



## MEDIA STATEMENT

EMBARGOED 21 December 2022

### Services supporting those most at risk of homelessness in danger over funding crisis amid demand surge

Homeless Australians could be facing a tough Christmas as ongoing funding to support homelessness services remains uncertain, while demand surges with the rising cost of living.

Service providers say with interest rates and rents on the rise, more Australians are relying on housing and homelessness services than ever before.

The cost of providing services has also increased, with the increase in the superannuation guarantee and Fair Work having approved wage increases across the sector. The Albanese Labor Government supported these increases but has not provided funding to cover the extra costs to homelessness services.

The Australian Services Union and Homelessness Australia say homelessness services were left out of budgeting for higher wages, where other community services were fully funded.

“When the minimum wage and award wages were increased by the Fair Work Commission, \$560 million was allocated by the Federal Government, but homelessness services were frozen out of that deal,” said ASU Assistant National Secretary Emeline Gaske.

“If the Government does not commit to the additional funding required in housing and homelessness, the gains in gender equity achieved as a result of the Equal remuneration order will be diminished by job cuts in the sector’s predominantly female workforce.”

“Services and workers are already struggling with 288 people turned away every day from their services due to insufficient capacity – and this number is increasing every month.

“We expect December and January to be two of the worst months for homeless Australians. Those at risk of homelessness and frontline workers are doing everything they can, but it’s really tough on them too.”

Homelessness Australia CEO Kate Colvin said state governments are already funding their share of increased wages costs, but the Federal Government also needs to meet its obligations.

“The NSW Government has increased funding to homelessness programs funded through the National Housing and Homelessness Agreement by 5.5% to account for wage rises but the Commonwealth is responsible for around half of homelessness funding and has not yet increased its share,” said Ms Colvin.

“We need urgent action from the Federal Government to avoid a spike in unmet demand for homelessness services from women and children fleeing family violence, young people and others in urgent need. These funds are simply to meet the wage and superannuation increases this Government themselves championed.

“Without urgent action in the coming months, service providers will have no choice but to reduce the number of workers – they simply can’t keep staff that they can’t afford to pay – and that means reduced services to people in desperate need.”

Ms Colvin said the immediate crisis was amplified by funding uncertainty after June. A new state-federal agreement to fund services from 2023-24 is yet to be struck fuelling further concern.

“The federal and state governments are negotiating a 12-month extension of the current funding agreement which supports these services, but the offer from the Federal Government is a \$56 million cut to funding.

“The new housing and homelessness agreement must cover the higher wages mandated by the Fair Work Commission, as well as super increases, or hundreds of workers will lose their jobs and these critical services will be cut at a time of surge demand on homelessness services.”

Homelessness Australia and the Australian Services Union have written to the federal government seeking urgent action.

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