

Home Time.

Fix housing for young people

9 September 2024

Social and Affordable Housing Unit
Housing Division
Treasury

Sent via email: housing@treasury.gov.au

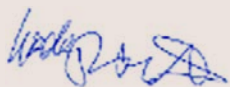
Dear Housing,

Re: Submission on the \$1 billion increase to the National Housing Infrastructure Facility

Thank you for the opportunity to make this submission. Community Housing Industry Association, Homelessness Australia and Melbourne City Mission are pleased to submit our submission regarding the \$1 billion increase to the National Housing Infrastructure Facility, on behalf of the Home Time supporter coalition.

We would welcome the opportunity to expand on our recommendations, or further discuss our proposals in this area. Please do not hesitate to be in touch if you would like to discuss the issues raised in greater detail.

Yours sincerely,



Wendy Hayhurst
CHIA National



Kate Colvin
Homelessness Australia



Shorna Moore
Melbourne City Mission

On behalf of full list of national signatories at hometime.org.au/supporters



Acknowledgment of Country

Home Time supporter organisations acknowledge the traditional custodians of the lands on which we work and note that this document was developed on the lands of the Bunurong, Wurundjeri and Woi Wurrung peoples of the Eastern Kulin Nation.

We pay our respects to Elders past, present and emerging. We acknowledge the ongoing leadership role of the Aboriginal community in creating services and support to ensure that all Aboriginal and Torres Strait Islander children are raised in safe, healthy and culturally rich families and communities and have every opportunity for a bright future.

We recognise the right to self-determination and provide endorsement of submissions made by Aboriginal Community Controlled Organisations.



About the Home Time Campaign



Over 150 housing and homelessness organisations, peak and industry bodies, community service organisations, universities and unions have come together to support the Home Time Campaign to unlock Australia's housing system for 16-24-year-olds who are homeless and unable to access housing.¹

Home Time is proposing three urgent actions for federal, state and territory government:

1. Develop and maintain a national pool of 15,000 dedicated youth tenancies for 16-24 year olds
2. Provide linked support services so young people can pursue their goals and transition to independence
3. Address the rental gap to ensure viability for housing providers and landlords offering tenancies to young people who have been homeless

These reforms would be implemented in each state and territory to suit local needs based on evidence-based models of housing and support.

The commitment to allocate the \$1 billion National Housing Infrastructure Facility (**NHIF**) to create new homes for young people experiencing homelessness (as well as women and children escaping violence) is the first funding announcement towards the national target of 15,000 tenancies.

¹ See hometime.org.au



Introduction



Nearly 40,000 children and young people aged 15-24 years-old are alone with nowhere to live each year, representing almost 15 per cent of the overall homelessness population.² This includes over 9,500 children aged 15-17 who have no parental or carer support and are forced to move between refuges, couches and the street.³

Children lose their homes early in life due to extreme life events and trauma, including family violence, abuse and neglect. Young people who are First Nations, LGBTIQ+, from diverse cultural backgrounds, living with disability, or who have had contact with child protection services are over-represented among this group without a home.

We welcome the opportunity to provide feedback on the draft amendments to the *Housing Australia Investment Mandate Direction 2018* and Explanatory Statement and congratulate the Federal Government for taking decisive action to start creating new homes for young people with nowhere to live. This submission focuses on the Consultation Questions in the Policy Paper, and draws attention to the provision of youth housing.

At present, Australia's current housing system is structurally incapable of delivering enough safe homes and appropriate support for under 25 year-olds because dedicated youth tenancies are not built into our housing system and there is no mandate for youth tenancies in new housing investments and programs. This includes unaccompanied young people escaping family violence and/or experiencing homelessness. Housing providers are also at a disadvantage when considering young people for tenancies due to their lower rental income through the social security system.

As a consequence of the lower incomes of young people and consequent need for a higher government subsidy, they are not benefitting from the other available streams of housing investment, such as the Housing Australia Future Fund (HAFF). Their lower incomes have meant that they are at an extreme disadvantage compared to even households receiving Job Seeker for tenancies in the private rental market. While acknowledging there are shortages of affordable housing for women and their children escaping domestic and family violence it is a sad fact that the young people the Home Time campaign is focused on have far fewer housing options than other groups. Therefore, we strongly recommend that unaccompanied young people be prioritised in the \$1 billion NHIF allocation, and a substantial floor set, supported by data, for the numbers of youth housing generated. This must also consider the needs of young people living in rural, regional and remote areas.

This Consultation and subsequent legislative reforms provide an opportunity to improve our Australian housing system by building new pathways out of homelessness for young people. The investment can also contribute to the development of new knowledge around youth housing, by resourcing a diversity of new youth housing models to meet the diversity of young people's needs, and building in research and evaluation that can inform future programs.

² AIHW Specialist homelessness services data cubes 2022-23

³ Ibid

Reflections on the policy merits



Question 1: What are the merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing?

Our aim is to resolve the problem that every year around 15,000 unaccompanied children and young people aged 16 to 24 turn up to homelessness services in need of medium to longer term social rented homes but there is no housing they can access.⁴ This traps these children and young people in a state of homelessness, causing significant harm to their life chances, and also creating bottlenecks in crisis youth accommodation, such as refuges. In 2023, 43 per cent of unaccompanied children and young people aged 16 to 24 who sought support from a Specialist Homelessness Service were still homeless at the end of the support period⁵.

Due to substantially lower payments given to young people through the social security system (e.g. Youth Allowance Unreasonable to Live at Home) and consequent need for a higher government subsidy, they are not benefitting from existing streams of housing investment, such as the HAFF. At present, only 3 per cent of social housing is rented by a young person even though they make up about 15 per cent of the total number of people seeking homelessness services.

Therefore, there is an urgent need to invest in dedicated medium to longer term housing for unaccompanied young people experiencing homelessness. The provision of this housing would benefit the young people housed, but also address bottlenecks in the youth homelessness system by freeing up existing crisis accommodation for young people.

Provision of medium to long term housing for young people would have a greater impact than expanding crisis short term accommodation, which becomes full of people unable to exit to longer term options. It is also important to note that there are many past and indeed current federal and state initiatives for domestic and family violence crisis accommodation including Safe Places and the HAFF Crisis Program as well as longer term tenancies for women under the HAFF and this should be recognised in the criteria for assessing NHIF projects (e.g. the prioritisation of young people who have no access to other existing short or longer term housing investments).

We recommend the \$1 billion NHIF prioritise medium term housing designated for young people experiencing homelessness and younger women and children escaping violence. We have defined this below.

4 Ibid

5 AIHW Specialist homelessness services 2022-23 Data Tables, Table YOUNG. 3: Young people presenting alone (closed support), by housing situation at first presentation and at the end of support, 2022-23



Definitions



Question 2: Are the definitions for crisis and transitional accommodation in the draft Investment Mandate amendments appropriate, and separately, are the definitions of the cohorts of women and children, and youth appropriate?

We support the definition of **'youth'** as being a person aged 16 to 24 years who is experiencing domestic violence, or who are experiencing, or at risk of homelessness. This age range should apply to entry into the housing only.

It is critical that a priority for the investment is young people experiencing homelessness who are currently residing in refuges, unsafe crisis accommodation, couch surfing and rough sleeping. The definition must also include **'unaccompanied'** or make clear that the young person is the primary tenant and not part of a family unit (e.g. accompanying a protective parent).

Domestic violence must include all forms of domestic and family violence, including intimate partner violence and violence perpetrated by family of origin or carer. We recommend that the definition be amended to **'domestic and family violence'**.

The current definition of crisis and transitional housing in the draft Investment Mandate as 'short term' is problematic given the intention is to create medium term (e.g. multi-year) housing models for young people experiencing homelessness. To achieve successful outcomes, the support type and length will be tailored to the individual. The definition of 'transitional housing' is recognised differently in each state and territory including how tenancies are treated under the law with respect to residential tenancy protections. Therefore, we strongly urge Treasury to amend the definition and include the term **'medium-term'** housing. As important is ensuring that the definition does not include a maximum length of time on tenure.



Eligible Project Proponents



Question 3: Is the existing list of eligible project proponents for NHIF (Critical Infrastructure) and NHIF (Social and Affordable Housing) appropriate for the expansion of the NHIF for crisis and transitional accommodation? Are there any other project proponents that should be considered?

The existing list of eligible project proponents are appropriate for the expansion of the NHIF, however, all entities with the exception of states, territories and local governments must also be **registered charities**.

We do not support funding going to unregistered charitable organisations. A specialist service could partner with a registered provider or be part of a special purpose vehicle.

In one of the consultation workshops it was clarified that the accommodation funded via the NHIF would need to be made available in perpetuity. We support the intention but with a proviso that subject to evidence showing that needs had changed the accommodation could be repurposed or sold to re-provision meet these new needs - noting that the homes would continue to be provided to youth (as defined above) at social housing rents.



Funding mix for the additional \$1 billion



Question 4: How could project proponents use this funding mix, and how could project finance be structured to draw on both grants and concessional loans?

We strongly support the decision to provide the lions share of the \$1 billion - (\$700 million) in grants. In recognition of the higher costs of operating and therefore building housing for young people – due to the lower rental income stream we strongly support youth housing schemes being prioritised for capital funding.

Given the variety of potential schemes that might be put forward for funding we do not believe it would be appropriate to be categorical about eligibility for capital grants, in the way the HAFF program set criteria for the concessional loans. The cost of provision will vary considerably by location, design, cohort housed and the amount of rent tenants can pay.

Proponents should be able to apply for either or both types of funding. A flexible approach is likely to encourage 'innovative' approaches.

We support the decision not to set fixed targets for total units, or the distribution between youth housing and domestic and family violence specific responses, given there is no basis yet for assessment of the costs of provision.

However, due to the fact that young people (as defined earlier) are not able to benefit from other available streams of housing investment such as the HAFF, and the absence of any substantial targeted initiatives, there should be a consideration of prioritising young people's housing and setting a floor for the numbers of youth housing units generated supported by AIHW data.

As noted above, there are a number of existing federal and state initiatives for domestic and family violence crisis accommodation including Safe Places and the HAFF Crisis Program, as well as longer term tenancies under the HAFF and access to the private rental market. While we acknowledge the needs of this group, the NHIF is the only housing investment that young Australians at risk of or experiencing homelessness can benefit from, given their current effective exclusion from the private rental market and social housing system.

The same approach of a floor could also be set for young people experiencing domestic and family violence, who are currently excluded from many crisis and housing programs for adult women escaping violence.

There is also a need to ensure value for money includes a more holistic analysis than subsidy cost per unit. We propose the analysis of value should include whether a proposal includes a partner with expertise in delivering accommodation and services to young people), a track record of providing housing to young people and can demonstrate that the housing type meets the local need. Some cohorts of young people, such as those with more complex needs, may also require greater subsidy to house, but gain relatively more value from achieving housing stability.

Further we propose that the program will have most value as a whole if it creates a diversity of housing options for young people that meet the specific needs of particular cohorts, such as First Nations young people, LGBTIQ+ young people, young people with disability or criminalised young people.





Time limited state and territory funding allocations

Question 5: What impacts would a time limit for state and territory funding allocations have on project proponents or projects that would come forth for the funding. What are the benefits and unintended adverse consequences?

We are supportive of the funding allocation and acknowledge the importance of setting a minimum floor for Australian Capital Territory, Northern Territory and Tasmania, noting that remote housing is often more expensive.

We also note the significant lack of youth housing and services across Australia in rural, regional and remote areas, and therefore the need to ensure a fair split regarding the allocation of the NHIF between metropolitan and regional projects.

We note that currently under the NHIF, bids can be made at any time and in principle we support this more flexible approach as it avoids competition for consultants, allows for respectful negotiations between partners, and allows time for smaller providers (which many specialist youth providers are) time to prepare. However if a time limit of 12 months applies to state and territory funding allocations, Housing Australia will need to provide clear guidance in advance on the assessment process including timing and criteria to avoid later bids missing out.

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To discuss this submission, please contact Shorna Moore, Head of Policy, Advocacy and Government Relations at Melbourne City Mission at shmoore@mcm.org.au.

