



Ref: EAP25/6180
Date: 9th June 2025

Mr Bola Oyetunji
Auditor-General for New South Wales
Level 19, Darling Park Tower 2
201 Sussex Street
SYDNEY NSW 2000

Re: Performance Audit – Social housing

Dear Mr Oyetunji,

Thank you for providing the Department of Communities and Justice (DCJ) with a copy of the final report for the Performance Audit of Social Housing.

DCJ has considered the report in detail and accepts all the recommendations.

Please find enclosed our response to each recommendation.

For context, Homes NSW is a division in DCJ whereby the Homes Chief Executive Officer reports to the Secretary. Homes NSW is responsible for social housing and has put plans in place to implement the first phase of the response by June 2026.

Homes NSW was established as a new division of DCJ on 1 February 2024, a key reform to improve outcomes for social housing system applicants and tenants. Homes NSW is responsible for social housing, affordable housing, key worker housing and homelessness policy and programs. Homes NSW leads the work to deliver more social and affordable housing, end the cycle of homelessness, and deliver quality public housing to our customers across NSW.

The creation of Homes NSW, along with the historic \$6.6 billion investment in the *Building Homes for NSW* program as part of the 2024-25 Budget, has set the foundation for us to begin to tackle the housing and homelessness crisis in NSW.

To support the ongoing reform of social housing and the broader non-market housing system, DCJ has developed the *Homes for NSW Plan* (The Plan) to set a 10-year system wide vision and priorities for change. The Plan, expected to be published soon, commits Homes NSW to a clear set of actions to progress towards these priorities, as well as targets to drive that action and provide accountability. The focus of the Plan is to ensure customers are at the heart of service delivery and driving person-centred service responses.

The consultations and engagement on the development of the Plan identified many of the same issues highlighted in the Performance Audit Report. The report recommendations are timely and align with the key reform areas that we have identified for action in the Plan.

Understandably, the report draws on data for the financial year 2023-24 to provide a complete year picture. Noting that Homes NSW was established part way through this reporting period and significant changes have occurred since then, I am pleased to advise that DCJ is reporting improvements in a number of service delivery outcome areas.

For example, in relation to the time taken for an application for housing assistance to be assessed, I am pleased to note that by the end of April 2025 the number of outstanding applications waiting for an initial assessment had reduced to 986, of which 197 have been waiting over 30 days and 28 over 90 days. This is a significant improvement compared to the 9,280 applications that were waiting for an initial assessment at June 2024, as detailed in the report.

A further improvement has been achieved in relation to the Housing Response Centre, where concerted efforts have resulted in reduced call wait times. Between 1 January and 31 March 2025 the average wait time across all phone queues was 13 minutes, compared to the average waiting time of 19.5 minutes included in the report.

Thank you for your analysis and considered recommendations. We appreciate that there is more we can do to improve our service delivery and will use these findings to inform the implementation of The Plan.

Finally, I would like to take this opportunity to extend my gratitude for the engagement and collaboration of the Audit Office team working with us throughout the audit period.

Sincerely,



Michael Tidball
Secretary

New South Wales Auditor-General’s Performance Audit Report –
Homes NSW response to key recommendations, June 2025

Recommendation	Response	Commentary
1. Simplify the social housing application process to reduce barriers to applying for eligible applicants and improve the efficiency of processing applications	Accept	<p>Homes NSW is reviewing the social housing application process so that it is more accessible, easier to understand, and enable us to better meet the needs of customers. We will also continue to actively support vulnerable customers with their applications.</p> <p>Improvements to the application process are expected to be undertaken in a phased approach, with the first phase completed by June 2026.</p>
2. Review and improve the allocation and offer process to better match client needs with available properties and increase the number of offers that are accepted	Accept	<p>Homes NSW accepts that there are improvements we can make in the approach to allocations and the offer process to ensure homes meet people’s needs and that we strengthen communities as well.</p> <p>We are reviewing the current offer policy to simplify the process, make it easier for our team members and customers and to give people more choice about their home.</p>
3. Regularly monitor and report on the use of manual allocations to ensure they are consistent with policy and do not create inequitable outcomes	Accept	<p>Homes NSW acknowledges that in some instances there are good reasons to use manual allocations, including where a customer requires rapid rehousing. It is important to retain the flexibility to ensure needs can be met.</p> <p>There are existing processes and procedures that team members must follow, and Homes NSW commits to six-month internal reporting on manual allocations to inform our understanding of key local issues and improve consistency of practice.</p>
4. Clearly articulate the role of Homes NSW as a social housing landlord to help	Accept	<p>Homes NSW will articulate its roles as a social landlord in the non-market housing system, including in relation to</p>

<p>tenants to access support to sustain their tenancy, including by:</p> <ul style="list-style-type: none">a. Strengthening the Homes NSW practice framework for support coordinationb. Strengthening local approaches to working in partnership with government agencies and support services		<p>sustaining tenancies and helping our customers to get matched to the services they need as quickly as possible.</p> <p>Homes NSW commits to reviewing practices and procedures and to strengthening how we bring together housing and homelessness services and provider through a local coordination approach that helps to ensure people are connected to the right support at the right time to get and keep a home.</p>
<p>5. Align key data sets to improve consistency between DCJ and community housing providers to enable system-wide analysis and reporting on outcomes for tenants</p>	<p>Accept</p>	<p>Homes NSW currently collects data from Homes NSW Housing Services within the Department of Communities and Justice and community housing providers primarily for different purposes.</p> <p>Through the Homes for NSW Plan, Homes NSW will commit to the development of a shared measurement framework to allow better system wide analysis of these key data sets.</p> <p>We acknowledge that to enable this will require more alignment and consistency in the data collected and reported across the system, so that there is a better understanding of the outcomes that are being collectively delivered. The Homes for NSW plan commits to a data improvement agenda to progress this work.</p>