

## **Yfoundations Position on Youth Housing Models**

### **Background Paper (October 2024)**

This Background Paper has been prepared by Yfoundations in consultation with a Working Group of its member organisations to inform the development of the Yfoundations Position Paper on Youth Housing Models

## **1. BACKGROUND**

### **Purpose**

The purposes of this Background Paper, and the Position Paper it informs, are to:

- Identify the need, and requirements, for investment in youth specific housing models as part of the NSW and Federal Governments' budget allocations for additional social housing;
- Identify the continuum of housing options best suited to addressing the needs of young people at risk of and experiencing homelessness in NSW to contribute to the objective of making child and youth homelessness rare, brief and non-recurring; and
- Advocate for investment in these models as part of the development and implementation in the forthcoming NSW Child and Youth Homelessness Action Plan.

### **Context**

In the context of a housing crisis across Australia and recognition of the relationship between housing supply and homelessness, both the NSW Government and the Australian Government have included funding for additional investment in their 2024/25 Budgets.

#### NSW Budget

The NSW Budget includes an additional \$6.6 billion investment in social housing and homelessness over 4 years for the following:

- \$5.1 billion for the construction of 8,400 new social homes, including 2,200 replacement dwellings, and with a stated focus on housing for women escaping domestic and family violence;
- \$810 million for maintenance and minor works to bring existing social housing stock back online and prevent disrepair;
- \$202.6 million to the Aboriginal Housing Office to support critical capital maintenance of First Nations social homes; and
- \$527.6 million for homelessness.

It is understood that the \$527.6 million for homelessness includes the \$260 million budget allocation for the operation of the Temporary Accommodation Program, \$120 million for priority cohorts including people exiting prisons, people with mental health issues and youth, funding for indexation of grants to the specialist homelessness sector and a \$100 million 'Homelessness Innovation Fund'.

The Homelessness Innovation Fund has two broad focus areas:

- Reform of temporary accommodation (TA) - proposals are sought from specialist homelessness services and community housing providers that contribute to the objectives of reducing the cost, use and length of stay in TA, that move away from TA being provided in private hotels and motels and increase the level of support provided to people staying in TA.
- Service reform and innovation - proposals are sought that contribute to the following purposes:
  - Transforming current accommodation and/or service responses to deliver more and better outcomes for clients;
  - Action-research to test new service delivery approaches; and
  - Increasing the flexibility of assets and/or supports so they can adapt to changing need and demand for services and housing.

The Fund documentation includes the following examples of initiatives that might be funded under this focus area:

- Using meanwhile use properties to increase supply of medium-term accommodation for people with less complex needs;
- Reconfiguring existing crisis or transitional accommodation to accommodate more clients, or to improve outcomes for clients;
- Flexible outreach supports for clients with complex needs, including those staying in motels;
- New or improved responses for specific cohorts, including children and young people.

Recent investments have also been made into youth housing under the Community Housing Innovation Fund in the Illawarra Region, Central Sydney and Central Coast. It is understood that that Fund is no longer in operation, although consideration may be given to other proposals received that were not funded in the last round of applications.

### Federal Budget

In addition to the commitment to the National Agreement on Social Housing and Homelessness (NASHH) which sustains the Commonwealth contribution for specialist homelessness services over the next 4 years, the Federal Budget includes the following investments:

- \$1 billion under the National Housing Infrastructure Facility for crisis and transitional accommodation for women and children escaping domestic and family violence and for youth. \$700 million of this funding has been directed to grants

and the remaining funds will be distributed via concessional loans. At this stage the actual allocation under the Facility for youth accommodation is yet to be publicised;

- \$1 billion for States and Territories under the Housing Support Program to deliver new housing sooner, including for essential services such as water, power, sewerage and roads. Previous announcements and discussions suggest that around \$250 million of this funding will be dedicated to increasing the supply of social housing.

### **Current policy environment**

Yfoundations has developed a position paper in relation to the reform of temporary accommodation under the NSW Homelessness Innovation Fund, advocating that the reforms help establish TA as an entry point for young people to a better coordinated service system with more appropriate options to move onto. As there is currently a limited supply of these exit points, one of the principles identified in that Position Paper is that reforms to temporary accommodation aimed at improving outcomes for young people need to be coupled with new investment in accommodation and housing supply targeted to this cohort.

Yfoundations has also recently made a submission to the Federal Treasury in relation to the National Housing Infrastructure Facility. Key recommendations made in that submission include that:

- Geographically, investment under the fund needs to be informed by an analysis of where there is unmet need and that implementation should be undertaken with all levels of government and the specialist homelessness sector;
- The ongoing cost of support provision in crisis and transitional accommodation for young people needs to be factored into the funding allocation process and further necessitates collaboration with State and Territory Governments;
- Given the cost and revenue constraints associated with providing crisis and transitional housing for young people, a greater proportion of the grant component of the available funding should be allocated to youth projects;

Yfoundations has long advocated the need for a standalone National Child and Youth Homelessness and Housing Plan to complement the National Housing and Homelessness Plan committed to, but yet to be delivered, by the Australian Government. Likewise, our submission on the National Housing and Homelessness Plan Bill 2024 called for a specific and separate focus on unaccompanied children and youth who are at risk of and experiencing homelessness to ensure that the differing and distinct needs of this often forgotten cohort are adequately addressed.

Whilst we have been encouraged by the NSW Government's commitment to develop a Child and Youth Homelessness and Housing Action Plan as part of its Housing and Homelessness Strategy, details of the Strategy and Plan, including when they will be

delivered and what funding will be allocated for their implementation, are yet to be provided.

This Background Paper and the Position Paper it informs have been developed on the understanding that the vision of the NSW Homelessness Strategy is that 'NSW is a place where homelessness is rare, brief and not repeated because people have a safe home and the support to keep it'. It is also understood that the Strategy will be underpinned by a number of principles, including:

- Housing is a human right;
- Prevention is prioritised;
- People with lived experience inform service design;
- Housing First principles are embodied into policy and practice;
- The service system is joined up and coordinated; and
- Service planning and delivery is flexible and localised.

Reflecting the emphasis on ensuring that service design is informed by people with lived experience, in August 2024 as part of Homelessness Week, Yfoundations facilitated a meeting between its Youth Homelessness Representative Council (YHRC) and the CEO of Homes NSW to discuss what constitutes a 'home' for a young person. The views of the YHRC regarding the requirements that need to be met in order for a dwelling to constitute a home for a young person that has experienced homelessness are detailed in a separate Position Paper. Key elements of the YHRC Position Paper are referenced in this paper to ensure it is informed by the lived experience perspective.

Yfoundations sees development and implementation of the NSW Child and Youth Homelessness and Housing Action Plan under the NSW Homelessness Strategy as a once in a generation opportunity to make a meaningful and lasting impact on the level of child and youth homelessness in this State, such that child and youth homelessness can and should be rare, brief and non-recurring. To achieve this objective, the Plan needs to draw together all relevant parties across the Government and the non-government sectors that have a role to play. It also needs to draw together and provide the strategic and practical direction for the funding available under the State and Federal Budgets.

Investment in the right housing models for young people that is well targeted to those most in need is an essential component to addressing child and youth homelessness. The NSW Child and Youth Homelessness and Housing Action Plan must include commitments to fund accommodation and housing for unaccompanied children and young people. This Background Paper and the Position Paper it informs have been developed to inform and guide strategic and effective investment in youth housing models under the NSW Child and Youth Homelessness and Housing Action Plan.

## **2. THE HOUSING NEEDS OF HOMELESS YOUNG PEOPLE**

### **Defining Children and Young People**

Based on the *Children and Young People (Care and Protection) Act 1988* in NSW which defines a child as anyone young than 16 years, there are two distinct groups focused on in the child and youth homelessness sector:

1. Unaccompanied 'children' between the ages of 12 and 15 years who are homeless and are presenting to specialist homelessness services in their own right, rather than with a parent or guardian; and
2. 'Young people' aged 16 to 24 years who are homeless and seeking assistance from specialist homelessness services and/or temporary accommodation.

Unaccompanied children are responded to under the 'Unaccompanied Children 12-15 Years Accessing Specialist Homelessness Services' Policy by specialist homelessness services funded under the Homeless Youth Assistance Program (HYAP). Importantly, the Policy outlines the requirements of the child protection and out-of-home-care systems in responding to the needs of unaccompanied children. Following consultation and a survey conducted with HYAP providers, Yfoundations provided a comprehensive report to the Department of Communities and Justice (DCJ) and Homes NSW in early August 2024 identifying opportunities for improvements to the operation of the Under 16's Policy.

Unaccompanied children require a response that prioritises their needs from a child protection perspective. This group must be treated as a priority in its own right under the NSW Child and Youth Homelessness Action Plan, emphasising the need for, and benefits of, early intervention to prevent these children becoming entrenched in homelessness in the longer term. Whilst not all of these children will enter the child protection system, in the vast majority of cases interventions will not be focused on housing solutions given their age and developmental needs. For this reason this Background Paper, and the Position Paper it informs, are focused on young people aged 16 to 24 years, rather than unaccompanied children. Yfoundations remains committed to achieving improved outcomes for the 12-15 age group and awaits the opportunity to progress the recommendations made in its report of August 2024.

It is important to recognise that nationally, at a legal and policy level, children are generally defined as any person under the age of 18 years. As a general proposition it is unhelpful to view a child who has experienced the disadvantages associated with homelessness, as suddenly having different support needs by virtue of turning 16 years of age. Whilst individual needs will differ according to a broad range of factors including life experiences, level of psycho-social development and what stage a child or young person is in the cycle of homelessness, many 16 - 18 year olds (and some at an older age) will have the same developmental needs as a 15 year old. Accordingly, flexibility is required in programmatic responses that can take account of, and respond to, these developmental requirements and individual differences.

In terms of funding accommodation and housing products, we must be mindful that the United Nations Convention on the Rights of the Child - which Australia has ratified - defines

a child as 'every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier'.<sup>1</sup> In this context it is also important to recognise that the Australian Government and all States and Territories are signatories to the National Principles for Child Safe Organisations, Principle 8 of which requires that procurement policies ensure the safety of children and young people.

## **The statistics on child and youth homelessness and housing outcomes in Australia and NSW**

The limitations of the available data in counting the actual level of youth homelessness across Australia and in NSW are well recognised.

Despite the Australian Bureau of Statistics acknowledgment of the difficulties in measuring the extent of couch surfing (one of the most prevalent forms of youth homelessness), because it is often masked and misreported<sup>2</sup>, on Census night in 2021 38% (over 46,500) of the 122,494 people identified as homeless were under 24 years of age and 23% (over 28,000) were aged 12-24 years. The number of young people identified as being homeless increased by 2,500 between the 2016 and 2021 Census.

Specialist Homelessness Services data tells an important story about the children and young people who are seeking a service. Across Australia in 2022/23 around 38,300 children and young people aged 15 - 24 years presented on their own to a specialist homelessness service, representing 14% of the total population group that sought assistance that year. 12,994 if these young people presented to services in NSW.<sup>3</sup> On any given day in NSW, 3,800 of the 19,000 people presenting to a specialist homelessness service were young people presenting alone.<sup>4</sup>

Nearly half of the children and young people presenting alone to a Specialist Homelessness Service needing crisis accommodation across Australia did not receive it. 45% of the 38,300 children and young people presenting to specialist homelessness service in 2022/23 were seeking short-term or crisis accommodation. Only 49% of these children and young people were able to be provided with that service. Children and young people are being turned away because youth Specialist Homelessness Services are underfunded and overstretched and there is not an adequate supply of appropriate accommodation immediately available to respond.

Many young people become stuck in homelessness due to the lack of appropriate accommodation options available to move to from a crisis service. Where they became

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<sup>1</sup> Refer Article 1 of United Nation Convention on the Rights of the Child <https://www.unicef.org.au/united-nations-convention-on-the-rights-of-the-child>

<sup>2</sup> ABS (2018) *Census of Population and Housing: estimating homelessness 2016*

<sup>3</sup> Australian Institute of Health and Welfare (AIHW) (Feb 2024), *Homelessness and homelessness services*

<sup>4</sup> [https://www.aihw.gov.au/getmedia/873fa1de-1a75-45c4-a85d-3034d9ddb668/hou\\_333\\_oagd\\_nsw.pdf](https://www.aihw.gov.au/getmedia/873fa1de-1a75-45c4-a85d-3034d9ddb668/hou_333_oagd_nsw.pdf)

homeless as children, it is often a failure of the child protection and out-of-home-care systems that leads them to become stuck in the crisis accommodation system. Across Australia, of the young people presenting to homelessness services in 2022/23 that were seeking medium term/transitional housing, only 25% were able to access such housing. Only 4.3% of those requiring long-term housing were able to be provided it.<sup>5</sup>

The difficulties for people experiencing homelessness in NSW to find longer term housing were highlighted in the Ernst and Young Specialist Homelessness Services Program Evaluation Report which found of the total population seeking assistance in NSW over the evaluation period (2016/17 - 2021/22), 30.4% were assisted with short-term accommodation, 20.8% were able to be assisted with medium-term accommodation, whilst only 1.7% were able to access long-term accommodation. The lack of appropriate exit options in NSW leads to homeless people having to re-present to crisis accommodation services, often multiple times. Over the evaluation period 35% of 12-15 year olds re-presented whilst the re-presentation rate for 16-24 year olds was 42%.

The evaluation found that, "Based on consultation evidence, there appears to be minimal availability of dedicated SHS youth-specific services and accommodation options, when compared to the growing size of the youth cohort of clients".<sup>6</sup>

### **The housing affordability crisis disproportionately affects young people**

The Anglicare 2024 Rental Affordability Snapshot found that of the 45,115 rental listings reviewed, none (zero) were affordable for a young person on Youth Allowance.<sup>7</sup> The National Housing Supply and Affordability Council, 'State of the Housing System' Report of 2024 noted that the worsening affordability of housing is particularly problematic for vulnerable groups, including young people, and that declining rental affordability correlates with an increase in homelessness.<sup>8</sup>

In the current housing crisis, where the competition for a limited supply of housing is unprecedented, a young person with no rental history and inadequate income has limited, if any prospects, of securing a home in the private rental market. Whilst the NSW Government's investment in more social housing will go some way to relieving the housing crisis, it is insufficient to resolve the current waiting list, let alone provide long-term housing in the future for all of the children and young currently at risk of and experiencing homelessness in NSW.

The housing crisis presents a particular challenge for youth homelessness services to find appropriate exit options from the crisis accommodation system. This challenge is outside the control of the sector and requires longer-term strategic investment by Government into appropriate housing options for young people.

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<sup>5</sup> Ibid

<sup>6</sup> Page 186

<sup>7</sup> <https://www.anglicare.asn.au/publications/2024-rental-affordability-snapshot/>

<sup>8</sup> Page 3

## **Homeless children and young people often have complex needs - domestic and family violence is a major driver of child and youth homelessness**

Of the young people presenting alone to specialist homelessness services in NSW in 2022/23, the data indicates that 53% had a current mental health issue, 31% reported experiencing family and domestic violence and 14% reported experiencing problematic drug and alcohol use.<sup>9</sup>

In understanding the prevalence and significance of domestic and family violence in the homeless youth population, it is important to recognise the limitations of the data collection process which only collects information on the main reasons identified by young people for presenting on intake.

In NSW youth specialist homelessness services have reported to Yfoundations that close to 80-90% of young people entering their services have experienced or are escaping domestic and family violence. Melbourne City Mission in Victoria has also reported that almost every single child and young person turning up to their refuges had experienced domestic and family violence in some way.

The exposure of children and young people to domestic and family violence is often seen as their experience witnessing violence from a male parent to female parent. However, the experience of young people experiencing domestic and family violence 'in their own right' as a victim survivor is often invisible to the domestic and family violence service system and the available support and responses. The impact of the trauma of these experiences can result in violent behaviour and responses from young people that can also go unrecognised.<sup>10</sup>

Children and young people who have experienced domestic and family violence are also not likely to seek out specifically funded domestic and family violence services. This is attributed to the lack of age appropriate services, not knowing about the adult services available, not being eligible for the adult services, and fear of the consequences and potential involvement of child protection services.<sup>11</sup> This results in children and young people staying with friends - i.e. couch surfing - to avoid conflict at home or presenting to a specialist homelessness service reporting a range of issues, such as mental health as opposed to domestic and family violence.

Dr Carmel Hobb's research, *'Young, in love and in danger'*, highlights that children and young people who are dependent on their abusive partners for housing and unable to live with family were unable to leave violent relationships. Without access to affordable housing options, they were facing homelessness and having to sleep rough. The combination of no

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<sup>9</sup> <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/young-people-presenting-alone>

<sup>10</sup> Corrie, T and Moore, S (2021). *Amplify: Turning up the volume on young people and family violence*, Research Report, Melbourne City Mission.

<sup>11</sup> Ibid



family support, shortage of emergency housing, no or low incomes as they were not fully accessing Centrelink benefits, pushed them to remain in violent relationships.<sup>12</sup>

Recognition and treatment of the trauma leading to, and associated with the experience of, homelessness is a fundamental requirement of housing models for homeless youth. The overwhelming prevalence of domestic and family violence in the lives of these young people necessitates investment in the associated expertise required and justifies that a significant proportion of Government investments in preventing and responding to domestic and family violence, including accommodation and housing, be prioritised to this cohort.

### **Homelessness won't be solved without addressing the needs of children and young people who are at risk of and experiencing homelessness**

We know from research that people who experience homelessness as a child or young person are more likely to face homelessness again as an adult.<sup>13</sup> The important 2013 Australian Housing and Urban Research Institute (AHURI) research, *'Lifetime and intergenerational experiences of homelessness in Australia'*, found that half of the adults experiencing homelessness who they surveyed had run away from home before they were 18 years old, experiencing a period of child or youth homelessness. For those who had experienced homelessness before the age of 18 years, it was not just one instance of homelessness, it was numerous.

The cumulative effects of disruption to education, transition to employment, and social networks; and the trauma of harsh living conditions, exposure to sexual exploitation, violence and poverty can have far-reaching and long-lasting impacts.

Preventing or reducing the impact of homelessness for children and young people will have life-long benefits to those individuals and alleviate the long-term demand pressures on the adult homelessness service system, as well as the health, mental health and social welfare systems.

### **Why the experience of homelessness is different for children and young people and needs a different response than for adults**

Ending child and youth homelessness can only be achieved if the specific needs of the cohort are addressed and housing and other services are provided in a developmentally appropriate way. Children and young people cannot be provided housing and support in the same way as adults for the following reasons:

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<sup>12</sup> Hobbs, C (2022). *Young, in love and in danger: Teen domestic violence and abuse in Tasmania*, Research Report, Anglicare Tasmania and Social Action and Research Centre.

<sup>13</sup> Flatau P et al (2013), *Lifetime and intergenerational experiences of homelessness in Australia*, AHURI National Report 200. Melbourne. Australian Housing and Urban Research Institute

- Children and young people don't have the same coping strategies and resources generally attributed to adults (whether that's financial, support networks or life experience) to self-address their lack of access to housing and services. This means responses to children and young people presenting as homeless requires the service system to respond differently, particularly by adopting a trauma-informed, age and development-appropriate lens to any response.
- Children and young people need age and developmentally appropriate responses. Successful responses for adults such as Housing First are not going to be suitable for children and young people who might need care first as opposed to housing first.
- We know the triggers that escalate children and young people into homelessness are different to those of adults: neglect; family breakdown and dysfunction; lack of effective care and guardianship by family or state governments; homophobia; and transphobia.
- While we know that other dominant triggers such as domestic and family violence and sexual violence, abuse, racism and poverty are also key triggers for adults, children and young people don't have the same experiences, coping strategies or resources as adults, which will most likely make them more vulnerable and their experiences more likely to be dangerous.
- We also need to recognise that these triggers - or precursors into homelessness - for children and young people will be traumatic. We know that trauma can have devastating impacts on children and young people, which will carry into their adult lives. Specialised responses must be responsive to trauma and consider ways that children and young people can heal to reduce the long-term impacts in their adult lives.

### **3. HOUSING SOLUTIONS FOR HOMELESS YOUTH**

#### **Young people require different housing solutions to adults**

The broad approach required to address child and youth homelessness must include a focus on, and investment in, a diverse range of housing models that respond to their differing needs and that focus on rapidly housing them safely with appropriate support. Support provision, that includes a focus on living skills and preparation for independence, is an essential component of all housing models for young people.

Safety is the first priority when housing a young person. Then it's possible to focus on working with the young person to identify the best long-term housing solution they may seek to move to over time if required, appropriate to their age, level of development and capacity for independent living.

Often young people don't need long-term housing solutions. With time-limited housing and the right tailored support, they can move on to the right next step - whether that is returning to family or moving into their own independent housing. However, given the inherent vulnerabilities of young people, this housing needs to be separate from housing for the adult homeless population.

Insights from the Youth Homelessness Representative Council:

*Tenure is a concept that often differs for young people. Depending on their circumstances, a young person may consider a 'home' to be suitable accommodation that they can comfortably stay in for more than 6 to 12 months. What is more important to young people is the nature of that accommodation and the way it is provided.*

A Housing First model - where allocating long-term housing is the first response, combined with wrap around supports to assist the person to sustain their tenancy, is a very effective adult homelessness response. However, this is not always the right response for young people. As detailed further below, whilst the Housing First for Youth model may be more appropriate for some young people, what is more important is the commonality of the principles underpinning Housing First for Youth with all successful youth housing models.

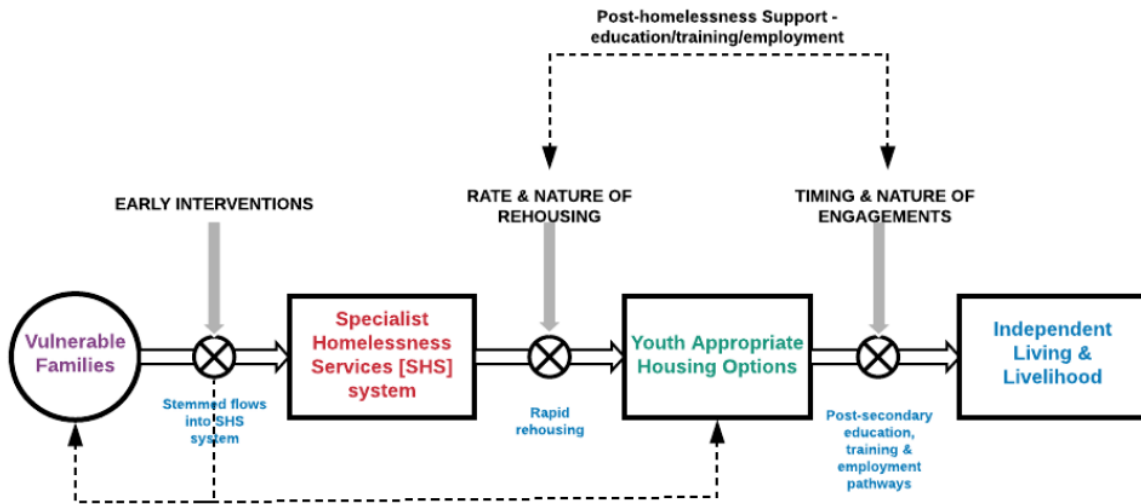
Whilst the NSW Government's investment into more social housing is welcome and will make a contribution to reducing homelessness, it is important to recognise that the number of new homes coming online will not even deal with the waiting list for social housing properties, let alone be able to respond to the future housing needs of all children and young people who are homeless today.

This highlights the need for investment in housing models for young people that can prepare them for a life free of homelessness that does not necessarily rely on social housing in the longer-term. Whilst it is the case that for some, social housing will be the right long-term housing product to address their specific needs, this is not a realistic, inevitable or sustainable solution for all children and young people experiencing homelessness. The particular challenges presented to young people by the housing crisis also highlight the need for models that can put them in the strongest position possible to compete in the private rental market in the future.

Simply put, investment in the right youth housing models will drive down the future demand for social housing and ensure that it is available for those most in need of it. For this reason, youth housing models are most effectively seen as a key element of a service system response aimed at enabling independent living, as demonstrated in the following diagram<sup>14</sup>:

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<sup>14</sup> McKenzie D, Hand T, Zufferey C, McNeils S, Spinney A & Tedmanson D (April 2020), 'Redesign of a homelessness service system for young people', Page 25. From the AHURI Inquiry: An effective homelessness services system (<http://www.ahuri.edu.au/research/final-reports/327>)



Source: Developed by MacKenzie, D.

## Housing models for young people

For young people, we have well established youth specific housing models and support practice frameworks that work to set them up for independent living. We know these models work well where the housing provided is high quality and in the right location, and the support services are adequately funded to address the level and complexities of support required.

Notwithstanding the NSW Government's focus on innovation and new ideas, the historic under-funding of the continuum of housing options that enable children and young people to transition to a life free of homelessness, clearly points to the need for more investment in what works as part of the roll-out of the housing and homelessness package in the NSW Budget.

The right model at the initial point of being housed may be a short-term option with high levels of support, allowing for a transition to other forms of accommodation over time or a medium- to long-term option with lower levels of support. Responses should be focused on flexibility, so services are best able to respond to the individual needs of young people and ensure they are able to support a young person to have agency in setting and meeting their own housing goals.

The considerations for what type of model may be appropriate include:

- age
- level of development/ skills for independent living
- health and mental health status
- type and availability of support services
- income level and capacity to participate in employment

- longer-term housing and independent living aims.

### Continuum of accommodation and housing options needed for young people

The key aspects of the continuum of housing models that are needed by young people to move from homelessness to an independent life free of homelessness are summarised in the following table<sup>15</sup>:

Housing model	Crisis		Medium term (or semi-independent)	Transitional		
	Refuge	Self-contained units		Standard	Transitional Housing Plus	Youth Foyers
<b>Eligibility</b>	At risk of homelessness or homeless	At risk of homelessness or homeless	Homeless + need for additional support (life skills) and/or development (maturity) to develop capacity to sustain tenancy	Homeless + capacity to sustain tenancy with support	Homeless + capacity to sustain tenancy with support + commitment to education, training & employment	Homeless + capacity to sustain tenancy with support + commitment to education, training & employment + sign up to 'Foyer Deal'
<b>Age</b>	Varies	16-25 years	Varies, priority for 16-18 years	16-25 years	16-25 years	Varies
<b>Length of tenure</b>	0-3 months*	0-3 months*	12-24 months	Up to 18 months	Up to 5 years	12-24 months
<b>Property type</b>	Rooms with shared living e.g. kitchen	Units with some shared living spaces	Rooms or units with shared living	Self-contained dwellings, includes some share housing	Self-contained dwellings, includes some share housing	Self-contained units with shared living spaces
<b>SHS support type</b>	24/7 staffing or daily on-site with nights on-call	Daily on-site with nights on-call	24/7 staffing or daily on-site with nights on-call	Independent living with outreach support	Independent living with outreach support	Can be 24/7 staffing or daily on-site with nights on-call
<b>Support practice (person centred, trauma informed)</b>	Supporting young people to stabilise and dealing with immediate crisis of homelessness and other matters that may be presenting for them.	Supporting young people to stabilise and dealing with immediate crisis of homelessness and other matters that may be presenting for them.	Building basic living skills to sustain a tenancy and move towards independent living.	Developing independent living capacity and planning a sustainable exit to long term housing.	Pathways to independence through training, education and employment.	Pathways to independence through training, education and employment.  Specialised accreditation through the Foyer Foundation.

\* Can be longer when there are limited exit options

<sup>15</sup> Yfoundations Submission: National Housing & Homelessness Plan Issues Paper, October 2023

## **Crisis accommodation**

Crisis accommodation in youth refuges is a critical component of the response to child and youth homelessness, aimed at providing a safe roof over the heads of children and young people that have become homeless and providing and connecting them to the supports they require to enable them to transition to longer-term housing suitable to their needs.

Youth specialist homelessness services are funded by the Commonwealth and State Governments under the National Agreement on Social Housing and Homelessness to provide the support and to operate these services.

In NSW the buildings in which crisis accommodation is provided are often owned by the NSW Government and managed by community housing providers. Crisis accommodation generally requires 24 hour staffing in refuges and on-call overnight in self-contained units. It is, by its nature, a high-cost housing product to manage. There are higher cleaning and repair costs due to the shorter tenure and turnover of residents. The nature of the complexity of the residents can result in higher likelihood of property damage and additional costs. Many of the buildings that have been supplied for crisis accommodation are inadequate or inappropriate for the service model, contributing further to ongoing and higher maintenance costs. For these reasons, in many cases in NSW the maintenance cost of youth refuges attracts ongoing funding from the Government.

The high turn-away rate of children and young people from specialist homelessness service crisis accommodation is testament to the fact that there is simply not enough crisis accommodation available for children and young people in NSW. The lack of crisis accommodation, particularly in rural and regional locations is well recognised.

Notwithstanding the opportunities that may, or may not arise from the reform of Temporary Accommodation to more effectively utilise that product as an appropriate intake point for young people into a better resourced and coordinated response to their homelessness, crisis accommodation remains a critical and fundamental component of a system aimed at stabilising a young person and connecting them to appropriate longer-term housing solutions. As such, realising the objective of making child and youth homeless rare, brief and non-recurring requires investment in crisis accommodation in the communities it is most needed to prevent young people becoming further dislocated from the systems and supports critical to resolving their homelessness.

### Insights from the Youth Homelessness Representative Council:

*Crisis accommodation is a critical first step in the transition from homelessness to independence. Whilst many of the same requirements apply, where provided for 3 to 6 months, crisis accommodation does not need to be viewed as a 'home' for young people exiting homelessness.*

*Being in crisis accommodation should enable a young person to deal with the most urgent things in their life, like obtaining identification documents, accessing social security and resolving legal issues. It should also be an environment in which a young person can start to build their basic life skills, like cooking, cleaning and self-care.*

*Being in crisis accommodation should also enable a young person to start planning for where they need to go next, be that to medium-term or transitional housing, or a permanent home, and to identify what they need to achieve to make that move. However, at present there are inadequate exit options for many young people who become stuck in a cycle homelessness that includes repeat presentations to crisis services.*

*One of the most important objectives of crisis accommodation should be to enable a young person to feel safe. However, in an environment where there is no place for a young person to move onto, this objective can rarely be fully achieved.*

## **Medium-term housing**

Medium-term accommodation provides supported housing for young people with staff onsite 24/7 or on call at night. Much like crisis accommodation, medium-term accommodation provides young people with safe and stable accommodation, with holistic wraparound support and trauma-informed care that can reconnect them with family where that is possible and desirable and connect them to the other services and supports that they need. Unlike crisis accommodation, medium-term accommodation permits young people to reside in the service for 2 - 3 years, as they complete their education or training, and develop critical living skills. These medium-term services take into consideration that trauma and level of development significantly impact on a young person's capacity to live independently.

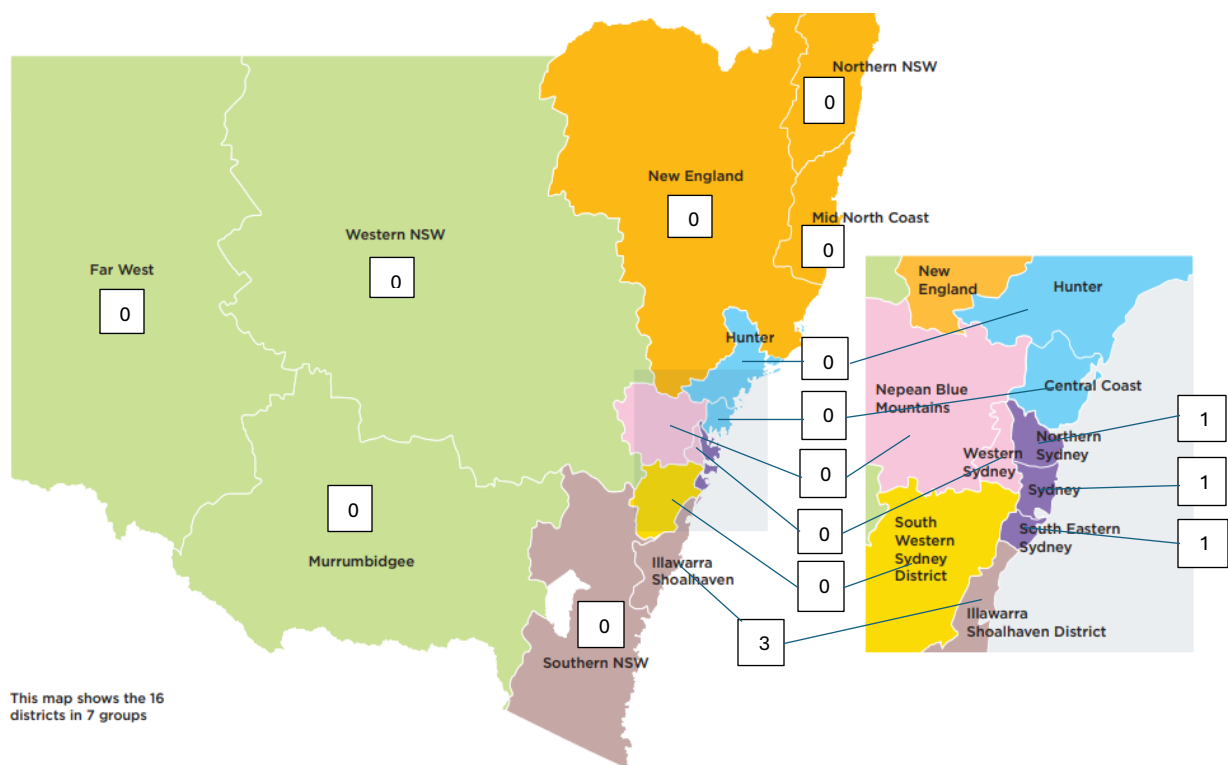
Medium-term housing is generally targeted towards 16 - 18 year olds. Recognising that adolescence is typically a time of increased personal conflict and risk-taking behaviour and that early trauma can further impair executive functioning and self-regulation, this group are at particular risk of negative trajectories. Medium-term housing is most suitable for those in this age group who are not developmentally ready for the increased level of independence that is typical of transitional housing arrangements. These young people need more intensive, medium-term support to continue their education and transition to independence.

Medium-term accommodation is provided in a home-like environment, the configuration of which varies between providers. Some medium-term accommodation is in the form of units inside a larger-property, other medium-term accommodation is provided in separate bedrooms within a shared house. This is a specialist youth model of housing requiring a thorough understanding of the needs of, and commitment to working with, the target client group both in providing both the accommodation and support components of the model.

Perhaps as an unintended consequence, but a consequence nonetheless, the Going Home Staying Home reforms in NSW resulted in a critical loss of medium-term youth

accommodation services<sup>16</sup> such that there were only 5 medium-term services for 16 - 18 year olds remaining at the conclusion of that reform process. Due to the lack of medium-term supported housing options, children and young people must rely on short-term crisis accommodation, which often results in them moving frequently, leading to disrupted education and loss of community connections and becoming stuck in the cycle of homelessness. The current funding environment has also led to some providers not being able to resource adequate staffing of medium-term services overnight and on weekends.

There are currently only 6 medium-term housing services in NSW available for young people that have experienced homelessness. As demonstrated in the map below these are located only on the coastal fringe between Northern Sydney and the Illawarra Shoalhaven. Highly populated areas like Western Sydney or the Hunter have no service. For young people across the vast majority of the State there is simply no medium-term housing available. As is the case for crisis accommodation, the options are more limited, or in the case of medium-term housing, non-existent, in rural and regional locations. This often results in young people becoming further isolated from their communities and support networks as they have to move out of area to access the type of housing they need.



<sup>16</sup> KPMG (2015) Going Home Staying Home Post Implementation Review: Final Report, NSW Family and Community Services



## **Transitional housing**

Transitional housing comes in a range of forms with the length of tenure ranging from 18 months up to 5 years depending on the model and the needs of the client. Whilst transitional housing is offered to young people across the full age-range of 16 to 24 years, it is best suited to those more developmentally ready for programs designed to support transition to independent living. As such, some models emphasise the importance of education, training and employment and require participation in relevant programs as a condition of the young person's residency.

Transitional housing is generally provided in self-contained solo or shared dwellings with shared living spaces also on site. It is a supported housing product with youth specialist homelessness services funded to provide support to young people throughout the period of their tenure to support them to manage a whole range of personal and health issues; and assist them to build their skills to manage a tenancy independently and transition to other long-term housing options. Emphasising this preparation for independent living the Transitional Housing Plus model, for example, institutes a transition from subsidised to market rent so that by the time a young person is ready to move on from the program they are able to live without ongoing rental subsidy.

Youth transitional housing is generally owned by the NSW Government and managed by registered community housing providers. In the circumstances where the manager of the Transitional Housing is not a specialist homelessness service, the service has the nomination rights to allocate eligible young people to vacant transitional housing properties. Not only does the support need to be provided by organisations with relevant skills and knowledge of youth homelessness, but the housing provider needs to also have a shared commitment to working effectively with young people who have experienced homelessness.

Transitional housing by its nature is also a high-cost housing product to manage for two reasons: higher cleaning and repair costs due to the shorter tenure of each residency/tenancy turnover; greater number of more complex tenancies which can result in higher likelihood of property damage and additional costs. This can especially be the case for youth transitional housing, when young people are specifically learning the skills to live independently during their tenure.

Transitional housing is also sporadically spread across the State with young people in rural and regional locations often left with limited, if any, options but to move away from their communities, families and supports if they require this model to resolve their homelessness. Details of the geographic distribution of transitional housing are held by Homes NSW as the administrator of State and Federal funding. There is a clear need to map all housing options available for young people against the locational statistics on the prevalence of youth homelessness across NSW. There is ample existing information holdings for this to be undertaken in the short-term. This mapping exercise will be a critical input to taking a localised approach to service planning, understood to be one of the principles underpinning the forthcoming NSW Homeless Strategy and Child and Youth Homelessness Action Plan.

## The continuum in action

Yfoundations members are able to provide multiple case studies of young people who have successfully moved through the continuum of youth accommodation and housing models to achieve a life free of homelessness. The following are just a few examples of the outcomes that can be achieved when young people are able to access the services they need.

### Case example:

*Sian was referred to medium-term accommodation from a crisis refuge, where she had been staying for a few weeks. Sian was a 16 year old girl who suffered from depression and whose relationship with her mother had broken down and at times had turned violent. When Sian moved into her medium-term accommodation she was vulnerable and struggled to get out of bed in the mornings to attend school. Her medium-term housing service provided Sian with a stable environment and connected her with the services she needed, such as counselling, to assist her to grow in confidence and move towards independence.*

*When Sian turned 18, she moved into transitional housing where she studied and completed her HSC whilst working part time. Sian no longer sees her counsellor and is off her medications. She has also reconnected with her mother with whom she now lives.*

### Case example:

*When Jaden was 16 years old he was living with his older sister, single father and grandparents, in their family home in Western Sydney when their home was foreclosed, and the family were evicted.*

*Whilst he continued to try to attend school, Jaden was forced to squat, couch surf and sleep rough before he was referred to a crisis accommodation service. After spending some time in the refuge, Jaden was referred to a medium-term housing program. Then aged 17, the program supported Jaden through his HSC by providing safe and stable accommodation, ongoing case management, and a living skills program.*

*With the support of his medium-term housing program, Jaden was not only able to successfully complete his HSC and find and maintain part-time employment in hospitality, but he was also accepted into his preferred university degree.*

*After finishing his degree, Jaden moved into transitional housing before moving to be closer to his family in independent accommodation, whilst continuing to study and work part time.*

**Medium-term and transitional accommodation are an important part of the social housing system that provide a home to young people that have experienced homelessness**

Insights from the Youth Homelessness Representative Council:

*When delivered well, medium-term and transitional accommodation that is provided for 2 to 5 years is where a young person can establish a 'home' and start building their home of the future.*

*Where this housing is empowering, well located, affordable, of good quality and integrated into a community, where support is available and providers are understanding, flexible, consistent, fair and accountable, a young person can flourish and build the skills and resilience for a future free of homelessness. Having a medium-term or transitional home provides the stability needed by a young person to establish lasting community connections and the life skills critical to sustaining a long-term, tenancy whether that be in the private rental market or in social housing.*

*Support in medium-term and transitional accommodation needs to focus on the life-skills needed to establish and sustain a home.*

Given the different relevance of tenure to most young people, as noted by the Youth Homelessness Representative Council, medium-term and transitional housing can and does provide a 'home' for 16 to 24 year olds. Accordingly, Yfoundations is of the view that medium-term and transitional housing need to be treated as a fundamental part of the social housing system, and be funded accordingly. This requires a different and more innovative approach by Government to how it defines and funds social housing. Ongoing resourcing of support provision must be built into the funding model for youth social housing, recognising that this is an essential component in enabling young people to sustain tenancies in the medium and longer-terms and preventing them from cycling in and out of homelessness.

Given that medium-term and transitional housing is generally delivered in more congregated configurations, these models represent a more efficient means by which to deliver a higher number of social housing dwellings within the same development. Coupled with enabling the majority of young people to move to long-term housing arrangements outside of the social housing system, there is a very strong economic case that investment in these models will make a considerable contribution to delivering a more sustainable social housing system overall.

## Long-term housing solutions - the role of Housing First for Youth

### Insights from the Youth Homelessness Representative Council:

*Independent living is the end goal of the homelessness and housing systems. Depending on their needs, for some this will be achieved within a shorter period of time than for others.*

*Young people need access to a range of independent living options. Whilst some young people may need to access social housing in the future, this is not the inevitable end point for children and young people that experience homelessness. Young people that have a positive and effective experience of the transition from homelessness to a long-term home can, and do, establish their independent home in the private housing market.*

As noted above, leaving aside the question of whether it would be desirable, the current environment in NSW is one in where there is not, and will not be, adequate permanent social homes to house all of the young people who are homeless today, or in the future. Accordingly, it is appropriate that a strong focus of the housing provided to young people experiencing homelessness be on enabling them to transition to housing independence outside of the social housing system. This is not to say that a sustained tenancy in long-term social housing should not be the goal of some young people experiencing homelessness or that some young people would not benefit from rapid placement in long-term or permanent social housing with the supports they need. Whilst there may also be potential to facilitate a young person moving into a long-term home in the private rental market and wrap the supports around them, given the disadvantages experienced by young people in general in obtaining private rentals, this option, without a young person having first gone through medium-term and/or transitional housing, is likely to be of limited utility in the current housing environment.

The underlying principle of Housing First is that people are more successful in moving forward in their lives, and out of homelessness, if they are first housed with no preconditions and are then provided with additional services and supports as needed to enable them to sustain that housing. Internationally, where the model has been targeted to adults that have been entrenched in homelessness, and are often experiencing chronic mental health and addiction issues, it has been found to achieve better outcomes than programmatic responses requiring compliance with a range of conditions as part of receiving a housing service.

The international and Australian experience of implementing a Housing First approach, however, is that it is less effective for young people where the model is not appropriately adapted to the needs of the cohort. After embedding a Housing First approach within their *10 Year Plan to End Homelessness (2008)*, the City of Calgary in Canada, for example, experienced a 11.4% drop in its homelessness rate over a 4 year period, however, there

was no reduction in the rate of youth homelessness.<sup>17</sup> In Western Australia the *50 Lives 50 Homes* program used a Housing First approach to house and/or support 427 people experiencing chronic homelessness, 110 of whom were 25 years or younger. The program found that whilst young people were just as likely to sustain a tenancy as adults over the first 6 months (91%), at the eighth month mark young people became more likely to exit their property. At the one year mark, 71% of the young people had sustained their tenancies as compared to 83% for those aged 26 years and above.<sup>18</sup> The evaluation of the program found that, amongst other things, young people required more or different support in order for the Housing First approach to deliver better outcomes for them.

Such experiences have led to the establishment and ongoing development of Housing First for Youth. The Infinity Project in Calgary was one of the early models of this kind and has informed the expansion of the model in other countries. Underpinning the model is the recognition that, "if Housing First is to work for youth, it must be built upon our understanding of the developmental, social and legal needs of young persons".<sup>19</sup> This requires an understanding of why youth homelessness is distinct from adult homelessness and the need for different approaches to house and support young people who experience homelessness. Importantly, advocates recognise that "there is no one single program model for Housing First and that it can take many forms, but the key essentials of any program include access to housing and a range of youth appropriate supports".<sup>20</sup> As such, the model is based on the following broad core principles:

1. Immediate access to 'permanent' housing with no preconditions - involves rapid access to safe and secure housing that meets their needs as quickly as possible;
2. Youth choice and self-determination - emphasises choice in the type of housing the young person needs and the extent and nature of the supports and services they access;
3. Positive youth development orientation - accommodation and supports are to be designed and implemented in the context of the developmental needs of young people and to enable the transition to adulthood;
4. Individualised and client-driven supports - recognition of the individual needs of young people and that once housed, some will need few, if any supports, whilst others will need supports for the rest of their lives;
5. Social and community integration - emphasising assistance for young people integrate and engage in their communities.

Consideration of the outcomes achieved for young people has led advocates of the model to conclude that, "Housing First is clearly a viable, effective and preferred option for some youth, but perhaps not all", and that "Housing First does not promise or pretend to be the only approach to addressing youth homelessness. However, it can and should

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<sup>17</sup> Youth Affairs Council of Western Australia (February 2023), *Housing First for Youth Project Report*, Page 8

<sup>18</sup> Vallesi S, Quinn D & Wood L (August 2021), *Youth Experiences of Housing First*, The University of Western Australia

<sup>19</sup> Gaetz S (2014), *Can Housing First Work for Youth?*, *European Journal of Homelessness*, Vol 8, No 2, December 2014, page 164

<sup>20</sup> *Ibid* Page 166

become an important intervention that supports, and in turn is supported by, other prevention and early intervention strategies, short-term emergency supports, and so on".<sup>21</sup>

In the Western Australian context a comprehensive review of the international literature, coupled with the experience of implementing Housing First in that State led to the conclusion that Housing First for Youth cannot be considered a 'one-size fits all' solution to youth homelessness. It was noted that Housing First generally works best for young people entrenched in homelessness, who have complex trauma, mental health and/or addiction issues that prevent them meeting the pre-conditions for some housing models, whilst other young people may be better suited to long-term transitional accommodation services. As such, the Housing First for Youth (HF4Y) Project Report found that:

*"HF4Y is both a specific program model and a philosophy that should inform the entire spectrum of youth homelessness services. Utilising the principles of the model, HF4Y services can form a key component of a broader systemic strategy to end homelessness, working with other youth homelessness services such as crisis accommodation, and mainstream health and education supports. Alongside this service coordination, key elements of the HF4Y principles such as low threshold supports, prioritisation of rapid housing and youth-specialist service delivery can inform planning and procurement across the entire service system."*<sup>22</sup>

Noting that the NSW Homelessness Strategy will embody Housing First principles in policy and practice, it is of note that perhaps with the exception of the reference to the provision of 'permanent' housing, the above referenced principles of the Housing First for Youth philosophy are largely consistent with the objectives and operating principles of the other models of youth housing considered in this Background Paper. Whilst some young people with complex needs in NSW may benefit from being placed into permanent social housing with the supports they need, it is of note that, with reference to the importance of providing choice, advocates of the Housing First for Youth model have identified the need for a wider spectrum of housing options for young people that includes supported and transitional housing models as well as potentially returning to live with family where that is a viable option.<sup>23</sup>

Whilst Housing First for Youth has potential to meet the needs of some young people, this is likely to be a minority of young people experiencing homelessness. For this reason, this Paper advocates for more investment in the other models of youth housing known to be effective in enabling the majority of young people who are homeless to transition over time to a life free of homelessness and independent of the long-term social housing system. There would, nevertheless, be some utility in quarantining a proportion of the permanent social housing to be built in NSW for those young people who are likely to require it. Given

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<sup>21</sup> Ibid, Pages 163 & 159

<sup>22</sup> Youth Affairs Council of Western Australia (February 2023), Housing First for Youth Project Report, Page 10

<sup>23</sup> Gaetz S (2014), Can Housing First Work for Youth?, European Journal of Homelessness, Vol 8, No 2, December 2014, page 166

the specific needs of young people that have experienced homelessness, management of these homes would need to lie with youth specific and specialist housing providers. Likewise, the expertise required to provide and coordinate the supports needed by the cohort would best be provided by youth specialist homelessness services until the age of 25 years.

As the provision of medium-term and transitional housing are consistent with and integral to the Housing First for Youth approach, they too need to be considered as part of the social housing system for young people and funded accordingly. Rather than signifying that investment in medium-term and transitional housing is not required, adherence to the principles of Housing First for Youth will require greater investment in the full continuum of housing options for youth, prioritising the models most needed and emphasising diversion from permanent social housing wherever possible.

#### **4. CHALLENGES**

##### **The current funding and policy environment limits the potential for more child and youth housing models to be funded and implemented**

The current emphasis on funding social housing, provided by community housing providers, limits the scope for different models to be implemented in NSW.

Whilst the NSW Budget includes new money for more 'social housing' and some additional resourcing for reforms and innovations in homelessness services, the way the policy settings for social housing have been set in NSW does not currently provide for the most conducive housing options for young people at risk of, or experiencing homelessness to support both a rapid rehousing outcome and a transition to independent living over the longer term.

The current social housing policy settings for homes managed by community housing providers<sup>24</sup> are very prescriptive:

- Allocated to eligible households on the NSW Housing Register with a focus on the current prescribed priority household categories.
- Continuous tenure (fixed term tenure is only available for transitional housing, affordable housing and social housing in the Social and Affordable Housing Fund program managed by community housing providers).
- Eligible tenants may apply for a rent subsidy based on their income level with the rent subsidy set at a percentage of income (25-30%) plus 100% of any Commonwealth Rent Assistance (CRA) payment.

As detailed further below, these policy settings and prescriptions are not conducive to the provision of medium-term and transitional housing for young people. Even where a young person will require social housing in the longer-term it is also of note that young people are generally not allocated social housing under the NSW Housing Pathways

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<sup>24</sup> E.g. NSW Community Housing Rent Policy, NSW Community Housing Eligibility Policy, NSW Community Housing Access Policy + NSW Housing Pathways policies and procedures

prioritisation system given the heavy weighting of priority to older people who have a long term, permanent housing need. The move to a Housing First for Youth approach for young people will require substantial change to both housing allocation policies in NSW as well as the operations of housing providers.

### **Housing providers are disincentivised to house young people in social and affordable housing**

Young people experiencing homelessness and presenting for housing assistance at a specialist homelessness service, community housing provider or public housing agency generally have no current form of income or are receiving the lowest statutory benefit payment from the Australian Government, i.e. Youth Allowance.

For young people, having no income or the lowest form of income, and very likely no savings, can act as a barrier or disincentive for mainstream community housing providers to house them for the following reasons:

- Operational policies/practice that do not allow for housing someone with a free rent period or alternatively do not offer a rent payback program when a person has no income. This also applies when a community housing provider requires an upfront rental bond and does not offer a payback scheme.
- Concern that the young person will not be able to sustain the tenancy because they do not have an income, even if it is only for a short period (being able to 'sustain a tenancy' is a key requirement for allocation to social housing).
- Operational policies/practices that aim to fill vacancies within the shortest timeframe and will not keep a vacancy free while a young person resolves their income status with Centrelink, even if they are the highest priority allocation.
- Income based social housing rents (25-30% of income plus 100% of any Commonwealth Rent Assistance payment) that are paid by young people are very low due to the nature of the low value of Youth Allowance payments. In most cases, the rent paid by a young person on Youth Allowance would not cover the operational costs of providing the housing (e.g. tenancy management, maintenance, insurance costs, etc.).
- Discount to market affordable housing rent setting (74.9% of 80% of market rent) is generally unaffordable to young people. The starting market rent is so high that a discount of 20% or 25% is not sufficient to generate rents affordable to young people on Youth Allowance, working in apprenticeships, or in the early stages of their career.

For these reasons, youth housing models need a different approach to rental income. Funding for youth housing needs to take account of the lower income available and subsidise young people's rent, at least until they are able to successfully transition to a market rent environment. As noted above, this is the approach taken in the Transitional Housing Plus model.

As also noted above, housing models for young people are generally higher cost products due to the shorter-tenure of most and the greater number of more complex tenancies



associated with the specific needs of youth that have experienced homelessness. Again, the funding needs to be adjusted up to take account of these higher expenses to ensure young people have adequate access to the housing they need.

In addition, government housing programs that prioritise funding to community housing providers that leverage the highest level of equity or debt finance also act as a disincentive to housing young people. It is understandable why governments have been prioritising this approach for the last 15 years as it enables them to deliver more social and affordable housing for less money. However, as young people do not have sufficient incomes to generate an operating surplus in both social and affordable housing, they cannot be sustainably housed by community housing providers in any of the youth housing models identified without additional financial support to cover the required debt repayments.

The adoption of a Housing First for Youth model that seeks to place young people with high support needs directly into permanent social homes will also require considerable changes to both funding and policy settings. When faced with a straight choice between housing an adult with a rental history, greater readiness to sustain a tenancy, a higher income and less complex support needs, or a young person with high support needs who is unable to comply with the requirements of other supported housing models, it seems unlikely that a housing provider would choose the latter. In order for permanent housing to be made available for this cohort financial incentives are likely to be required along with assurances of a long-term commitment to wrap around support provision.

### **Support provision is a fundamental component of child and youth housing**

As one of the fundamental objectives of child and youth housing models is preparing them to be able to sustain tenancies and live a life free of homelessness, the provision of support focused on preparing them for independence is an essential component.

Reflected in the funding of specialist homelessness services to provide crisis accommodation, there is an ongoing cost of support provision that must be met for youth housing models to succeed. Given the challenges for a housing provider to meet the costs of providing the accommodation component alone, it is clear that an ongoing commitment to funding the support component of child and youth housing models is essential. Whilst the Commonwealth's investment in crisis and transitional housing is welcome, a one-off grant that does not enable or provide for ongoing support in those facilities is inadequate.

The need for support provision is evident across the continuum of youth accommodation and housing models and is perhaps highest for those responded to using a Housing First for Youth approach in permanent social housing. As noted above, the availability of, and commitment to, funding long-term supports for this particular cohort of young people will be a pre-requisite for housing providers to agree to house this group.

Community housing providers that are not youth specialist homelessness services will need to partner with youth SHSs to ensure the success of new youth housing investments. These partnerships, however, should not be forced. It is essential that partnerships are established

based on common purpose and direction, and a commitment to addressing youth homelessness.

**The cost of establishing new housing for young people is prohibitive, particularly for smaller providers**

Given the nature of youth housing models and the limited incomes of young people, there are considerable constraints to being able to generate an operating surplus in youth housing models for housing providers to leverage debt equity or finance loans.

Additionally, the cost of the design and planning processes for new builds can be very high. One medium sized provider, that has successfully developed transitional and longer-term housing for young people reports that they needed considerable cash flow, merely to get to the point that construction could proceed.

There is a clear risk that housing providers, particularly some smaller organisations that are well placed to provide the type of housing that is need by young people, will be reluctant to engage in the provision of these models without a change in the policy and funding settings. Funding for development of youth housing needs to include seed funding so that organisations can deal with up-front costs involved with design, planning and construction of new homes for young people.

Despite these challenges youth specialist homelessness and housing providers can and do develop new housing solutions when adequately funded to do so. Twenty previously homeless young people are flourishing in the below photographed housing, developed with funding provided jointly by the NSW and Australian Governments.

