

Response to Housing Australia Investment Mandate Direction 2018 and associated policy parameters

September 2024

Mission Australia welcomed the Federal Budget announcement of a \$1 billion increase to the National Housing Infrastructure Facility (NHIF), targeted to crisis and transitional accommodation for women and children experiencing domestic and family violence (DFV), and youth. We are pleased to take this opportunity to provide feedback on the draft amendments to the *Housing Australia Investment Mandate Direction 2018* and Explanatory Statement. Our response is structured according to the questions contained in the Policy Paper provided with this consultation process and informed by a combination of research and insights from our housing and service provision and policy advocacy.

Mission Australia is an organisation dedicated to ending homelessness and ensuring that people and communities in need can thrive. We deliver over 460 programs and services across Australia, in many areas including homelessness, housing, strengthening communities, children and families, youth, employment and disability. Mission Australia Housing is a Registered Tier 1 Community Housing Provider.

Consultation questions

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?

Crisis and transitional accommodation models fulfill two roles within the Australian housing and homelessness system. First, a relatively small number of modern fit-for-purpose crisis and transitional accommodation facilities will always be required to cater for the small subset of people experiencing homelessness who need some short-term support before they are ready to move into their own long-term independent housing with or without support delivered into their own home. This subset can include people:

1. escaping DFV and needing an accommodation-based crisis response; that is, in immediate danger and urgently needing a safe place until their existing home is made safe or a new long-term home is organised. It is important to note that this is only a subset of people experiencing DFV, as many do not need an accommodation-based crisis response and can resolve their housing situation themselves;
2. needing assistance to apply for private or social housing, for example to obtain identification or other documents, and with nowhere else to live in the meantime; and

3. requiring support to learn to live independently, for example people who must learn about rental payment arrangements, property care and self-sufficient living skills. This applies particularly to young people, most of whom cannot be expected to live independently without support.

The second role is a consequence of the housing emergency, which has crisis and transitional accommodation models at present becoming a necessary default for people facing homelessness who do not fall into the above three categories. Such people are capable of moving directly into long-term private rental or social housing but, because there are no vacancies, they must enter temporary accommodation or be homeless. Given the significant shortage of longer-term housing, crisis and transitional accommodation facilities which were originally designed for short stays now largely function as long-term stays for a broad cohort that don't require crisis support. For example, some of Mission Australia's crisis and transitional accommodation facilities which were designed for stays of up to three months have seen people staying for over two years due to a complete lack of exit options. This "bed block" situation has serious consequences:

- people able to live independently remain in "limbo" in temporary accommodation, unable to settle into a community where they would make their home, social connections, find employment, etc and progress with their lives; this situation is particularly dire for children and young people, as they are often unable or unwilling to attend school knowing it is for an uncertain period; and
- as crisis and transitional accommodation facilities are always full, with a high proportion of people who don't need to be there, they don't have beds for people in crisis requiring immediate accommodation; Mission Australia and other providers are unfortunately having to turn people away at an unprecedented rate.

Implications of this for NHIF design

This issue will not be solved by more crisis and transitional accommodation. "Bed block" will continue to occur until the undersupply of affordable, long-term housing options is remedied. Instead, there is an urgent need to invest in dedicated medium- to longer-term housing both for young people and for women and children escaping violence. This will directly assist the people housed and also address bottlenecks in the housing/homelessness system by freeing up existing crisis accommodation.

Therefore, it makes more sense from an overall system design perspective for NHIF to **target investment towards crisis and transitional facilities for people in the above-listed three subsets in proportion to the numbers of such people in each cohort** (rather than in relation to the numbers of people currently in and seeking to enter such facilities).

There are no accurate data on the numbers of people falling into subset 1, experiencing DFV and requiring an accommodation-based crisis response, as current demand for DFV facilities is confused by the "bed block" situation. That is, many of the people currently living in or seeking access to crisis and transitional DFV accommodation could be successfully supported in safe long-term housing, if that were available to them.

In contrast, unaccompanied young people experiencing or at imminent risk of homelessness, who make up part of subset 3, are a special case. Due to their developmental stage, many young people are more appropriate candidates for flexible medium-term housing. The largely adultified housing/homelessness system is not designed with their needs in mind and as a result poorly caters to them without targeted policy attention and investment.

Given young people's lack of rental and employment history, discrimination and stigma in the market, low priority status for social housing allocations and limited economic security (savings, employability, etc.), long-term housing solutions that aren't youth-specific are difficult for young people to access or maintain.

Very few funding streams are available for youth housing, in comparison to Federal, State and Territory Governments' programs aimed at women and children experiencing DFV and requiring an accommodation-based crisis response. Further, construction and operation of youth-specific housing is heavily disincentivised by young people's extremely low income support levels, lack of family benefits and inability to access full Commonwealth Rent Assistance – which create significantly lower rental revenue streams than those applying to people experiencing DFV.

In addition, the avoided cost benefits of youth housing are likely to be significantly higher than those of DFV crisis and transitional accommodation. For example, Accenture Economic Insights found that every dollar invested by governments in a Youth Foyer generates an additional \$6 in benefits; demonstrating \$172,000 in savings to governments per person via reductions in housing, health, welfare, and justice costs throughout a young person's life while creating on average \$84,000 in benefits for the Federal Government, via taxation uplifts, welfare and federal health savings.¹

Youth housing models

Ideally, all children and young people can live safely with their families or kin; this sometimes requires prevention assistance in the form of parenting support, family counselling, family reunification programs and services like the Federally-funded Reconnect program. Where it's not possible for families or kin groups to live safely together, children and some young people enter the out-of-home care (OOHC) system.

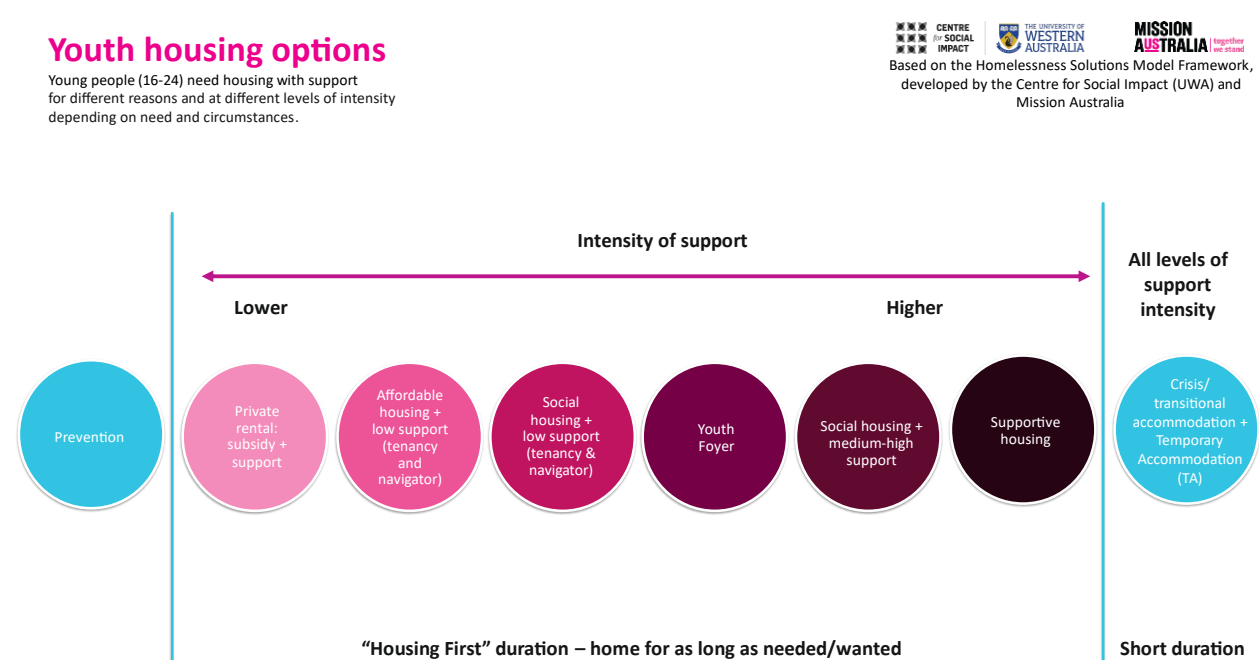
However, some young people, often those aged between 16 and 24, want and are able to live in a semi-independent housing setting, rather than with a foster family or in a residential OOHC setting. The cohort of OOHC leavers are at particularly high risk of homelessness and special attention must be paid to exiting-care policies and practices as a homelessness prevention measure.

The diagram below demonstrates the variety of youth housing-and-support models: a mix of mainstream private, social and affordable housing options with supports, through to supportive housing of a temporary or permanent nature (of which Youth Foyers is a youth-specific model).

¹ See: [Under One Roof - the social and economic impact of Youth Foyers by Accenture - The Foyer Foundation](#)

The unique life stage circumstance of unaccompanied young people requires funding of tailored housing models with support and flexible length of stays. Mission Australia strongly urges that consideration be given to the merit of having youth-specific housing options (which may be transitional or permanent) as part of the eligible targeted funds in the Housing Australia Investment Mandate Direction 2018.

Diagram 1. Youth housing options



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While all unaccompanied young people experiencing or at imminent risk of homelessness need at least medium-term housing, their support needs vary significantly. **The NHIF is well-suited to underpin the development of a wide range of housing models to meet these diverse support needs**, including: Youth Foyers for young people ready for education or employment; specialist models for young people with higher-intensity support needs such as high-level mental health or trauma-induced behavioural issues; models designed for First Nations youth; and models specifically catering for young people with physical disability.

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?

Mission Australia agrees with the response and recommendations provided by the submission of Home Time (Community Housing Industry Association, Homelessness Australia and Melbourne City Mission) around definitions, which we replicate below:

We support the definition of ‘youth’ as being a person aged 16 to 24 years who is experiencing domestic violence, or who is 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.*

We also note that the FoyerInvest submission has made a similar point in regard to flexibility in length of stay, also noting it is a critical element for effective youth housing options.

Additionally, we want to flag the need to clarify that investment is targeted towards young people on *low incomes*. We note the Government’s stated intention in the recent Federal Budget, but to date with no further detail, to “*implement regulatory requirements to ensure public universities provide more purpose-built student accommodation. The Government will consult on the details of these requirements and transition arrangements prior to commencement. This will help increase the supply of student accommodation for all students and will ease pressure on the private rental market.*” It should be explicit that the NHIF is not in scope to pursue this policy objective, given the resources and means available to the university sector and private developers that specialise in purpose-built student accommodation.

Finally, it is important to be mindful that expected lengths of stay vary across States and Territories. Generally, crisis accommodation was designed for three month stays and transitional accommodation was designed for stays of 12-18 months. But as discussed in Question 1, in the context of the housing emergency this becomes flexible and often meaningless when people have no housing exit options; therefore, any intentional or unintentional limit on length of stay in the Investment Mandate should be avoided. This is captured in AHURI research in the table below that looks at what works for crisis accommodation with relevant points bolded for reference.

Table 1: Elements that work and don't work in crisis accommodation²

What works	What doesn't work
<ul style="list-style-type: none"> - Flexible length of stay. - Well trained and supportive staff. - Staff with lived experience and Aboriginal workers to support cultural safety. - Trauma-informed care. - Support for a broad range of needs. - A built form that is trauma-informed. - Accommodation should be self-contained with kitchen facilities and private bathrooms, and pet friendly. - Aftercare provided once in long-term housing to ensure tenancy sustainment. 	<ul style="list-style-type: none"> - Poor quality accommodation. - Lack of respect or negative judgement from staff. - Services or environments that are unsafe. - Excessive house rules or a complete lack of rules. - Unreasonable conditions to search for housing options which are not available. - Unaffordable co-contributions to crisis accommodation. - Short stays without support (especially in purchased accommodation). - Short stays with no pathways to long-term housing or ongoing support.

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?

Mission Australia endorses the response provided by the Home Time submission for question 3.

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?

Mission Australia endorses the response provided by the Home Time submission for question 4.

In particular, we emphasise the recommendation that the NHIF design should include a floor for the numbers of youth housing units generated. As explained in our response to Question 1, government investment in youth housing has policy advantages compared to DFV crisis and transitional accommodation facilities, because in comparison to that cohort:

- young people are appropriate candidates for medium-term supported housing;
- their other housing options are severely circumscribed by their circumstances (lack of rental and employment history, discrimination, etc);
- very few funding streams are available for youth housing;

² See: Batterham, D., Tually, S., Coram, V., Mckinley, K., Kolar, V., Housing, L., Mcnelis, S., & Goodwin-smith, I. (2023). Crisis accommodation in Australia : now and for the future (Issue 407). <https://doi.org/10.18408/ahuri5126801>.

- construction and operation of youth-specific housing is heavily disincentivised by their extremely low incomes; and
- the avoided cost benefits of youth housing are comparatively high.

We also support the recommendation that assessment of “value for money” in NHIF applications should not be limited to subsidy cost per unit, but rather should encompass analysis of outcomes to be achieved through the supported youth housing model. One key outcome could be the evidence-based likelihood of young people’s ability to sustain tenancies after exiting the medium-term facility. Mission Australia would be pleased to comment further on appropriate outcome-setting and measurement based on our holistic Monitoring and Evaluation and Learning (MEL) framework for supported housing and homelessness services.

This MEL framework is used to monitor Mission Australia’s supported housing and homelessness services’ inputs, activities, outputs and outcomes, using data linked from our client information systems and Impact Measurement surveys (which use the validated Personal Wellbeing Index³). What this looks like for our homelessness and supported housing services is provided in the table below.

Table 2: Homelessness and Stable Housing Support outcome domains and headline indicators

Outcome	Our impact	What we measure
 <p>SAFE HOUSING</p>	<p>People have a long-term affordable home, enough money to meet their needs and the skills and resources to keep their housing.</p>	<ul style="list-style-type: none"> • Number of people experiencing homelessness who are not homeless at exit • Number of people who are at risk of homelessness who maintain their housing • Increased satisfaction with standard of living • Number of people whose tenancy support needs are met • Number of people who are living in housing that meets their needs
 <p>HEALTH & WELLBEING</p>	<p>People feel safe at home and in the community, have healthy relationships and good physical health and wellbeing.</p>	<ul style="list-style-type: none"> • Increased satisfaction with safety • Increased satisfaction with health • Increased satisfaction with overall wellbeing • Increased satisfaction with personal relationships
 <p>SUPPORT AND CONNECTIONS</p>	<p>People have access to supports when they need it and are happy with their connections to community.</p>	<ul style="list-style-type: none"> • Number of people who can find support when needed • Number of people who received community and/or service linkage support • Increased satisfaction with community connections
 <p>INDEPENDENCE</p>	<p>People feel in control of their lives, set and achieve their own goals and have the opportunity to connect with education and employment.</p>	<ul style="list-style-type: none"> • Increased satisfaction with future security • Number of people who feel more in control of their life • Number of people who exit with goals achieved • Increased satisfaction with achievement in life • Number of people with goals who are engaged in education or employment

³ See: International Wellbeing Group (2013). Personal Wellbeing Index: 5th Edition. Melbourne: Australia Centre on Quality of Life, Deakin University, www.acqol.com.au/instruments#measures.

As the Home Time submission notes: *“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.”* As already mentioned in Question 1, the lack of investment and disincentives due to the limited rental income revenue that young people bring in, is even more acute towards the more supportive end of the youth housing spectrum. The combination of expensive housing builds that are therapeutically designed with high level 24/7 onsite support for residents with highly complex needs (e.g. significant disability, mental health, behavioural issues) which require intensive support makes it prohibitive to establish and operate without considerable government support. It would be a poor policy result if the NHIF did not strategically fund housing for young people with higher complexity of need, given the barriers they face in accessing suitable housing, and the greater outcomes than can be achieved for the individual and community (in reduced costly contact with other government systems and services – emergency departments, ambulance services, police and courts, etc.) when the right care and support environment is provided.

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

Mission Australia endorses the response provided by the Home Time submission for question 5.

For further information on this submission please feel free to contact:

Marion Bennett
Executive, Practice, Evidence and Impact
BennettMa@missionaustralia.com.au
0414 609 273