living in housing stress, with homelessness rising compared to 2023.¹⁹ In 2025, there were 2,192 people sleeping rough across the state – an 8% increase from last year.²⁰ Social housing wait times are blowing out with many areas reporting a 10+ year wait²¹, putting further pressure on already overwhelmed homelessness services.

This situation is unsustainable, with more families at risk of displacement, children without stability, and homelessness services struggling to meet demand. Without further investment, the crisis will continue to deepen, causing irreparable harm to individuals and communities alike.

Recommendation 2.1: Increase baseline funding for Specialist Homelessness Services by 50%, so services can meet demand and deliver both preventative interventions and crisis support.

¹⁹ NCOSS (2024). Impossible Choices: Decisions NSW communities shouldn't have to make. Sydney

²⁰ Homes NSW (2025). 2025 NSW Street Count results.

²¹ NSW Government (2025). Social housing expected waiting times. Accessed 5 December 2025: https://public.tableau.com/app/profile/dcj.statistics/viz/FACSSocialHousingExpectedWaitingTimes_17032189873020/EWT

2.2 Make renting fair and safe

An increasing number of residents are renting, many with the prospect of renting for the rest of their lives. Action taken by the NSW Government to reform rental tenancy, including reforms to evictions laws, has been a step in the right direction but there is more work to be done to make renting safe, secure and fair in NSW.

Renters are disproportionately vulnerable to poverty, with the most severe impacts felt in regional NSW and south-west Sydney²². In 2024, 312,000 low-income households were living in rental stress—a staggering 39,000 more than in 2021²³. Behind these numbers are families sacrificing essentials, increasingly seeking financial support²⁴, and children growing up in environments where financial strain undermines their health, education, and future opportunities.

Recommendation 2.2 Increase funding to Tenants Advice and Advocacy Services by \$27.3m per annum to meet community need and avoid long-term costs.

2.3 Increase baseline funding for DV sector

Domestic violence remains a serious issue in NSW. In 2024, NSW recorded the highest rate of gendered murders in Australia²⁵. Between 2020 and 2025, domestic violence-related assaults reported to NSW Police increased by 18%²⁶. Women and children are fleeing their homes in search of safety, yet too often find specialist DFV services stretched beyond capacity.

Specialist services are crucial in supporting women to escape violence, access safety and rebuild their lives. But they are not funded adequately to do this. Services are under-resourced and unable to keep up with rising demand.

A baseline funding increase is critical. It would ensure specialist DFV services can meet contracted service delivery requirements and indexation, adequately resource their staff, and provide the consistent, life-saving support that women and children need to be safe and live free from violence.

²² NCOSS (2023). Mapping Economic Disadvantage in NSW. Sydney.

²³ Impact Economics and Policy (2024). Call Unanswered: Unmet demand for Specialist Homelessness Services.

²⁴ NCOSS (2024). Impossible Choices: Decisions NSW communities shouldn't have to make. Sydney

²⁵ NSW Bureau of Crime Statistics and Research (2025). NSW crime rates are stable, but murder count is the highest in a decade. Accessed 4 December 2025: <https://bocsar.nsw.gov.au/media/2025/mr-nsw-recorded-crime-statistics-quarterly-update-december-2024.html>

²⁶ NSW Bureau of Crime Statistics and Research (2025). Domestic Violence. Accessed 4 December 2025: <https://bocsar.nsw.gov.au/topic-areas/domestic-violence.html>

Recommendation 2.3: Prioritise a 50 per cent core funding increase for all specialist domestic and family violence services, so that frontline services have sufficient resourcing to meet demand (\$177.4 million increase from 2024–25)

2.4 Properly fund local neighbourhood and community centres

Neighbourhood and Community Centres (NCC) play a critical role in their local communities. They provide social connection and psychological support, distribute food and financial aid, translate complex messaging, and ensure that available relief reaches those whose need is greatest. They are often the provider of last resort when people are unable to access support from other service systems (such as aged care, mental health, homelessness and disability support).

Despite the critically important role NCCs play in supporting local communities, there is no dedicated funding from the Government to keep the doors open. Instead, these centres must rely on program-based funding, one-off grants, fundraising and donations to scabble together sufficient funds to cover their cost. This is unsustainable and undermines their ability to support people who are the most disadvantaged and excluded.

Recommendation 2.4: Invest \$58 million per annum to establish long-term core funding for Neighbourhood and Community Centres, funding a part-time Centre Manager, a full-time Community Development worker, part-time Administration Officer, and core operational costs.

2.5 Properly fund community legal centres

Community Legal Centres play a fundamental role in protecting the social fabric of the community, and must be treated as such by the NSW Government.

In 2024–25, Community Legal Centres in NSW provided 57,719 services to 51,182 people including²⁷:

- 38,835 people experiencing financial disadvantage
- 11,312 people with disability or mental illness
- 14,000 people experiencing or at risk of family violence

²⁷ Community Legal Centres NSW. (2025). *Community Legal Centres NSW Annual Report 2025*. Community Legal Centres NSW.

- 5,373 Aboriginal and Torres Strait Islander people
- 9,613 people whose main language spoken at home is not English
- 4,685 people in outer and regional and remote clients.

While the new National Access to Justice Partnership Agreement (NAJP) provides funding certainty and some additional funding, it falls far short of community need. This has the effect of forcing Community Legal Centres to either do more work with less resources, shut down new intake for periods of time, or turn prospective clients away.

Additional funding for Community Legal Centres is an investment that avoids longer-term costs such in the justice system and the social system more broadly, and must be prioritised by the NSW Government.

Recommendation 2.5: Increase funding to community legal centres across NSW, including a \$17 million increase in annual base funding, and additional investment to ensure full geographic coverage of generalist CLCs, support disaster preparedness, and specialist services for community groups such as LGBTIQ+ people, migrants, asylum seekers and refugees.

3. Focus on the viability and resilience of the social sector, which provides essential services to the community.

Over one million individuals rely annually on the vital social infrastructure provided by NSW community services sector. The sector is fundamental to the successful delivery of the NSW Government's social policies and the preservation of social cohesion. The NSW sector employs more than 240,000 staff and has an annual output worth \$15.4 billion.²⁸

Despite the sector's vital work to support the Government's social policies, its operating environment has become increasingly volatile over the years, driven by ever increasing community needs, cost of living pressures, and natural disasters.

Long-term, chronic underfunding has steadily eroded the sector's capacity to support its communities, driving an investment starvation cycle that threatens the sector's survival and, ultimately, leaves the people of NSW worse off.

3.1 Respond to the sustainability crisis before critical supports fall apart

The financial situation for community organisations is at crisis point. Surging demand and unfunded cost increases pose extreme risks to their viability. 2023 research²⁹ on community sector service providers found that:

- less than 15% receive funding that is adequate to cover the cost of full-service delivery, wage increases, overhead costs, and to prepare for emergencies or disasters.
- 65% do not receive sufficient funding to enable them to meet community demand
- 52% of funding arrangements did not sufficiently cover critical organisational costs such as administration, management, and IT required to operate services.

A 2024 survey by NCOSS found that 7 in 10 organisations predicted they will either need to cut staff, close programs or cut organisational investment. 9 in 10

²⁸ Equity Economics (2021), *The Social Sector in NSW: Capitalising on the Potential for Growth*, A Report Prepared for the New South Wales Council of Social Service, Sydney

²⁹ Cortis, N. and Blaxland, M. (2023) *At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*. Sydney: ACOSS.

organisations reported that this crisis is as bad, or worse, than the COVID pandemic. The sector needs the NSW Government to respond decisively.

Recommendation 3.1: Provide immediate financial support to the sector, through one of two options:

- A. A once-off investment in the sector, similar to the Social Sector Transformation Fund (SSTF). The government could choose from:
 - a) Funding for organisations to use flexibly in response to their needs
 - b) Funding for organisations to invest in ways to enhance efficiency and effectiveness (e.g. technology, staffing, outcomes measurement and reporting, accreditation, workforce capacity development)
- B. Maintain the current funding envelope for contracts, but allow all funded organisations to re-negotiate service levels so that they can cover their costs in a sustainable manner.

NCOSS and the sector are ready to work with the NSW Government to design the detail of the response to this crisis.

3.2 Develop and implement a sector-specific indexation model to cover real, significant cost growth

The community services sector relies heavily on government funding and has limited power to control cost increases considering the nature of its work. Wages in the sector are typically linked to Federal Awards (e.g. SCHADS), with the Fair Work Commission setting increases each year that must be passed on in full. Similarly, other costs such as the superannuation guarantee and the new Portable Long Service Leave (PLSL) Scheme are legislative requirements. This is in addition to the impact of inflation on prices of goods and services that are critical to service delivery (e.g. rent, utilities).

To meet its obligations as a steward of the sector, the NSW Government needs to ensure that the sector's funding envelope is not constantly eroded due to insufficient indexation. Otherwise, organisations are forced to cut services, reduce critical organisational investment, or run unsustainable deficits. Indexation needs to be consistently applied across all government agencies, and passed on in full to front-line service providers. This directly links to the Government's Secure Jobs and Funding Certainty commitment and Roadmap.

Using assumptions, the table below demonstrates what indexation might need to be in FY27 to ensure organisations' funding remains on par with current investment. It would provide significant certainty to both the sector and the government if a standardised approach was utilised.

Component	Driver	Assumed Increase	Proportion	Weighted Increase
Salary	SCHADS decision	3.0%		
	Superannuation guarantee increase	0.5%		
	PLSL Levy increase	0.5%		
	TOTAL SALARY	4.5%	80%	3.6%
Non-Salary	Cost increases for rent, utilities and other key costs	3.2% (using Annual CPI for Sep 2025 Quarter)	20%	0.64%
			TOTAL	4.24%

Recommendation 3.2: The NSW Government should trial a standardised approach to indexation in the 26/27 Budget. This approach should be developed through consultation with the sector, use agreed inputs, and be consistently applied across funding agencies.

3.3 Establish a SCHADS Award Transition Fund to support the sector and its workforce

The Fair Work Commission found in April 2025 that minimum wage rates for employees in social and community services, crisis accommodation and home care in disability care have been the subject of gender-based undervaluation. The development of a new SCHADS award is currently underway; it is likely that the new structure will require significant investment of time and resources to be successfully implemented.

The NSW Government's submission to the Commission stated that the Government is committed to supporting a sustainable, skilled, and fairly remunerated workforce³⁰. NCOSS asks the Government to match its commitment

³⁰ Cotsis, S., & Washington, K. (2025). *NSW Government Response to the Fair Work Commission's Provisional View Regarding the Social, Community, Home Care and Disability Services Award (SCHADS)* [Submission]. NSW Government.

with action by establishing a Transition Fund for the sector to successfully implement the changes to the SCHADS award.

This investment is critical to ensure that organisations successfully implement the new award structure and retain a skilled, well-remunerated, experienced workforce.

Recommendation 3.3: Establish a SCHADS Award Transition Fund to provide funding for the sector to successfully implement the new SCHADS Award.

3.4 Co-Design a Community Sector Workforce Strategy

The community services sector in NSW is an economic powerhouse. In the five years before the COVID-19 pandemic, 1 in 8 jobs created in NSW was in this sector; and it is estimated that it will require an additional 62,000 jobs by 2030, with 27,000 in regional NSW.³¹

However, the workforce is currently at risk due to rising community needs, emotionally demanding work, chronic underfunding, and competitive contracting. There is a need for greater stewardship and a more strategic approach to the development of the social services industry.

In addition, there are workforce gaps and historic underinvestment by the NFP sector in workforce development³². To address such gaps and challenges we propose co-designing a workforce strategy with the Government and the sector.

A workforce strategy is critical for the community services sector because:

- The sector is growing, yet the workforce is highly feminised, undervalued, and underpaid.
- Community needs are increasing and are likely to change over time.
- The work demands specialised skills and attributes.

The plan should include strategies that will:

- make the sector an attractive career

³¹ NCOSS & Impact Economics and Policy (2022), *A Long Way to the Top: career opportunities and obstacles for women in the social services sector in NSW*, Sydney.

³² Blueprint Expert Reference Group. (2024). *Not-for-profit sector development blueprint*. Australian Government.

- retain existing staff and volunteers
- ensure an appropriately skilled and innovative workforce of the future.

Co-designing a workforce plan by stakeholders including governments, service providers, regulatory authorities, peak organisations and education providers offers an opportunity for collaborative integration of service design, practice and evidence to minimise gaps and maximise quality and efficiency for successful delivery of social services programs.

Recommendation 3.4: The NSW Government should co-design a sector-wide workforce strategy to ensure that it can continue to attract, recruit and retain a highly-skilled, valued and effective workforce.

3.5 Continue Justice Connect's Not-For-Profit Law services in NSW

Justice Connect's Not-for-profit Law program is a sector-led service that not-for-profits and their peak bodies trust; it is the only service of its kind in Australia. Starting in NSW in 2016, it provided practical legal education, advice and pro bono referrals to law firms and barristers.

Between financial years 2020–22, Justice Connect:

- delivered 15,000 hours of free legal advice and information to NSW organisations
- trained 5,400 NSW board members, staff and volunteers
- developed 202 new and updated legal information resources for NSW organisations, and
- had 342,000 NSW-based visitors to its nfplaw.org.au website.

NSW Government funding for the program ceased in 2022. Community organisations suddenly lost access to free, high-quality, and specialist legal and governance help and had nowhere else to go.

In 2025, Justice Connect managed to resume its services in NSW thanks to short-term funding. During this time, 35% of visitors to its Not For-Profit Law website came from NSW, with more than 78,512 views to its self-help resources for community organisations in NSW. Justice Connect also produced 23 updated resources tailored to the NSW community sector and 104 national resources.³³

³³ Justice Connect (2025) Annual Impact Report 2024–2025

Organisations overwhelmingly welcomed Justice Connect’s return, which saved them time and reduced risks around legal and compliance matters.

At a time when the operating environment has become increasingly more complex and organisations are stretched beyond capacity, access to free legal and governance support is of immense benefit to individual organisations, the people they support and to the NSW Government. It saves organisations time, money, and resources so they can deliver more services to communities in need. As the sector continues to grapple with increasing demand, funding shortfalls and adapting to an ever-changing environment, access to free legal support is not a luxury, but a fundamental asset for building social infrastructure.

Recommendation 3.5: Invest \$575,000 per annum to sustainably reinstate Justice Connects Not-For-Profit Law Services in NSW.

3.6 Widen the eligibility for Essential Worker Housing to include community sector workers

NCOSS members consistently report that the lack of affordable housing for their staff is one of the top issues affecting service delivery, particularly across regional NSW. in their regions.

Nurses, paramedics, allied health professionals, police officers, teachers and firefighters are critical to society. But equally essential are workers in the social, disability, aged care and childcare sectors. We urge the NSW Government to seriously consider the Legislative Assembly Select Committee on Essential Worker Housing recommendation that *“Any formal definition of essential worker must be adaptable to reflect the unique needs and labour market conditions of individual communities and regions”*³⁴. Expanding the definition of essential workers to include community sector workers would better reflect the realities of our workforce and the essential role they play in supporting vulnerable individuals and families.

Recommendation 3.6: Update the eligibility criteria for Essential Worker housing to include the community services workforce.

³⁴ Legislative Assembly Select Committee on Essential Worker Housing (2025). Options for essential worker housing in New South Wales. Sydney, NSW.

NSW Council of Social Service (NCOSS) is the peak body for non-government organisations in the health and community services sector in NSW. NCOSS works to progress social justice and shape positive change toward a NSW free from inequality and disadvantage. We are an independent voice advocating for the wellbeing of NSW communities. At NCOSS, we believe that a diverse, well-resourced and knowledgeable social service sector is fundamental to reducing economic and social inequality.

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Acknowledgement of Country

NCOSS respectfully acknowledges the sovereign Custodians of Gadigal Country and pay our respects to Elders, past, present and emerging. We acknowledge the rich cultures, customs and continued survival of First Nations peoples on Gadigal Country, and on the many diverse First Nations lands and waters across NSW.

We acknowledge the spirit of the Uluru Statement from the Heart and accept the invitation to walk with First Nations peoples in a movement of the Australian people for a better future.

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