



\$1 billion increase to the National Housing Infrastructure Facility

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Executive Summary

YWCA Australia (YWCA) welcomes the Federal Government's \$1 billion increase to the National Housing Infrastructure Facility (NHIF), specifically targeting crisis and transitional accommodation for women, children, and youth. This investment has the potential to significantly improve housing security and safety for these priority cohorts, who face distinct barriers to stable and affordable housing due to a range of intersecting challenges.

To maximize the impact of this funding, YWCA recommends addressing several key areas. These include clarifying the definitions of crisis and transitional accommodation, recognizing the unique challenges of delivering these housing solutions in non-urban areas, refining the concept of value for money, and integrating gender-responsive housing design principles to better support women and families affected by domestic and family violence. With careful design and implementation, this funding can meet the high demand for housing among these cohorts and deliver meaningful, lasting outcomes.

Consultation Questions

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?

We welcome the targeted funding for crisis and transitional accommodation, as it directly addresses the urgent needs of women and youth in crisis situations, such as those fleeing domestic violence and/or experiencing or at risk of experiencing homelessness. The additional \$1 billion to increase the NHIF is crucial for providing immediate safety and stabilisation, while also strengthening the broader housing ecosystem by adding to the suite of existing social and affordable housing initiatives.

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?

Subsection 21A (4) defines 'crisis and transitional housing' as short-term housing provided for women, children, or youth experiencing family and domestic violence, homelessness, or who are at risk of homelessness. While this definition identifies the target cohorts, further detail is required to clarify the distinct roles and characteristics of crisis and transitional housing.

Crisis and transitional accommodation are different housing typologies that sit outside non-market housing typologies and adjunct to what is typically considered social or public housing. Both are temporary solutions but differ significantly in terms of length of stay and the level of support provided.

- Crisis accommodation is designed for immediate, short-term housing to address urgent safety and housing needs, typically for stays ranging from days to weeks. It often involves high-intensity support services, and clients may not be required to contribute to housing costs or enter into formal tenancy agreements.
- Transitional accommodation, on the other hand, is medium-term housing, generally intended for stays of six months to two years. It serves as a bridge between crisis housing and long-term housing options, offering structured support programs such as case management. Depending on jurisdictional policies, tenants may contribute to housing costs and enter into lease agreements.

Neither crisis nor transitional accommodation is considered "affordable housing" in the traditional sense, as both are designed to provide short- and medium-term support rather than long-term housing solutions. These typologies must be understood as integral parts of a service system aimed at supporting residents toward longer term housing.

Recommendation

We recommend clearly distinguishing crisis accommodation as short-term and transitional accommodation as medium-term in the Mandate. This distinction better aligns with industry standard and acknowledges the different roles these typologies play in addressing housing insecurity.

Both types of accommodation should be delivered within appropriate service systems, such as Specialist Homelessness Services (SHS) and Domestic and Family Violence (DFV) services, to ensure that residents receive the necessary support. These systems should also coordinate with additional services, such as mental health, employment, and family support, to create comprehensive pathways out of homelessness.

Clarification on Investment Intentions

The Investment Mandate should provide clear guidance on whether investments are intended to support the construction of new crisis and transitional housing or the refurbishment of existing stock. To avoid ambiguity, it is recommended that the Mandate explicitly state that a crisis and transitional housing project may also include other forms of housing, provided that a portion of the project is dedicated to crisis and transitional accommodation. In such cases, funding should be allocated based on the proportion of new crisis and transitional housing delivered within the broader project. This approach aligns with existing funding practices under the Housing Australia Future Fund and the National Housing Accord Facility (Parts 4A and 4B of the Investment Mandate).

Lastly, we also strongly recommend that the Mandate specifically address the inclusion of culturally appropriate housing solutions for Aboriginal and Torres Strait Islander women, children, and youth, who are disproportionately impacted by housing insecurity. Projects benefiting these groups should be prioritised, potentially through targeted funding incentives or specific allocation within the broader funding framework.

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 current list of eligible project proponents for the NHIF (Critical Infrastructure) and NHIF (Social and Affordable Housing) is largely appropriate for the proposed expansion to include crisis and transitional accommodation. Key entities, such as registered community housing providers, are critical to delivering successful projects. Their expertise in housing development, management, and tenancy support is vital for ensuring that crisis and transitional housing meets the required standards and responds effectively to the needs of target cohorts.

However, there is an opportunity to enhance the breadth and impact of the NHIF by expanding the list of eligible proponents to include non-profit organisations and charities that work directly with at-risk populations—such as victim/survivors of domestic and family violence, youth at risk of homelessness. These organisations bring specific expertise in trauma-informed care, case management, and wraparound services, which are essential components of effective crisis and transitional accommodation. By allowing these entities to act as proponents or project partners, the NHIF can leverage their on-the-ground experience and ensure that housing solutions are closely integrated with the necessary support services.

To ensure that NHIF-funded projects achieve their intended outcomes, project proponents should be required to demonstrate how support services will be provided alongside housing. Crisis and transitional accommodation, by definition, necessitates not just short- and medium-term housing but also access to specialist support systems that can help occupants transition to long-term stability.

Key considerations should include: -

- **Support Service Integration**

Proponents ought to demonstrate, as part of the procurement process, that adequate support services are in place for the target cohorts, including partnerships with specialist service providers. The requirement for integrated support should be clearly articulated in project proposals to prevent funding being allocated to projects that lack a clear pathway for delivering necessary services.

- **Alignment with Existing Service Systems**

Projects should also illustrate how they integrate with or complement existing service systems, such as Specialist Homelessness Services (SHS) and Domestic and Family Violence (DFV) systems, within the relevant jurisdiction. Given the critical role that these systems play in supporting crisis and transitional accommodation, ensuring alignment with them will prevent duplication of efforts and enhance the overall effectiveness of the housing response.

Recommendation

We recommend expanding eligibility to include registered charities and non-profits that have demonstrated expertise in supporting housing-insecure populations, particularly those focused on domestic and family violence, youth homelessness, and other relevant at-risk groups. This expansion will encourage innovative, community-driven solutions and diversify the pool of eligible project proponents.

Furthermore, the procurement process should require proponents to provide evidence of:

- How support services will be integrated into the housing project, whether through existing programs or partnerships with specialist service providers.
- How the project will interrelate or integrate with the jurisdiction's existing service systems (e.g., SHS/DFV services) to ensure that residents receive the comprehensive care needed to transition from crisis to long-term housing.

This approach will ensure that NHIF funding is targeted not only at increasing housing stock but also at addressing the complex support needs of women and children experiencing domestic and family violence and youth, thereby delivering more holistic and sustainable outcomes.

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

The proposed funding mix of \$700 million in capital grants and \$300 million in concessional loans offers significant flexibility for project proponents in structuring their finance strategies. This blend of financing instruments enables proponents, particularly community housing providers, to better tailor funding to the unique needs of their projects.

The availability of upfront capital through the \$700 million in grants is crucial, particularly for crisis accommodation projects that often require substantial initial investment to cover construction costs and ensure immediate viability. The flexibility to structure financing as a mix of grants and loans—or to opt for one or the other—ensures that projects can adapt to different financial constraints, such as high construction costs in non-urban areas where market valuations are lower and borrowing capacity is limited. This makes the grants a key component for financial sustainability, particularly in regions where access to private financing may be challenging.

The proportionality of the 70/30 split between grants and concessional loans is an effective framework however proponents should not be bound to an exact 70/30 mix for each project, allowing for the possibility of applying for only grants or only loans, depending on the specific needs and viability of the project. This flexibility in financing will enable more diverse and innovative solutions, accommodating projects that might rely more heavily on one form of funding than the other.

For example, in regional areas, the high costs of construction combined with low market values make capital grants indispensable for making projects viable. Concessional loans can play a complementary role in these projects, but the grants will often be the primary source of funding to bridge the financial gap. At the same time, in more urban areas where market valuations are higher, proponents might find that concessional loans provide a larger portion of the financing mix, allowing them to stretch grant funding further.

In addition to financial structuring, it is important to consider the design needs specific to the cohorts identified when determining value for money. For example, the scale and density of two-bedroom transitional homes in a regional setting may meet basic value-for-money criteria but fail to adequately address the specific needs of groups such as families fleeing domestic violence or youth at risk of homelessness. Therefore, the value-for-money assessment should extend beyond financial efficiency and include outcomes that reflect the long-term impact on housing security and wellbeing for these cohorts.

In conclusion, the flexible mix of grants and concessional loans allows for tailored financial solutions that meet the unique challenges of crisis and transitional housing projects. Ensuring that the 70/30 split is not rigidly enforced and that value-for-money criteria reflect both financial and social outcomes will better serve the needs of the identified cohorts and lead to more sustainable housing solutions.

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?

Imposing a 12-month time limit on state and territory funding allocations could help prioritise shovel-ready projects, speeding up the delivery of crisis and transitional housing where it's needed most. This urgency would encourage proponents to focus on projects that are ready to begin immediately, helping to address housing shortages more quickly.

However, there are potential unintended consequences of such a time limit, particularly for regional, rural and remote areas. These regions often face higher operating costs and longer project timelines due to logistical challenges and supply constraints. As a result, the time limit may disproportionately favour urban or more developed regions, where projects can be implemented more quickly and with fewer cost barriers.

To avoid this outcome, it's important to build in mechanisms that ensure rural and remote areas are not disadvantaged. This could include establishing specific regional targets or offering additional financial support to project proponents to help offset the higher costs of operating in these environments.

In summary, while a 12-month time limit could accelerate housing projects, it is crucial to ensure that regional, rural and remote areas are not left behind due to higher costs and operational challenges. Setting regional targets and linking incentive payments or additional financial supports to project proponents delivering in these locations will ensure the funding delivers equitable and sustainable housing solutions for all.

Additional Considerations

While some of these suggestions may extend beyond the immediate scope of this consultation, they are offered as value-added recommendations to support the implementation of the Investment Mandate, the development of funding guidelines, and future policy considerations.

Gender Responsive Housing Design

- Gender-responsive housing design should be a key consideration when assessing applications to ensure that housing projects meet the specific needs of women and children experiencing domestic and family violence.
- Including gender-responsive design principles in NHIF-funded projects will prioritise safety, accessibility, and the overall wellbeing of women and children.
- We recommend adopting YWCA's Women's Housing Framework as an assessment tool to ensure that projects follow best practices in gender-responsive housing design.

Critical Services and Supports

- Critical services and supports must be integrated into crisis and transitional housing to provide women and children with the necessary resources to transition to stable, long-term housing.
- We recommend that NHIF-funded projects include funding or access to additional resources for these essential services. We urge a commitment to coordinating efforts with agencies responsible for delivering funding for such services and supports to ensure they are linked to delivering these projects.
- We advocate for a supplementary funding envelope to deliver services and supports for tenants with complex needs. This is essential to ensure that housing projects not only provide shelter but also serve as a pathway to long-term stability.

Ensure Robust Monitoring and Evaluation Frameworks

- The effectiveness of NHIF-funded projects must be measured not only by the number of housing units delivered but also by the quality of outcomes for women and children, including safety and long-term stability.
- We call for a robust monitoring and evaluation framework that includes gender specific metrics, ensuring accountability and continuous improvement in housing outcomes.

Conclusion

YWCA Australia supports the Federal Government's efforts to increase the NHIF to address the urgent need for crisis and transitional accommodation for women, children, and youth. However, to ensure the funding is effective and equitable, we urge Treasury to consider the recommendations outlined in this submission. By addressing the unique challenges of building in regional areas, broadening the definition of value for money, and integrating gender responsive design principles, the NHIF can deliver meaningful and lasting outcomes for those most in need.

About YWCA Australia

Safe, Secure and Affordable Housing

- We are the only national housing provider for women and gender diverse people in Australia providing safe, secure, and affordable housing solutions to those that need it most.
- We are a trusted and registered Tier 2 Community Housing Provider working closely with government to deliver more social and affordable housing for women and gender diverse people.
- We build, buy, and manage housing properties and implement gendered housing solutions informed by our Women's Housing Framework.
- We know access to safe, secure, and affordable housing is central to achieving gender equality in Australia which is why we advocate for more affordable housing for women and gender diverse people to all levels of government.

Evidence-Based Services and Programs

- We provide tailored services and programs to support women and gender diverse people to end homelessness and housing insecurity, including domestic and family violence services.
- We deliver evidence-based services and programs to tackle the underlying gendered drivers of housing insecurity and homelessness and ensure stable housing outcomes.
- Our gender-responsive service model is scalable and can be localised and tailored to partner with government public housing, private rental, or existing Community Housing Providers for an integrated solution.
- By investing in and working with specialist organisations to design and implement more gender-responsive homelessness and housing support programs, we can end homelessness for women and gender diverse people.

Leadership and Advocacy

- We have a long and proud history of advocacy led and informed by young women and gender diverse people.
- We know the importance of involving young women, gender diverse people, and those with lived experience in shaping the policies that directly impact them.
- That is why we have made young women's leadership and women's housing our priority for gender equity in Australia.
- Through our Young Women's Council and Lived Experience Leadership Pathways, our priorities are guided by the expertise of those who have a stake in shaping tomorrow.