

Dear Treasurer,

RE: 2023-24 Pre-Budget Submissions

Thank you for the opportunity to provide a submission regarding the Australian Government's 2023-24 Budget.

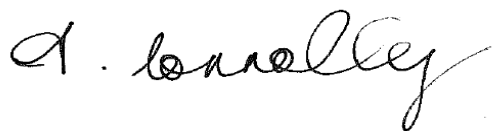
For over 40 years, Yfoundations has served as the NSW peak body advocating for children and young people at risk of and experiencing homelessness, and the services that support them. Our members and board comprise highly experienced youth specialist homelessness services (SHS) providers who have direct knowledge of and experience with the issues children and young people experiencing or at risk of homelessness face. We are also the only peak body representing this cohort nationally.

Summary of recommendations

1. Fund the design and delivery of an Engagement Plan to inform a future Child and Youth Homelessness and Housing Strategy
2. Recognise and fund responses for unaccompanied children and young people experiencing domestic, family and sexual violence alone within Action Plans under the National Plan to End Violence Against Women and Children
3. Commit to fund the Equal Remuneration Order (ERO) by February 2023, and review indexation to ensure funding keeps pace with the real costs of homelessness service delivery
4. Lift Youth Allowance to at least \$73 a day and Commonwealth Rent Assistance by 50%, to accurately reflect both the rising cost-of-living and current housing crises.

We welcome the opportunity to provide this submission. Please contact Trish Connolly, CEO Yfoundations at trish@yfoundations.org.au should you wish to discuss any element of our submission further.

Yours Sincerely,



Trish Connolly
CEO Yfoundations

Recommendation 1: *Fund the design and delivery of an Engagement Plan to inform a future Child and Youth Homelessness and Housing Strategy*

Homelessness continues to worsen for unaccompanied¹ children and young people. Concerningly, there is NO overarching strategy to combat and respond to this issue.

Ending child and youth homelessness will only be a reality if a clear, targeted and developmentally appropriate standalone Child and Youth Homelessness and Housing Strategy is developed.

The Australian Bureau of Statistics (ABS) 2016 Census data showed a 26% increase in homelessness over a 10-year period for 12 to 24-year-olds.² This number is estimated to increase in the 2021 Census data following the COVID-19 pandemic, natural disasters, and cost of living pressures.

The most recent Specialist Homelessness Services (SHS) data indicates that almost 40,000 children and young people aged 15 to 24 years presented alone to an SHS in 2021-22, representing the third largest client group.³

Despite being identified as a priority cohort in the National Housing and Homelessness Agreement (NHHA) under *NHHA Performance Indicator (i)*, there has been a steady rise in children and young people aged 25 years and younger experiencing persistent homelessness since 2019-20. Currently, 17,100 of this group experience persistent homelessness.⁴

The issue of unaccompanied child and youth (C&Y) homelessness has been sidelined for too long. There is a distinct and concerning absence of how we understand and respond to children and young people (C&YP) who are experiencing some of the most insidious, hidden, and dangerous forms and experiences of homelessness, including couch surfing, family violence, intimate partner violence, severe overcrowding and rough sleeping.

While we welcome the Australian Government's commitment to a National Housing and Homelessness Plan, subsuming C&YP into generic adult housing and homelessness responses, or including them as a priority cohort, is not enough. Ending C&Y homelessness will only be a reality if a clear, targeted and developmentally appropriate homelessness and housing strategy is initiated. We must stop the 'adultification' of C&YP in strategies and service responses whereby it is assumed that what works to address adult homelessness works for C&YP.

¹ When we refer to unaccompanied children and young people throughout the submission, we refer to those who present to specialist homelessness services (SHS) on their own or those who are experiencing or at risk of homelessness on their own.

² Australian Bureau of Statistics (2006). 'Census of Population and Housing.'

³ Australian Institute of Health and Welfare (2022). 'Specialist homelessness services annual report 2021-22': <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

⁴ Australian Institute of Health and Welfare (2022). Specialist homelessness services annual report 2021-22, 'National Housing and Homelessness Agreement Indicators': <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/national-housing-and-homelessness-agreement-indicators>

Previous government homelessness and strategies have limited funding and programs that target C&YP beyond those leaving Out of Home Care (OOHC) and Youth Justice settings; some early intervention initiatives such as Reconnect; and Foyer Models. This is evident throughout the NSW, ACT, Northern Territory and Victorian state and territory homelessness strategies. The Australian Government must recognise that responding to child and youth homelessness extends beyond these initiatives and commit to delivering a standalone National Child and Youth Homelessness and Housing Strategy.

Mackenzie et al⁵ estimated that in 2015 every young person experiencing homelessness costs the Australian health and justice systems \$17,868 per annum. This estimate does not include the cost of supported accommodation provided through the SHS system. These costs climb higher if we consider the lifelong impacts of youth homelessness - including disengagement from schooling, long-term unemployment, and chronic homelessness. A dedicated standalone strategy for C&YP at risk of or experiencing homelessness will allow the government to divert C&YP away from entering the homelessness system every year. By diverting just 5% of these C&YP, the Australian Government could save \$60m annually (at 2015)⁶.

Before devising any strategy, we must first better understand the causes, consequences and prevalence of C&Y homelessness in Australia. We need to interrogate, research, and develop a clear and concise understanding of the dominant forms of homelessness for C&YP, and the best practice approaches to tackle them.

The engagement plan will:

- undertake a desktop review of the existing research, evaluations, and other relevant material (i.e., podcasts, webinars, etc.), and produce a research synthesis to guide the engagement process,
- identify key experts to co-design and inform the development of any future strategy through various engagement mechanisms,
- establish a framework for the development of a steering committee to inform the development of the strategy and oversee its implementation, and
- provide a suite of recommendations for inclusion in the strategy.

We propose the following qualitative engagement mechanisms for the strategy framework:

- Focus groups
- Interviews - individual, small-group and in-depth
- Surveys
- Group workshops.

The engagement plan will also be informed by quantitative housing and homelessness data collected by the Australian Institute of Health and Welfare (AIHW) and Australian Bureau of Statistics (ABS) Census data.

As the only peak body dedicated to C&Y homelessness in Australia, Yfoundations is well positioned to lead on the design and delivery of this plan. Our CEO, Trish Connolly, has extensive experience in homelessness best practice approaches, stakeholder

⁵ Mackenzie et al (2016). *The cost of youth homelessness in Australia: Research brief*

⁶ Ibid

engagement, homelessness service system design and reform within different levels of government, non-government organisations and charities.

Execution of the plan will involve extensive consultation with a wide range of stakeholders. We have devised the following list of stakeholders, which is by no means an exhaustive list:

Stakeholder group	Engagement objective
Lived Experience Representative Group	To ensure any future strategy embeds the real experiences of C&YP and identify what approaches would have helped them to avoid or respond effectively to their experience of homelessness.
Economists	To gain an understanding of the costs and benefits (social and economic) that responding to C&Y homelessness has for governments and the community.
Housing and homelessness academics	To bring an established and extensive body of research and researchers into the process to inform the development of the strategy.
Housing and homelessness service providers - regional and metro	To embed a frontline perspective into any future strategy to understand existing practical skills and tools.
Peaks and other youth homelessness representative bodies	To unlock and leverage the wealth of experience and expertise in the C&Y homelessness and housing service system and policy environment held by peak bodies and their networks of member organisations.

We are calling on the Australian Government to fund an engagement plan to engage with C&Y homelessness experts and those with a lived experience to develop a framework for a standalone C&Y homelessness and housing strategy.

Budget Impact: *Approximately \$500,000. A breakdown of the budget can be provided on request.*

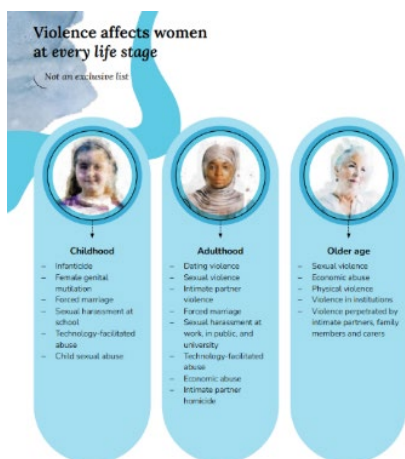
Recommendation 2: *Recognise and fund responses for unaccompanied children and young people experiencing domestic, family, and sexual violence alone within Action Plans under the National Plan to End Violence Against Women and Children*

The National Plan to End Violence against Women and Children (The National Plan) fails to acknowledge, explicitly define, and address the needs of the alarming number of children and young people who are unaccompanied or experience domestic, family and sexual violence (DFS) on their own.

The consistent oversight of this cohort only reinforces their belief that they are not victims/survivors of this DFS. This is evident in the below diagram on page 40 of The National Plan.

The National Plan to End Violence against Women and Children 2022–2032 (The National Plan) sets out a goal to end gender-based violence in one generation, with commitments across the four domains of prevention, early intervention, response, and recovery and healing. Encouragingly, The National Plan acknowledges C&YP experiencing DFSV as victim-survivors in their own right. While this is an important step away from viewing children as an appendage of their mothers or female carers, it fails to acknowledge, explicitly define and address the needs of C&YP who are unaccompanied or experiencing DFSV **on their own**.

Of C&YP presenting alone to SHS in 2021–22, 35% or over one in three of them experienced DFSV⁷. Anecdotally, Yfoundations’ members are telling us this number is closer to 80%-90% as C&YP often don’t view themselves as victim/survivors of DFSV and/or take time revealing the entirety of their situation to their caseworkers, meaning it might not be identified in the initial assessment.



The lack of recognition of this group in The National Plan is concerning and disappointing. This means C&YP who are unaccompanied or experiencing DFSV on their own will continue to not receive the same opportunities and responses that adult women and their accompanying children receive, which in turn will only continue to conceal the experiences of this cohort.

The execution of The National Plan will be outlined by 5-year Actions Plans, as well as a dedicated Aboriginal and Torres Strait Islander Action Plan. These Action Plans will detail the Australian, State and Territory governments investments towards its implementation.

⁷ Australian Institute of Health and Welfare (2022). *Specialist Homelessness Services Annual Report 2021-22*.

It is crucial that C&YP who are unaccompanied or experiencing DFSV on their own are identified as a priority cohort within these Action Plans so that appropriate investment can be made to reflect the needs of this cohort in the DFSV space.

The youth SHS sector is largely overlooked when funding opportunities for DFSV arise and, as such, Yfoundations is calling on the Australian Government to formally recognise C&YP who are unaccompanied or experiencing DFSV on their own in future Action Plans. The recognition of this group as a priority cohort would entail a significant monetary investment in supported accommodation and sector capacity building.

It is necessary that a portion of funding from the Action Plans is quarantined to support unaccompanied C&YP experiencing DFSV on their own. In undertaking a desktop review of specialist DFSV services and accommodation, we were unable to identify accommodation for C&YP experiencing DFSV and presenting to SHS on their own. The absence of specialist DFSV refuges for C&YP only serves to reinforce that what they're experiencing is not DFSV. It also diminishes in real terms the long-term impacts of DFSV to C&YP who are victim-survivors and the social and economic costs of not addressing these.

C&YP presenting alone to SHS because of DFSV have unique experiences of DFSV and, therefore, responding appropriately requires a different approach than that needed for adults and accompanying children. Given the number of C&YP presenting to SHS on their own as a result of DFSV, it is clear that the youth SHS sector must be more appropriately resourced and equipped to support this cohort. In order for youth SHS workers to provide person-centred, age-appropriate, trauma-informed responses, funding from the Action Plan should be allocated to sector capacity building. This funding would support the development of best practice guidelines, case management, tools and training to better equip youth SHS workers to respond to this cohort.

Violence against C&YP places a significant economic burden on the government. The costs associated with the impacts of violence against C&YP span multiple service systems, as outlined by an economic impact report commissioned for the Advocate for Children and Young People by Deloitte Access Economics in 2019. The costs associated with violence against C&YP is felt across the health, education, justice, and housing and homelessness systems, as well as more broadly through productivity losses and decreased quality of life and lifespan. In 2016–17, the estimated annual burden of violence against C&YP in Australia, including financial and non-financial costs, was \$34.2 billion⁸. It is evident that adequate investment in C&YP experiencing DFSV violence would be economically beneficial in the long term.

Yfoundations calls on the Australian Government to recognise C&YP who are unaccompanied or experiencing DFSV alone as a distinct cohort that requires a distinct response. Additionally, we call for a portion of the funding allocated in the Action Plans to be quarantined for youth-specific DFSV responses and accommodation.

⁸ Deloitte Access Economics (2019). 'Economic Cost of Violence Against Children and Young People': <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-cost-violence-against-children-050719.pdf>

Recommendation 3: *Commit to fund the Equal Remuneration Order (ERO) and review indexation to ensure funding keeps pace with the real costs of homelessness service delivery*

Australian Government funding for the Equal Remuneration Order (ERO) expires in June 2023, in the face of ballooning cost-of-living pressures and a severely overpriced and contracted rental market.

Current SHS funding is not based on current real need and the method of indexation results in a very low increase from indexation for services, which in no way reflects the real and rising costs of providing services, support and accommodation to people experiencing or at risk of homelessness.

Equal Remuneration Order (ERO)

Yfoundations' member services are extremely concerned about the government's failure to commit to funding the ERO beyond June 2023. We echo these concerns as the absence of ERO funding is likely to result in a considerable loss of staff who will move to other sectors offering better pay and conditions. Further, staff hours will be cut and/or jobs lost at a time when households face ballooning cost-of-living pressures and a severely overpriced and contracted rental market, all of which create increased demand for services and support.

Vitally important homelessness services will be reduced at a time when there is increased demand in the community. The government is placing some of the most vulnerable people in our community at significant risk if it fails to fund the SHS sector for the ERO. The absence of this funding would reduce the availability of vital services for:

- women and children escaping DFSV
- unaccompanied C&YP with nowhere else to go
- people with high and complex needs who need specialist trauma-informed care.

Moreover, the ERO was established to address the gendered undervaluation of work performed in the community services sector, and the SHS sector employs a largely female workforce. The most recent election results demonstrate the importance of gender equality to Australian voters and, in line with this government's commitment to advancing gender equality as a national priority, it is incumbent on this government to ensure an ongoing commitment to funding the ERO.

We strongly urge the Australian Government to provide its commitment to fund the ERO by February 2023 to avoid the SHS sector experiencing staff losses and the consequences resulting from reduced service delivery to people at significant risk.

Indexation

SHS funding under the NHHA is tied to the 2006 Census data. This funding is not based on current real need and the method of indexation (using the wage price index) results in a very low increase from indexation for services, which in no way reflects the real and

rising costs of providing services, support and accommodation to people experiencing or at risk of homelessness. Services are already under severe funding stress to deliver on ever-increasing demand while struggling to meet rising costs and fund long-overdue increases to staff wages. Services are already under severe funding stress to deliver on ever-increasing demand while struggling to meet rising costs and fund long-overdue increases to staff wages.

The Australian Government has failed to increase its share of indexation under the NHHA to reflect the NSW Government's increased funding to homelessness programs of 5.5% to help homelessness services with rising wage costs due to the increases in the minimum wage, CPI and Superannuation Guarantee. We also note that funding for homelessness and housing services was not included in the recent announcement by the Australian Government to allocate \$560 million over four years to assist community services organisations to meet rising costs as a first step in strengthening the community services sector. This creates further disparity within the broader community services sector and an increased risk of homelessness services losing staff to services and programs that can pass on wage increases due to the funding boost.

We are calling on the Australian Government to review the indexation to ensure funding keeps pace with the real costs of this vital service delivery.

Recommendation 4: *Lift Youth Allowance to at least \$73 a day and Commonwealth Rent Assistance by 50%, to accurately reflect both the rising cost-of-living and current housing crises.*

Australia's cost-of-living crisis and housing affordability crisis have dire consequences for young people across the country. The woefully-low income support provided through the Youth Allowance is insufficient in supporting this cohort to meet current living costs.

Yfoundations supports the Australian Council of Social Services (ACOSS) call for a substantial increase in income support payments.

In 2022, ACOSS surveyed 449 people living on JobSeeker, Youth Allowance and Parenting Payments, finding that 96% of respondents were experiencing rental stress and 62% are eating less or skipping meals, with 96% saying the inability to cover the cost-of-living placed harm on both their physical and mental health.⁹

The 6.1% routine indexation applied in January 2023 slightly lifted the Youth Allowance payment to \$281.40 a week, \$207.60 per week below the poverty line¹⁰. To help contextualize this number, CoreLogic's 2023 Quarterly Rental Review found the national median rent for all dwellings to be \$555 per week.¹¹ Adequate income support can help C&YP, particularly those at risk of or experiencing homelessness, to better support themselves in this extremely challenging landscape.

In 2022 Anglicare Australia conducted their annual Rental Affordability Snapshot to explore the opportunities for low-income Australians in finding suitable and affordable rentals. Surveying over 45,000 rental listings on one sample weekend, their findings reveal that rental affordability has reached record lows, and young people (YP) on Centrelink payments are struggling the most. There was 1 property in the entire country that a single person over 18 receiving the Youth Allowance payment could afford to rent, and it was in a share house.¹²

YP locked out of the rental market have limited options. Nationally, social housing has waitlists of over 163,000 households¹³, and no policy requiring community housing providers (CHPs) to quarantine a portion of the dwellings for YP. This explains why in 2018, only 3.1% of social housing principal tenants were YP aged 15–24¹⁴. With financial exclusion from the private rental market and limited pathways into social housing,

⁹Australian Council of Social Services (ACOSS) (2022) 'How JobSeeker and other income support payments are falling behind the cost of living': https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report_web_v02.pdf

¹⁰ACOSS, UNSW (2022) 'Poverty in Australia':

<https://povertyandinequality.acoss.org.au/poverty/#:~:text=Our%202022%20Poverty%20in%20Australia,a%20couple%20with%20%20children>

¹¹ CoreLogic (2023) 'Quarterly Rental Review Report': <https://www.corelogic.com.au/news-research/reports/quarterly-rental-review>

¹² Anglicare Australia (2022) 'Rental Affordability Snapshot': <https://www.anglicare.asn.au/research-advocacy/rental-affordability/>

¹³ Australian Institute of Health and Welfare (2022) 'Housing assistance in Australia': <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>

¹⁴Australian Institute of Health and Welfare (2019) 'Housing assistance in Australia 2019': <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/social-housing-tenants>

unaccompanied YP at risk of or experiencing homelessness are forced to refuge-hop, couch-surf or sleep rough.

A substantial raise in income support for YP would be a lifeline for this cohort. The boosted income support during the pandemic brought 646,000 Australians out of poverty,¹⁵ highlighting that the government's investment in raising income support would have a meaningful impact.

There is ample and reliable evidence that outlines the social costs of entrenched disadvantage and poverty – costs that can be alleviated with appropriate investment in breaking cycles of disadvantage. Inequality can directly affect the economic prosperity of a country; nations with higher levels of inequality experience poorer economic growth¹⁶. Additionally, increased incomes for the unemployed and low-income earners would lead to improved national outcomes in indicators such as health, crime and employment. Raising the rate of income support for YP would help end cycles of poverty and disadvantage, and in turn enhance the economic prosperity of the country.

We support ACOSS's Raise the Rate call for working age payments, including Youth Allowance, to be lifted to at least \$73 a day and rent assistance lifted by 50%, to accurately reflect both the rising cost-of-living and lack of affordable housing.

¹⁵ ACOSS, UNSW (2022). 'Poverty in Australia 2022: A snapshot': <https://povertyandinequality.acoss.org.au/a-snapshot-of-poverty-in-australia-2022/>

¹⁶ Deloitte Access Economics (2018) 'Analysis of the impact of raising benefit rates': <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-1.pdf>