

Response to Consultation - \$1 billion increase to the National Housing Infrastructure Facility



Introduction

Who we are

Launch Housing is one of Victoria's largest independent and secular community-based providers with a mission to end homelessness. We deliver services and life-changing housing and supports to Victorians experiencing, and at risk of homelessness. Last year, we provided over 14,000 Victorians with holistic housing and innovative support, education, youth and specialist services.

Acknowledgment of Country

Launch Housing proudly acknowledges the First Peoples of Australia and recognises both their deep spiritual connection to Country, and their unique ability to care for it. We acknowledge we live and work on land that was never ceded and pay our respects to Elders, past, present and emerging, who ensure the world's oldest living culture continues to grow and thrive.

About this response

Launch Housing welcomes the opportunity to respond to the legislative amendments to the *Housing Australia Investment Mandate Direction 2018*, directing the \$1 billion increase to the NHIF to support crisis and transitional accommodation for women and children experiencing domestic violence, and for youth experiencing homelessness.

Launch Housing supports these amendments given the fundamental role crisis and transitional housing plays in the suite of housing solutions available to people at risk of or experiencing homelessness. Indeed **emergency accommodation options are increasingly sparse**, with 42% of clients in need of emergency accommodation unable to receive assistance (up from 29.9% in 2021)¹ so any mechanism that enables more emergency accommodation is required urgently.

We have some recommendations around **changes to language, particularly with how domestic and family violence is defined** beyond one point in time.

Whilst an increase in crisis and transitional housing for women and children escaping family violence, and youth, are welcome; **there is also an enduring need for general adult crisis accommodation** to meet demand. Crisis and transitional housing is a crucial element of any homelessness system. Equally important is **ensuring there is an accompanying mechanism to fund the support services**, as providers cannot deliver crisis and transitional housing without funded wrap-around support.

Any crisis or transitional housing solution also requires accompanying long-term housing to exit into and cannot be considered in isolation. With a lack of long-term housing options, many of our renters are effectively using transitional properties as longer-term homes with nowhere else to go.

¹ Australian Institute of Health and Welfare 2024. Specialist Homelessness Services Collection data cubes user guide 2011–12 to 2022–23. Canberra: AIHW.

Response to consultation questions

1. Reflections on the policy merits of targeting additional funding towards crisis and transitional accommodation as part of the broader mix of acute and social housing.

There is currently no dedicated capital funding stream for crisis accommodation or transitional housing in Australia.

In 1984 the Supported Accommodation Assistance (SAAP) Act 1984 (Cth) brought funding for homelessness services, youth refuges and family violence refuges together under one instrument for the first time. Funding was provided through the Commonwealth-State Housing Agreement (CSHA), with a dedicated funding stream for capital works provided via the Crisis Accommodation Program (CAP) under the CSHA.

A dedicated funding stream for crisis accommodation through CAP ended in 2008 with the policy reforms of the Rudd Government and an end to the CHSA. Funding for any new crisis and transitional housing is part of the general pool of funding outlined in bilateral agreements between the Commonwealth and states and territories, and is largely untied. Given the high demand for crisis accommodation there is an urgent need for a dedicated capital funding mechanism such as NHIF targeted funding to build more crisis and transitional housing.

Creating more crisis accommodation has not been prioritized historically within the limited funding pools available to the extent necessary to meet demand, reflective of the broader funding issue for homelessness in general. These proposed legislative changes will help reverse this historical shortfall.

New funding source welcome to address inadequate supply.

Whilst an increase in crisis and transitional housing for women and children escaping family violence, and youth, are welcome; there is a massive need for general adult crisis accommodation to meet the demand. Crisis and transitional housing is a crucial element of any homelessness system. Recent research documenting the demand and supply for crisis accommodation across Australia demonstrated the inadequate supply of SHS-managed crisis accommodation relative to demand.

The SHS-managed crisis accommodation that does exist is concentrated in capital cities and major towns. Lack of capacity across all areas means that SHS rely heavily on purchasing low-cost accommodation from private providers including options such as cheap hotels/motels, caravan parks, boarding/rooming houses, backpackers, and hostels. These options are unsuitable, oftentimes unsafe and limited support is provided to people staying in such accommodation.

The ABS Homelessness Estimates show that there are many more people experiencing homelessness on a given night than there are crisis beds available. For example, of the 122,494 persons enumerated as homeless on census night only 24,291 were in crisis or transitional accommodation (ABS, 2023).

Some states report the number of households assisted with purchased crisis accommodation. In NSW for example, where some 35,011 persons were homeless on census night, SHSC data indicates that 16,256 persons were accommodated over the 2020-21 financial year, while 26,965 households were assisted with temporary accommodation through private providers in the 2019-20 financial year.

“Demand for SHS managed crisis accommodation is far outstripping supply. Stakeholders and frontline staff reported insufficient places for people experiencing homelessness in their jurisdictions. This shortage leads to long wait times, even though crisis accommodation exists to meet people’s immediate, acute needs, and state and territory governments dedicate significant resources to purchased crisis accommodation in hotels, motels, caravan parks, boarding houses and hostels.”

The Australian Institute of Health and Welfare (AIHW) 2022-23 data indicates that nationally, 40% of SHS clients (110,616) reported a need for emergency accommodation. However, 42% of these clients did not receive assistance, up from 29.9% in AIHW's 2021 data. The most common reason for not being able to assist this group was that there was no accommodation available.²

“Relying on purchased crisis accommodation impacts the support that people experiencing homelessness receive and is also extremely costly. A report by the Northern and Western Homelessness Network (NWHN) in metropolitan Melbourne estimated that in 2017, \$2.5 million was spent accommodating 9,000 households in purchased emergency accommodation, also noting accommodation provided was typically of a poor standard (NWHN 2019). This situation is not specific to Australia, with an estimated £1.1 billion spent in Great Britain on nightly-paid temporary accommodation for families in the year to March 2019 (Garvie 2020).”³

While beyond the scope of this consultation there is an urgent need to document the current supply of crisis and transitional accommodation that is SHS managed as well as the amount spent on purchased accommodation from private providers. There is likely a cost saving for governments and improved outcomes for women and children fleeing domestic and family violence in funding more SHS, STHA or CHP managed crisis and transitional accommodation compared with funding sub-standard private providers.

Safe Steps chief executive Dr Chelsea Tobin acknowledged this earlier this year in *The Age*⁴, noting taking women out of motels currently used as a standard option to protect women and children during a family violence crisis (where the safe exit rate is only 50%) is key to suicide prevention. The *Age* article further explained: “Tobin gave the premier an evaluation by consultancy Urbis that showed increasing Sanctuary-style wrap-around, supported services would cost less than motels and would provide future savings of between \$14,000 and \$69,000 in “avoided costs” per client because women would not be returning for repeat help.”

² Australian Institute of Health and Welfare 2024. Specialist Homelessness Services Collection data cubes user guide 2011–12 to 2022–23. Canberra: AIHW.

³ Batterham, D., Tually, S., Coram, V., McKinley, K., Kolar, V., McNelis, S. and Goodwin-Smith, I. (2023) Crisis accommodation in Australia: now and for the future, AHURI Final Report No. 407, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/407>, doi: 10.18408/ahuri5126801.

⁴ Domestic violence Victoria victims should be moved out of motels to prevent suicide, Jacinta Allan told (theage.com.au)

2. Definitions

Are the definitions for crisis and transitional accommodation in the draft Investment Mandate amendments appropriate?

Subsection 21A(4): While numerous crisis accommodation services and transitional housing programs exist across Australia there is no agreed national definition.

Batterham et al, took a broad approach and defined crisis accommodation as: “all short-term accommodation accessed by SHS for people experiencing homelessness, such as: generalist homelessness crisis accommodation services (which may be referred to variously as shelters or CSAS); family and domestic violence refuges; youth refuges; night shelters and various purchased crisis accommodation options using boarding and rooming houses, hotels and motels, hostels, backpackers and caravan parks.”

Other short-term options exist in specific states and territories. “For example, the Northern Territory (NT), Western Australia (WA), South Australia (SA) and Queensland (Qld) also provide visitor accommodation for Aboriginal and Torres Strait Islander people requiring immediate, short-term accommodation in major urban centres. Such facilities accommodate people visiting from regional and remote communities, addressing an immediate need for safe shelter and providing an accessible alternative to sleeping rough. Emergency responses also exist specifically for weather and other emergency events, such as in SA (known as Code Red for extreme hot weather responses and Code Blue for extreme cold weather responses).”⁵

The length of stay for crisis accommodation varies across jurisdictions and is tied to each jurisdiction’s residential tenancy legislation, making it challenging to define crisis accommodation according to a set timeframe. “For example, the Victorian government has stated that the ‘funded duration for crisis supported accommodation is six weeks and 13 weeks for transitional support’ (Department of Health and Human Services 2020: 22).” However, discussions with providers indicated that people stayed much longer both in Victoria and in other states/territories.

Launch Housing suggests this legislation broaden the definition of crisis and transitional housing to focus on the details of the accommodation.

We recommend that the *crisis accommodation* definition include the following elements:

- short-term accommodation (for stays of less than 6 months)
- accessed by Specialist Homeless Services and dedicated Family and Domestic Violence Services for people experiencing or at-risk of homelessness
- including but not limited to such examples as: generalist homelessness crisis accommodation services (which may be referred to variously as shelters or CSAS); family and domestic violence refuges; youth refuges; night shelters.

We also recommend that the *transitional housing* definition include the following elements:

- medium term accommodation (for stays of up to 2.5 years)
- accessed by Specialist Homeless Services and dedicated Family and Domestic Violence Services for people experiencing or at-risk of homelessness
- including, but not limited to, state and territories existing transitional housing programs, and Youth Foyers.

The legislation also describes the funding for crisis and transitional accommodation for youth (16-24) as 'short term accommodation', which we presume covers initiatives like [Education First Youth Foyers](#) and new programs such as the [Cornelia Program](#) and the Better Health and Housing Program, given they offer time-limited stays.

⁵ Batterham, D., Tually, S., Coram, V., McKinley, K., Kolar, V., McNelis, S. and Goodwin-Smith, I. (2023) Crisis accommodation in Australia: now and for the future, AHURI Final Report No. 407, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/407>, doi: 10.18408/ahuri5126801.

We need crisis accommodation for other groups as well.

Findings from Batterham et al. (2023) indicated that there is a shortage of crisis accommodation and transitional housing relative to demand across all cohorts accessing SHS. In particular, Launch Housing urges the inclusion of crisis and transitional accommodation for other groups, including single adults and couples.

Separately, are the definitions of the cohorts of women and children, and youth appropriate?

Item 7, Subsection 21A(6): Most of Launch Housing’s clients who are women, children and youth have experienced family violence at some point. Therefore, we recommend clarifying the tense used in the definition. It currently talks about “experiences” at one point in time but should be modified to make clear “experiences or has experienced” to make clear it is not just those at *current* risk from family and domestic violence, but also those still dealing with the resulting trauma.

3. Eligible Project Proponents

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 list of eligible project proponents omits Aboriginal Community-Controlled Organisations (ACCOs), who play a fundamental role in delivering housing for their communities. If ACCOs would likely partner with a registered community housing provider (CHP), this should be outlined as an option to make it clear that a partnership between these organisations is a viable pathway.

There is also no specific mention of domestic and family violence, and / or youth support services. Similarly, if there is an assumption that these service providers would partner with a CHP, this should be outlined as an option to make it clear that a partnership between these organisations is a viable pathway.

The current NHIF includes utility providers as an eligible project proponent but is excluded in the explanatory statement. Launch Housing discourages the use of utility providers for this function, and instead suggest they are removed to facilitate extra funding for registered community housing providers who are better placed to deliver crisis and transitional accommodation. Growth Area Infrastructure Contributions could be used for this where development is occurring in the urban growth areas.

4. Funding mix for the additional \$1 billion

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

Capital grants are the preferred project financing options, though these should not be limited to small, registered housing agencies (RHAs) and ACCOs. The sector more broadly needs capital grants particularly for crisis, transitional and supported accommodation. The financial models for crisis, transitional and supportive housing are substantially different to social housing. For example, residents in crisis accommodation don’t pay rent, instead paying a co-contribution or service fee. This makes the funding model unsustainable using Availability Contributions (coupled with concessional loans) as these require RHAs to take out significant debt.

5. Time limited state and territory funding allocations

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?

Benefits

Assuming sufficient lead time, time limits would enable RHPs to identify potential sites, establish partnerships, and prepare detailed project proposals that provide delivery certainty for government and price certainty for the RHA. This scenario would also provide greater clarity and certainty for project partners (e.g. private developers and vendors) to anticipate the amount of time required prior to funding approval and settlement.

Time limits enable shovel-ready projects to be submitted and evaluated on a rolling basis throughout the year, reducing time to completion and delivering housing faster.

Adverse Consequences

Reasonable timelines facilitate decision-making and reduce analysis-paralysis. If RHAs are given too much time (i.e. take 6 months to prepare a proposal in the hopes of making it perfect) it slows down delivery. Similarly, if tenders aren't evaluated on an ongoing basis throughout the 12 months, it will create a backlog of supply and further delay delivery of critical housing. In areas where RHAs don't have the same capability to submit funding applications and deliver housing as other states and territories (e.g. Victoria has significantly benefitted from the Big Housing Build), the funds could end up being inequitably distributed after the 12-month period, meaning the cohorts who most need housing won't receive it.

Conclusion

Launch Housing supports these legislative amendments to make more dedicated funding available for crisis and transitional housing for children, women and young people. However, careful consideration should be given around some of the detailed definitions within the amendments. Long-term housing is also required as an accompaniment to any crisis or transitional housing, otherwise renters will be more likely to cycle through homelessness without a long-term home. We should also be considering other high-needs cohorts and ensuring there is a link to support dollars.