

Yfoundations

Submission to the Select Committee on Foundational and Disability Supports Available for Children and Young People in New South Wales



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About Yfoundations and our interest in this inquiry

Yfoundations is the New South Wales peak body for youth homelessness. Our members are Specialist Homelessness Services (SHS) that work with young people aged 12 to 24 who are experiencing or at risk of homelessness. We also coordinate the Youth Homelessness Representative Council (YHRC), a group of young people aged 18 to 24 with lived experience who advise on our policy work. Our YHRC has been consulted on this submission.

We are not a disability peak body. We are writing because the inquiry has reopened on the question of who Foundational Supports will reach, and the young people our members work with are not yet in the answer. Young people with disability and young people with unrecognised developmental, cognitive and psychosocial support needs are common in youth homelessness services, and, our members report, are routinely undercounted because they were never assessed. There is no foundational supports stream for anyone over the age of eight. Once a young person is homeless, they are less able to reach the supports that do exist. This submission is about that gap and about where the National Disability Insurance Scheme and the SHS system meet.

Since August 2025 Yfoundations has convened the NDIS-SHS Interface Working Group of SHS providers from across New South Wales. Its work, and a sector survey conducted in May and June 2026, are the basis of what follows.

This submission addresses terms of reference (a), (b), (c), (d) and (h), and under (h) the NDIS Review Final Report only. Under (d) we address the tail of that term, the impact of gaps and barriers on other government services and systems, because the young people we describe are the downstream cost of early intervention that did not happen.

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Summary of recommendations

Recommendation 1

That the NSW Government establish a funded pathway for functional assessments required to support an NDIS access request for young people aged 12 to 24 who are engaged with a Specialist Homelessness Service; that it confirm the lead agency and funding source; and that it publish the unit cost and the annual volume funded.

Recommendation 2

That the NSW Government seek agreement with the National Disability Insurance Agency on a protocol for applying sections 74(1)(b) and 74(5) of the National Disability Insurance Scheme Act 2013 (Cth) to young people in Specialist Homelessness Service accommodation who have no person with parental responsibility available and safe to act as their child representative: section 74(1)(b) at the access request stage, and section 74(5) once the young person is a participant.

Recommendation 3

That the NSW Government, through the Minister for Disability Inclusion at the Disability Reform Ministerial Council, seek to have the functional capacity assessment framework developed for NDIS access from 1 January 2028 provide for structured observational evidence from a support worker, youth worker or case worker to be considered alongside clinical evidence, provide an evidence pathway for applicants who have no regular treating clinician, and specify both the evidentiary standard required and what meeting that standard will cost the services expected to produce it.

Recommendation 4

That the NSW Government seek agreement with the NDIA to co-design and fund a housing and living option for NDIS participants aged 16 and 17 who are exiting SHS accommodation, with support workers attached, beginning with a pilot; that Homes NSW contribute to the design and delivery of the accommodation component and that DCJ resolve and publish whether, and on what terms, such a placement falls within or outside out-of-home care under the Children and Young Persons (Care and Protection) Act 1998 (NSW).

Recommendation 5

That the NSW Government, through the Premier at First Ministers and the Minister for Disability Inclusion at the Disability Reform Ministerial Council, propose that the next tranche of Foundational Supports include a stream for young people with disability, or with developmental, cognitive or psychosocial support needs, aged 9 to 21, consistent with NDIS Review Action 1.13, prioritising young people in or at risk of homelessness, and extending to age 24 for young people engaged with a Specialist Homelessness Service.

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The interim report and the government response

The committee's first report makes findings that our evidence bears out from a different perspective. Finding 11 records that the intersectionality and fluidity between universal services, foundational supports and the NDIS, and the assessment and eligibility criteria at each stage, remains largely unknown.¹ Finding 15 records that universal services are supporting families with complex needs without sufficient resourcing, integration or specialist backup, which contributes to delayed escalation into more intensive systems.² Specialist Homelessness Services are not a universal service, but the pattern is the same: a system funded for one purpose absorbing disability-related need because nothing else is there.

The committee has also already heard the argument this submission makes, from a young person. It heard that tying access to foundational support to formal diagnosis creates a harmful binary between those deemed eligible and those left behind, and that foundational support must be youth specific, flexible and accessible before diagnosis. It heard from Youth Action that adolescence is a second developmental window warranting investment in its own right.³ That evidence describes exactly the position of the young people in our members' services, who have neither the diagnosis nor an adult in their life able to pursue one.

The NSW Government responded on 20 May 2026. Of the committee's 17 recommendations, ten are supported or supported in principle, four are noted, and three are not supported: Recommendations 3, 4 and 13.⁴

The reason given for not supporting Recommendation 4, on transition pathways for children turning nine and those nine and older, is that Thriving Kids provides time-limited supports for children with low to moderate support needs, and that children with ongoing specialist disability support needs are not the target cohort for Thriving Kids.⁵ That is accurate. It is also an acknowledgement that the cohort exists, and that Thriving Kids is not for them. The same response commits DCJ to work with providers and other agencies to provide clear guidance on roles and responsibilities in supporting the transition of children out of Thriving Kids. We ask that this work be extended, because there is currently no program for adolescents to transition into.

¹ Select Committee on Foundational and Disability Supports Available for Children and Young People in New South Wales. (2026). Foundational and disability supports available for children and young people in New South Wales: First report (Report No. 1, pp. xi-xii). NSW Legislative Council.

² Select Committee. (2026). First report (Report No. 1, p. xii).

³ Evidence of Ms Eliza Tait, Youth Action Member, and Ms Lauren Stracey, Chief Executive Officer, Youth Action, 19 June 2025, reproduced in Select Committee. (2026). First report (Report No. 1, pp. 1-3).

⁴ NSW Government. (2026). NSW Government response to the first report: Select Committee on Foundational and Disability Supports Available for Children and Young People in New South Wales (p. 1). Tabled 20 May 2026.

⁵ NSW Government. (2026). NSW Government response to the first report (p. 4).

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The response states plainly that no decision has been made about other cohorts or services that may be delivered under Foundational Supports in addition to Thriving Kids, and that this will be subject to future decisions by First Ministers.⁶ Neither the interim report nor the government response examines young people aged 12 to 24 as a cohort, and neither considers homelessness as a cause or a consequence of unmet disability need.

Evidence against the terms of reference

(d) and (a) The scale of unmet need, and its cost to other systems

Our cohort is young people aged 12 to 24. Published collections use different age bands and we report them as published, noting the band each time.

In 2024-25, Specialist Homelessness Services in New South Wales assisted 13,919 children and young people aged 12 to 24 who presented alone, around one in five of all NSW clients and a higher share than the national figure of one in seven, or 14 per cent.⁷ Nationally, more than half (57 per cent) of those aged 12 to 17 and around two-thirds (69 per cent) of those aged 18 to 24 receiving support alone needed accommodation-related assistance.⁸ In New South Wales, 2,153 clients (3.2 per cent) were recorded as having a disability, 365 of them aged 10 to 24. Of those 2,153 clients, 723 were Aboriginal or Torres Strait Islander⁹. That is a floor rather than an estimate. The collection's disability flag asks only about three core activities, so clients with support needs in other domains are not captured, and response rates to the flag are low. In New South Wales, 3,346 clients (5.4 per cent of those who answered) reported being NDIS participants, but the question went unanswered for 5,958 clients.¹⁰ Of NSW clients who needed long-term housing, three in four were neither provided it nor referred.¹¹

In May and June 2026 Yfoundations surveyed youth SHS providers about the NDIS interface. Twenty-four responses were received to five open-ended questions. Not every respondent answered every question, so figures below are given with the number who did. Responses were not collected with a location field, so we do not claim a geographic spread. We asked services to estimate the share of case load who are NDIS participants or likely eligible; answers ranged from 5 to 100 per cent using different definitions of eligibility, so we report the range as context only.¹² What providers tell us consistently, and the collection cannot capture, is that many young people they see have developmental, cognitive or psychosocial needs that were never assessed, usually because no adult in their life had the capacity or standing to pursue it.

⁶ NSW Government. (2026). NSW Government response to the first report (p. 1).

⁷ Australian Institute of Health and Welfare. (2025). Specialist homelessness services annual report 2024-25: Supplementary table CLIENTS.42. AIHW.

⁸ Australian Institute of Health and Welfare. (2025). Specialist homelessness services annual report 2024-25: Children and young people receiving support alone. AIHW.

⁹ Australian Institute of Health and Welfare. (2025). Specialist homelessness services annual report 2024-25: Supplementary tables CLIENTS.42 and CLIENTS.43. AIHW. The disability flag is derived from a short module covering three core activities (self-care, mobility and communication), and response rates to the flag are low.

¹⁰ Australian Institute of Health and Welfare. (2025). Specialist homelessness services annual report 2024-25: Supplementary table CLIENTS.17. AIHW. Nationally, 5.9 per cent of SHS clients (around 15,000) were NDIS participants in 2024-25.

¹¹ Australian Institute of Health and Welfare. (2025). Specialist homelessness services annual report 2024-25: Fact sheet, New South Wales. AIHW.

¹² Yfoundations. (2026). NDIS and youth SHS interface survey [Unpublished sector survey, 12 May to 12 June 2026]. Twenty-four responses were received to five open-ended questions. Responses were coded by Yfoundations; a response was counted as naming a barrier or outcome only where the respondent stated it directly. Coding notes are available on request.

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We put the following to the committee as a proposition to be tested rather than a finding we can evidence. Unmet developmental and disability-related need contributes to family breakdown, school disengagement and exits from care, which are the main routes into youth homelessness. Once homeless, the things an NDIS access request assumes, a stable address, a parent or guardian, a diagnostic history, a treating clinician who knows the young person, are the things this cohort does not have. The youth SHS system holds the need while the disability system waits for evidence the young person cannot produce. Neither the Specialist Homelessness Services Collection nor published NDIA data identifies this group, so the proposition cannot currently be tested from published sources. We ask the committee to recommend that it be made testable.

(c) Diagnostic services and bottlenecks

Cost was the barrier named by most survey respondents; wait times were named by a smaller number. Ten of 24 respondents said their service had directly funded assessments because no other funding existed, and two more described using brokerage or funding assessments in exceptional circumstances. One respondent put the cost of an assessment for autism at more than \$3,500 and noted that a young person on the Disability Support Pension with no family support cannot meet it. Individual respondents also named regional specialist shortages, consent requirements for young people under 18, missing documentation for young people with an out-of-home care history, and the absence of any pathway for young people without citizenship status.¹³ Where a service funds an assessment, the cost falls on a capped SHS contract and displaces funding available for other housing related supports. The SHS sector has not received a meaningful uplift in funding for over a decade, and indexation has not met the increased cost of service delivery.

We cannot estimate how many assessments this cohort would require in a year. The Specialist Homelessness Services Collection does not identify young people with unassessed support needs, and we say so plainly rather than offer a figure we cannot defend. Recommendation 1 therefore asks the NSW Government both to fund the pathway and to publish the volume it funds, so that the gap begins to close.

From 1 January 2028, NDIS access for new applicants will be determined on a standardised, evidence-based assessment of functional capacity rather than on diagnosis. A Technical Advisory Group established for this purpose first met on 9 July 2026 and is advising on the assessment framework, tools, evidence requirements and thresholds.¹⁴ The tool, the threshold, who conducts the assessment and who pays for it are all still being designed. The question this submission puts to the committee is how a young person with no fixed address, no parent or guardian and no regular treating clinician will meet a standardised evidence requirement. Recommendation 3 asks that the framework answer that question now, before this cohort is locked out of proper assessment, with the costs falling to young people, to services and to the community over the longer term.

¹³ Yfoundations. (2026). NDIS and youth SHS interface survey.

¹⁴ Australian Government Department of Health, Disability and Ageing. (2026). Technical Advisory Group for NDIS functional capacity. The Group first met on 9 July 2026 and is advising on an assessment framework, assessment tools, evidence requirements and threshold options, delivering staged advice through 2026 with further input into 2027.

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The authority gap

For a person under 18, the NDIS Act provides that anything the Act requires or permits to be done by or in relation to a child is done by the person with parental responsibility, or, if the NDIA Chief Executive Officer is satisfied that this is not appropriate, by a person determined in writing by the CEO. Once a young person is a participant, the CEO may also determine that they do not need a representative at all, where the CEO is satisfied both that the young person is capable of making decisions for themselves and that it is appropriate.¹⁵ That second pathway is not available at the access request stage, which is precisely where young people in our members' services get stuck. The legal mechanism therefore exists, but it turns on a discretionary determination for which the Act sets out no application process and no timeframe. Providers report that this is where young people in refuges stall, particularly where a parent is absent, unsafe or, in family violence cases, the alleged perpetrator.

Evidence already exists

SHS case managers hold contemporaneous records of a young person's functional capacity across the domains of daily living, communication, decision-making and safety. That is the substance an access request is meant to establish, yet it carries no standing, so services pay a psychologist or occupational therapist to reproduce it. Recommendation 3 asks that structured observational evidence from a support worker, youth worker or case worker be considered alongside clinical evidence rather than instead of it. We note that this is not a costless change for services, which is why Recommendation 3 asks that the framework specify the standard required and what meeting it will cost. Using case management records as access evidence engages consent, disclosure and record-keeping obligations, which is why the recommendation is directed at the design of the new framework rather than at existing practice.

(b) Services and supports, and the accommodation gap

Of the 22 survey respondents who answered the question, 18 (82 per cent) said their service had been unable to exit a young NDIS participant from crisis or transitional accommodation because no appropriate housing option existed. The outcomes they described were extended stays, in some cases beyond 12 months; placement into Individual Living Options that did not suit the young person; disengagement from services; and eviction when a young person aged out of an SHS service with no NDIS housing pathway in place. Asked what single change would most reduce reliance on SHS accommodation, 15 of the 22 respondents who answered named housing or accommodation availability.¹⁶ One regional respondent described very few housing options for young NDIS participants in their area.

¹⁵ *National Disability Insurance Scheme Act 2013* (Cth) ss 74(1)(b), 74(5).

¹⁶ Yfoundations. (2026). NDIS and youth SHS interface survey.

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The gap has a specific shape. The NDIS funds Supported Independent Living (SIL) and Specialist Disability Accommodation at scale. At 31 December 2025, the average annualised plan budget for a New South Wales participant receiving SIL was \$462,900, against \$64,100 for participants not receiving SIL.¹⁷ That average is dominated by adults and is not a cost estimate for a youth option. We cite it to show that the Scheme already funds accommodation with support attached, at scale, for participants aged 18 and over. What is missing is a version of that support for a participant who is not yet 18, matched to a plan that already funds it.

Providers report no SIL or Specialist Disability Accommodation option designed for a participant aged 16 or 17. The NSW statutory pathway for this age group sits in Chapter 7 Part 2 of the Children and Young Persons (Care and Protection) Act 1998, which deals with homelessness of children and young persons.¹⁸ Our members' experience is that it is rarely activated for a young person who is already accommodated by an SHS, precisely because they are accommodated. These young people sit between a system that assumes a parent and one that assumes an adult.

We are also conscious that supported accommodation with rostered workers for a person under 18 raises the question of whether it constitutes out-of-home care, and that SHS-funded services are presently excluded from that definition by regulation. We are not asking for that exclusion to be disturbed by default, and we are not asking for a placement without a legal framework. We are asking for the question to be resolved deliberately rather than left as the reason nothing is built. Recommendation 4 accordingly asks that NSW seek agreement with the NDIA on the support component, that Homes NSW contribute to the design and delivery of the accommodation, and that DCJ resolve and publish the legal position.

(h) Implementing the NDIS Review, and the missing middle

Thriving Kids is for children aged eight and under with developmental delay or autism and low to moderate support needs. From 1 January 2028, changes to NDIS access will apply to that group, while children with permanent and significant disability, and children with substantially reduced functional capacity, remain eligible. New Thriving Kids services begin in New South Wales from October 2026, with the rollout continuing through 2027.¹⁹ We do not dispute any of that. Our point is what sits beyond it.

¹⁷ National Disability Insurance Agency. (2026). Quarterly performance dashboard: New South Wales, participants and planning, 31 December 2025. NDIA.

¹⁸ *Children and Young Persons (Care and Protection) Act 1998* (NSW) ch 7 pt 2, ss 120-122.

¹⁹ NSW Department of Communities and Justice. (2026, 31 March). Fact sheet: Thriving Kids.

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A 13-year-old with an undiagnosed intellectual disability, or a 17-year-old with a psychosocial disability that has not met NDIS access, is outside Thriving Kids by age and outside the NDIS by evidence. The NDIS Review anticipated this. Action 1.13 recommended that National Cabinet agree to jointly invest in programs and initiatives to support adolescents and young adults with disability aged 9 to 21 to prepare for and manage key life transition points, including living independently.²⁰ Interim Recommendation 4 took up the same age boundary. The NSW Government declined it because the cohort is not the Thriving Kids target cohort. On its own terms that is correct, which is why Recommendation 5 does not ask for Thriving Kids to be widened. It asks the NSW Government to put a stream for this age group on the table for the next tranche, at First Ministers and at the Disability Reform Ministerial Council, prioritising the young people whose unmet need is already presenting as homelessness. We have aligned the age band to Action 1.13 so that the ask matches a commitment governments have already considered, and extended it to 24 only for young people engaged with an SHS, which is the group we can speak to.

The Government's own response confirms that this decision has not been made. This inquiry is the most direct vehicle available for putting the case for this cohort before it is.

Conclusion

Yfoundations holds that no young person should remain in crisis or transitional accommodation because the NDIS could not assess them, house them, or coordinate their supports in time. The failures described here are specific, and each has a defined first step and a body that can take it. We have not costed them, because the volume data required to do so does not exist in any published collection, and we have said so at each point rather than offer estimates we cannot support. The first tranche of Foundational Supports will not reach the young people in our members' services, and the Government has said the next tranche is undecided. We ask the committee to name this cohort in its final report and to recommend the measures set out above.

Approved by:



John Macmillan
CEO, Yfoundations

²⁰ NDIS Review. (2023). Working together to deliver the NDIS: Final report (Action 1.13, pp. 4-5).



Yfoundations' vision is a future without child and youth homelessness in Australia.

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