

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.

My Foundations Youth Housing (MFYH) are pleased to submit our submission regarding the \$1 billion increase to the National Housing Infrastructure Facility. We would welcome the opportunity to expand on our recommendations, or further discuss our proposals in this area.

MFYH is a Nationally Registered Community Housing provider focused exclusively on the housing needs of Young Australians, particularly those who have experienced homelessness.

We will therefore focus our submission on unaccompanied young people, although noting that a third of the young people presenting alone to SHS services also report having been impacted by domestic and family violence.

There is then significant cross-over between the two cohorts.

Please do not hesitate to contact me directly should you wish to discuss the issues raised herein.

I can be contacted on 0411 121 026 or rebecca.mullins@mfyh.org.au

Yours sincerely,



Rebecca Mullins
CEO

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?

There is significant merit in investing additional funding toward crisis and transitional housing, though we would argue that in the case of unaccompanied young people, the vast majority of the funding would be better spent at the transitional end of the spectrum.

Funding for further youth crisis accommodation should be targeted at areas where no current crisis service exists; or where the need can be clearly demonstrated for the expansion of an existing service.

By focusing on developing more transitional housing, the human bottleneck that occurs in crisis services currently – where too many young people have nowhere to go post-crisis - would be significantly relieved. This in turn will create more opportunity for young people needing to access the current crisis service.

Young people presenting alone account for some 15% of homeless clients of SHS agencies meaning young people have the highest rate of homelessness compared to all other age cohorts.

They also have the lowest income of any group – whether employed or on a statutory income - making them least able to afford the private market; and they are largely ignored by both government and community housing providers, receiving less than 3% of all social housing tenancies. This is in stark contrast to their relative vulnerability compared to adult and family cohorts and their inability to resolve their own housing need due to their limited income.

This funding is a once in a generation opportunity to finally and belatedly begin to ensure that young people who are experiencing homelessness can be provided supported transitional housing in their community that meets their personal and developmental needs and aspirations.

The Home Time Campaign, of which we are a supporter, has demonstrated that Australia's homeless youth require an extra 15,000 tenancies across the country.

While acknowledging that \$1b is a significant investment, even if all of it was spent on young people it would fall well short on delivering 15000 new homes. We therefore hope it will be considered a downpayment and the first of many steps to ensure young people can be safely housed and supported if and when they experience homelessness.

The personal, economic and opportunity cost of not doing so is far too great.

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?

Definition of Youth

MFYH supports an age definition of youth being aged 16-25 but acknowledge that the prevailing sector view is 16-24.

Definition of Transitional Housing:

If we were forced to choose a time limit, then we would support the definition provided by UpStream Australia in their submission, which says “Transitional Housing should be defined as *supported medium (2 years) to long-term (up to 5 years) transitional community housing* rather than reproducing the existing transitional housing within the crisis system”.

WE also agree with UpStream that “Supported housing funded under the NHIF should be aligned with existing crisis accommodation to provide new infrastructure for local system SHS exit pathways”.

We though believe transitional housing must be flexible to the needs of the person being offered it and while it cannot be permanent housing, it should be flexible enough to meet the presenting need. It is also important that agencies be able to innovate and develop new offerings that meet the needs of their communities.

The most important feature of Transitional Housing for young people is that it support the young person’s own transition to adulthood and independence. This process is not necessarily linear and therefore flexibility is required.

Eligibility for Youth in Transitional Housing

Young people who have been homeless and in crisis accommodation or young people at imminent risk of homelessness who become clients of a crisis service and for whom reconciliation with family or private rental accommodation is not an available nor realistic option.

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?

We believe the existing list of proponents is correct but would argue the following two significant adjustments should be made to ensure that young people housed under this funding stream receive housing that is developed specifically for their needs and is safe, supported and affordable for them.

1. Non-Government project proponents should be exclusively not-for-profit organisations

Having established that young people have the lowest incomes of any group to be housed, there simply is no good argument to provide Government funding to companies that will be expected to make a profit on the rents paid by young people.

Having delivered social housing to thousands of young people, MFYH can confirm that the operational margins are thin at best. There is significant risk that For-Profit providers might be tempted to cut corners in maintenance and/or choose tenants based on who can pay more rather than on their assessed level of need.

2. Include a secondary aim to build the capacity and scale of the youth housing sector

With a track record of accommodating vulnerable young people and a capacity to work in locations of need in partnership with existing youth crisis services, current youth housing providers should be prioritised over mainstream community housing providers.

There are many areas where an existing youth housing provider does not exist and we therefore do not propose that mainstream providers be excluded. We would however like to see all proponents be required to demonstrate their prior experience in housing and maintaining tenancies for vulnerable young people. We should also be required to demonstrate partnerships with youth services that can support our tenants.

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 welcome the decision to award 70% of the funding through grants, with 30% provided in concessional loans.

Concessional loans will be appropriate for providers offering housing to Women and Children escaping domestic violence and to providers who wish to deliver Affordable Housing alongside their youth or DV Transitional Housing offering.

Young people's limited incomes however mean that providers housing young people in transitional housing are unlikely to be able to earn enough income from the properties to service even a concessional loan.

On top of this, the cohort of Women and Children escaping DV will benefit from other funding streams such as the Housing Australia Future Fund (HAFF).

For this reason, we believe the lion's share of the \$1b should be awarded to providers committed to housing young people.

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 suggest a revised 24-month time limit be applied rather than 12-months to ensure the necessary development and ongoing support partnerships can be developed to ensure successful delivery of properties and to promote sustainable tenancies and positive client outcomes.